

Company Code: 600170

Short Name: SCG

# **Shanghai Construction Group Co., Ltd.**

## **2019 Annual Report**

Note: In case of divergence of interpretation, the Annual Report in Chinese shall prevail.



## Important Notes

- I. The Board of Directors and Board of Supervisors, as well as directors, supervisors and senior managers of Shanghai Construction Group Co., Ltd. guarantee that the present annual report is true, accurate and complete in contents without existence of false record, misleading statement or major omission, and undertake the individual and joint legal responsibilities therefore.**
- II. All directors of the Company's Board of Directors attended the board meeting.**
- III. BDO China Shu Lun Pan Certified Public Accountants LLP issued a standard and unqualified audit report.**
- IV. Xu Zheng, the Company responsible person, Yin Keding, person in charge of accounting work and Wang Hongshun, leading member of the accounting body (accountant in charge) announce to guarantee the truth, accuracy and integrity of financial reports in the Annual Report.**
- V. Proposal of profit distribution or plan of reserve transfer to equity considered by the Board of Directors in the report period**

The proposal of profit distribution in 2019: based on the total share capital of the Company of 8,904,397,728 shares, a cash dividend of RMB 1.40 (tax included) is distributed for every 10 shares, with an expected distributed profit of RMB 1,246,615,681.92, and the remaining undistributed profit is carried forward to the next distribution. This implement of the plan is subject to the approval of the Shareholders' Meeting of the Company.

The Company will not participate in this profit distribution by repurchasing its shares held in the special account. If the total share capital of the Company changes due to the repurchase of shares from the date of disclosure of this announcement to the registration date of implementation of equity distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution accordingly. If the subsequent total share capital changes, the specific adjustment will be announced separately.

## **VI. Forward-looking Risk Statement**

☒ Applicable ☐ Not Applicable

Concerning the forward-looking statements with future planning involved in the Report, they do not constitute a substantial commitment for investors. Investors are advised to exercise caution of investment risks.

**VII. Did It Exist that the Controlled Shareholders and Their Related Parties Occupy Funds Non-operationally?**

No

**VIII. Whether or Not there is Guarantee Provided to External Entities in Violation of the Stipulated Decision-making Process?**

No

**IX. Major Risk Warnings**

For the main risks of the Company in the future, please refer to Section IV, Part III of this report “(IV) Possible Risks”.

**X. Miscellaneous**

☐ Applicable ☒ Not Applicable

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## Section I Definition

### I. Definition

In the Report, unless otherwise indicated in meanings, the following words and expressions had implications as follows:

Definition of common terms		
SCG, the Company	refers to	Shanghai Construction Group Co., Ltd.
Construction Corporation, the controlling shareholder	refers to	Shanghai Construction (Group) Corporation
Guosheng Group	refers to	Shanghai Guosheng (Group) Co., Ltd.
Shanghai Municipal Engineering Design Institute	refers to	Shanghai Municipal Engineering Design Institute (Group) Co., Ltd., a wholly owned subsidiary of the Company
“Three Aspects” strategy	refers to	the nationwide development, the coordinated linkage of the whole industrial chain, and the creation of a service provider for the whole life cycle of construction.
1+5+X regional market layout	refers to	“1”-Yangtze River Delta Urban Agglomeration, including Jiangsu, Zhejiang and Anhui. “5”-South China Region, including Guangdong, Guangxi, Fujian and Hainan; Central Plains Region, including Jiangxi, Hubei, Hunan and Henan; Beijing-Tianjin-Hebei Region, including Beijing, Tianjin and Hebei; Southwest Region, including Sichuan, Chongqing and Yunnan; Northeast Region, including Liaoning, Jilin and Heilongjiang. “X”-Focus on provincial capitals in economically developed regions, key cities in coastal urban agglomerations and emerging cities in the “Belt and Road” Initiative strategy.
PPP	refers to	the abbreviation of Public-Private-Partnership
EPC	refers to	the abbreviation of Engineering-Procurement-Construction

## Section II Company Profile and Major Financial Indexes

### I. Company Information

Chinese name of the Company	上海建工集团股份有限公司
Abbreviation of Chinese name	上海建工
English Name of the Company	Shanghai Construction Group Co., Ltd.
Short English Name of the Company	SCG
Legal Representative of the Company	Xu Zheng

### II. Contact Person and Contact Information

	Secretary of the Board of Directors	Representative of Securities Affairs
Name	Li Sheng	Shi Dong
Contact address	No. 666, Dongdaming Road, Shanghai	No. 666, Dongdaming Road, Shanghai
Tel.	021-35100838	021-35318170
Fax	021-55886222	021-55886222
E-mail	ir@scg.com.cn	ir@scg.com.cn

**III. A Brief Introduction to Basic Information**

Company registered address	No. 33, Fushan Road, China (Shanghai) Pilot Free Trade Zone
Postal code of Company registered address	200120
Company business address	No. 666, Dongdaming Road, Hongkou District, Shanghai
Postal code of business address of the Company	200080
Website	www.scg.com.cn
E-mail	ir@scg.com.cn

**IV. Information Disclosure and Filing Location**

Name of newspaper chosen by the Company for information disclosure	China Securities Journal, Shanghai Securities News
Website designated by CSRC for publishing annual report	www.sse.com.cn
Place for preparing annual report	Securities Department of the Company

**V. Corporate Stock**

Stock Profile				
Types of Stock	Stock Exchange	Stock Abbreviation	Stock Code	Stock Abbreviation before Change
A Share	Shanghai Stock Exchange	SCG	600170	G (SCG)

**VI. Other Related Information**

Certified Public Accountants (domestic) engaged by the Company	Name	BDO China Shu Lun Pan Certified Public Accountants LLP
	Office Address	New Huangpu Financial Plaza, 61 Nanjing East Road, Shanghai
	Certified accountant	He Xuchun and Li Shuang

**VII. Principal Accounting Data and Financial Indexes in the Recent Three Years****(I) Major Accounting Data**

Unit: RMB Currency: RMB

Major accounting data	2019	2018	Increase & decrease in this period over the same period of last year (%)	2017
Operating income	205,496,707,808.35	170,545,783,102.81	20.49	142,082,638,561.83
Net profit attributable to shareholders of the listed company	3,930,207,378.11	2,779,866,799.83	41.38	2,584,465,203.87
Net profit attributable to shareholders of the listed company net of non-recurring profits and losses	2,926,912,008.11	2,448,251,381.74	19.55	1,914,463,939.50
Historical net cash flow from operating	4,549,212,209.80	2,395,957,428.84	89.87	5,840,309,283.79

activities				
	End of 2019	End of 2018	Increase & decrease at the end of this period over the end of the same period of previous year (%)	End of 2017
Net assets attributable to shareholders of the listed company	33,054,137,607.00	31,076,817,860.43	6.36	27,022,922,619.55
Total assets	257,280,896,509.10	215,917,663,928.59	19.16	195,685,208,451.92

**(II) Major Financial Indexes**

Major financial indexes	2019	2018	Increase & decrease in this period over the same period of last year (%)	2017
Basic earnings per share (RMB/share)	0.41	0.29	41.38	0.28
Diluted earnings per share (RMB/share)	0.41	0.29	41.38	0.28
Basic earnings per share after deducting non-recurring profit and loss (RMB/share)	0.29	0.25	16.00	0.2
Weighted average return on equity (%)	14.23	10.71	An increase of 3.52 percentage points	10.72
Weighted average return on net worth after deducting non-recurring profit and loss (%)	10.49	9.41	An increase of 1.08 percentage points	7.97

Description on major accounting data and financial indexes in past three years at the end of report period

☐ Applicable ☒ Not Applicable

**VIII. Difference in Accounting Data under Domestic and Foreign Accounting Standards**

**(I) Discrepancy between the net profits and the net assets attributable to shareholders of the Listed Company in the Financial Reports disclosed simultaneously according to the International Accounting Standard and China Accounting Standard**

☐ Applicable ☒ Not Applicable

**(II) Discrepancy between the net profits and the net assets attributable to shareholders of the Listed Company in the Financial Reports disclosed simultaneously according to the Foreign Accounting Standard and China Accounting Standard**

☐ Applicable ☒ Not Applicable

**(III) Explanation on Differences between Foreign and Domestic Accounting Standards:**

☐ Applicable ☒ Not Applicable

**IX. 2019 Quarterly Principal Financial Data**

Unit: RMB Currency: RMB

	Q1 (January - March)	Q2 (April - June)	Q3 (July - September)	Q4 (October - December)
Operating income	47,099,976,904.12	56,402,215,060.51	48,843,356,923.62	53,151,158,920.10
Net profit attributable to shareholders of the listed company	1,317,287,587.90	639,876,122.84	763,818,235.27	1,209,225,432.10
Net profit	606,178,033.03	736,908,677.59	720,208,703.45	863,616,594.04

attributable to shareholders of the listed company net of non-recurring profits or losses				
Historical net cash flow from operating activities	-13,663,232,236.42	870,389,332.82	731,046,673.67	16,611,008,439.73

Explanation of discrepancy between quarterly data and previously disclosed accounting period data

☐ Applicable ☒ Not Applicable

#### X. Items of Non-recurring Profit and Loss and the Relevant Amounts

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Non-recurring profit or loss	Amount in 2019	Remarks (If Applicable)	Amount in 2018	Amount in 2017
Profit or loss on disposal of non-current assets	22,435,351.90		18,246,932.98	41,059,478.93
Government subsidies recognized in current profit and loss, but except the government subsidies closely related to the Company's ordinary activities, complying with stipulations of national policies and continuously enjoyed rationally or quantitatively based on a certain standard	402,465,495.71		352,074,842.64	594,709,690.67
Income from the difference between the cost of an investment in a subsidiary, associate and joint venture and the investee's interests in the fair value of the acquiree's identifiable net assets acquired during the acquisition	276,661.10		193,171.28	
Profit or loss from debt restructuring	41,996.00		5,550.00	3,220.00
Net current profit and loss of the subsidiary acquired in business combination involving entities under common control from the beginning of the period to the combination date				7,629,122.21
Except for the effective hedging activities related to the Company's ordinary activities, profit or loss arising from changes in fair value of financial assets and financial liabilities held for trading, and investment income from disposal of financial assets and financial liabilities held for trading and available-for-sale financial assets.	889,344,425.74		8,400,357.66	23,949,673.97
Non-operating income and expenses other than aforesaid items	-13,758,103.69		32,005,311.22	64,820,806.07
Other profit or loss items that meet the definition of non-recurring profit or loss				43,203,883.50
Effect of minority equity	-6,983,223.93		-1,833,342.06	-9,904,986.44
Effect of income tax	-290,527,232.83		-77,477,405.63	-95,469,624.54
Total	1,003,295,370.00		331,615,418.09	670,001,264.37



**XI. Items Measured by Fair Values**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item name	Beginning balance	Ending balance	Current change	Amount of influence on the current profit
Financial assets held for trading	2,271,282,383.86	3,152,499,005.64	881,216,621.78	726,140,064.35
Receivables financing	4,176,855,658.77	5,116,834,432.35	939,978,773.58	
Other equity instrument investments	614,477,158.64	764,007,075.93	149,529,917.29	
Other non-current financial assets	1,456,176,318.89	1,857,439,448.52	401,263,129.63	142,909,846.67
Total	8,518,791,520.16	10,890,779,962.44	2,371,988,442.28	869,049,911.02

**XII. Miscellaneous**

□ Applicable √Not Applicable

**Section III Business Summary of the Company****I. Description on the Main Business Engaged by the Company, Operation Model and Industrial Conditions in the report period**

After years of development, the Company has formed a main business structure based on construction business, with real estate development business and urban construction investment business as the two wings, and design consulting business and construction industry business as the support. Under the guidance of "Three Aspects" strategy of "the nationwide development, the coordinated linkage of the whole industrial chain, and the creation of a service provider for the whole life cycle of construction", the Company strives to realize the value-added effect of the whole industrial chain of construction through the coordinated development of five major business groups (construction, design consulting, real estate development, urban construction investment, and construction industry).

In 2019, the Company achieved rapid growth in operating income, new contract amount and profit scale, and further promoted its position in the industry. While based on the Shanghai market, the Company continues to expand its domestic market and consolidate and deepen its overseas market. In addition, the Company is committed to becoming a widely praised service provider for the whole life cycle of construction. At present, the Company's five main business sectors are as follows:

**(I) Construction business**

The construction industry is characterized by wide industrial linkage, broad space for technological development and large capacity for employment absorption, which is the pillar industry of China's national economic development. Construction is the traditional advantageous business of SCG, covering super high-rise buildings, hotels, commercial buildings, cultural and sports buildings, public transportation projects (elevated interchange roads, expressways, subways, tunnels, bridges, etc.), underground space development, landscaping projects, industrial buildings, environmental protection projects, water conservancy and hydropower projects, etc. The main qualifications of the construction industry owned by the Company include special-grade general construction contracting of construction projects and municipal public works, Class-A qualification for engineering design in municipal industry and design in construction industry (construction engineering), etc. Through coordinated development with design and investment businesses, the Company's business operation mode in this sector covers single survey, design or construction contracts, design-construct contracts, EPC contracts, etc.

Since its establishment in 1953, SCG have participated in and witnessed the great changes in the construction of the country and Shanghai, and have contributed a large number of classic projects and master pieces of our times. The Oriental Pearl, Jin Mao Tower, Shanghai World Financial Center, Shanghai Tower, Nanpu Bridge, Lupu Bridge, Donghai Bridge, Shanghai International Circuit, Hongqiao Comprehensive Transportation Hub, World Expo Project Building, 500KV Jing'an Substation, Shanghai Synchrotron Radiation Facility, Pudong International Airport, National Exhibition and

Convention Center (Shanghai) and many other projects are all classic works of SCG. In the process of construction and development, SCG have formed complete sets of technologies in many fields such as super high-rise construction technology, deep foundation construction technology, large-span steel structure hoisting, shield and pipe jacking construction, hydraulic construction, electromechanical equipment installation, port dock construction, rail transit construction, etc. Many of them are in the leading position at home and abroad. The project contracting mode has also been upgraded to general construction contract and general engineering contract. Besides, the Group's general contracting and general integration level has been continuously improved, further enhancing the ability to provide service to the Owner throughout the construction process. The Company ranked 9<sup>th</sup> in ENR "250 Largest Contractors in the World" in 2019, which is the highest ranking of provincial and municipal construction enterprise groups in China.

In terms of regional distribution, after years of implementation of the "Nationalization" development strategy, the Company has created a "1+5+X" key regional market layout. Shanghai market is the place where the Company's brand was founded. As the main force in Shanghai's urban construction, the Company has participated in more than 50% of the major municipal projects in recent years. Domestic market is the key market for the Company's business growth. In recent years, the new contract amount has increased year by year.

The Company's overseas engineering market has spread to dozens of countries and regions in Asia, Africa, Latin America and the Caribbean, as well as North America, Europe and the Pacific. It has successively constructed hundreds of projects such as Cambodia National Highway, Bassac River Bridge, Mekong River Bridge, Phnom Penh Container Terminal, Baltic Pearl in St. Petersburg, Russia, Chinese Embassy in the United States, Zambia Stadium, Dominica University City and State Guesthouse, Malawi International Conference Center, Trinidad Children's Hospital, Iran-Tehran Expressway, Belgian Paradise Park, etc. SCG has won such honors as "China's Outstanding Enterprise in Foreign Contracted Projects", "Advanced Enterprise in Transnational Operation", "Gold Award for Social Responsibility of Chinese Enterprises in Foreign Contracted Projects" and "China's Best Implementing Enterprise in Foreign Preferential Loan Projects" for consecutive years.

## (II) Design consulting business

Design consulting is one of the Company's core businesses and is closely related to the construction industry, which runs through the construction cycle and guides the whole life cycle of "construction products" in decision-making, planning, design, implementation, acceptance, use and maintenance. These businesses play a significant market leading role in the Group's main businesses and are an important link in the coordinated development of the "whole industrial chain" of the Group. Engineering survey and design and management consultation can best reflect the differences in competition among construction enterprises, and are the most important link in the transformation process of the construction industry from "quantity" to "quality".

Through the integration of design resources and improvement of design qualifications, SCG has accelerated the extension of its industrial chain to planning consultation, project management, operation and maintenance. In addition, major design consulting enterprises of the Group have improved their service capabilities in the whole process, and the leading role of design consultation in industrial linkage has been persistently strengthened.

At present, the Company has 1 national enterprise technology center, 15 Shanghai enterprise technology centers, 12 Shanghai engineering technology research centers (3 more than that in 2018) and 20 national high-tech enterprises. The Company's design consulting business covers many fields such as municipal engineering, construction engineering, garden engineering, environmental protection engineering, intelligent building, engineering survey, cost consulting, bidding agency, project management, etc. It has the highest design qualification in the construction industry, municipal industry, landscape architecture and other specialties, with 6,000 design consultants. In recent years, the Company (or its subsidiaries) has taken the lead in editing or revising the industry standards and specifications for utility tunnel, underground space, green space design, etc.; technology accumulation in sponge city, water system management, ecological restoration, construction industrialization, soil remediation, 3D printing building and other emerging fields has been continuously transformed into the landing of the project.

## (III) Real estate development business

The Company's real estate development business includes services such as real estate development and construction, sales, leasing and property management, and the related business is mainly undertaken by a wholly owned subsidiary, SCG Real Estate. For many years, according to the policy of "housing

first and pluralistic simultaneously", SCG Real Estate mainly develops medium and high-grade housing and indemnificatory housing, supplemented by commercial office buildings and standard factory buildings. Zhoukanghang large residential community and other indemnificatory residential communities developed by SCG Real Estate were appraised as "National Quality Demonstration Project of Indemnificatory Housing Project". While based on the Shanghai market, the Company has also been actively exploring real estate development business in other key cities in recent years. The business has covered areas in Tianjin, Nanjing, Suzhou, Nanchang, Xuzhou and other places, and has won high praise from the Owners for its high quality engineering quality and service. In 2019, SCG Real Estate won the honor of "2019 TOP 100 Real Estate Enterprises in China" from China Real Estate Top 10 Research Team and China Index Academy.

In recent years, the Company's real estate business sector built 7 "HAIYUE" exquisite real estates featuring ecology, science and technology and environmental protection. The scale of operating assets such as office buildings, hotels, commercial and industrial parks has steadily increased. After years of development, the real estate development business has further strengthened its pulling effect on other main businesses of the Company, pulling the new contract amount for construction contracting, design consulting, construction industry and other businesses to a total of tens of billions of RMB. In terms of development projects, by the end of 2019, the construction area of the Company's commercial housing projects under construction was about 1.7 million square meters, and the construction area of the indemnificatory housing projects under construction was about 250,000 square meters. In terms of project reserves, by the end of 2019, the Company held a construction area of 380,000 square meters for projects to be developed. In terms of sales, the Company signed new pre-sale contracts of about RMB 6 billion in 2019, corresponding to a construction area of about 280,000 square meters.

#### (IV) Urban construction investment business

The Company's urban construction investment business mainly uses PPP (i.e. cooperation between government and social capital) method to invest and build municipal infrastructure projects including road traffic, reconstruction of old areas, transportation hubs, etc. The typical business mode is to sign PPP Investment Agreement or other forms of financing and construction agreement with the government or the construction unit authorized by the government after winning the bidding. According to the Agreement, the Company will be responsible for financing and investing the project investment funds, completing the construction of infrastructure projects, and collecting the funds and obtaining the return on investment during the service purchase, operation and maintenance of the subject facilities.

During the report period, the Company has signed three new PPP projects in Shanghai, Hangzhou and Rizhao and participated in one urban renewal project in Shanghai. The construction of the Company's urban construction investment projects progressed as scheduled, effectively stimulating the coordinated development of the Company's other main businesses.

#### (V) Construction industry business

The construction industry business sector is a relevant sub-sector of the project contracting business, which can provide support for the Company's construction business, promote the synergistic effect of the Company's business and enhance the adhesion between the Company and its customers. As an important part of the Company's business, the current main products of the Company's business sector include commercial concrete and prefabricated components, steel structures, central air conditioning, etc.

Shanghai Construction Material Co., Ltd., a wholly owned subsidiary of the Company, is the largest commercial concrete production enterprise in Shanghai, occupying more than 50% of the market share in Shanghai. It has the highest qualification for the production of ready-mixed commercial concrete and prefabricated components. Besides, it can produce concrete of various strength grades, special concrete and various prefabricated concrete components, with an annual production capacity of over 30 million cubic meters of commercial concrete. Through continuous technological innovation, the Company has mastered various advanced production technologies of ready-mixed concrete and has won many awards for national and Shanghai scientific and technological advancement. The Company's product quality, equipment and facilities, production technology and management ability are all of the first-class level in China.

## II. Explanation on Major Changes in the Company's Principal Assets in the Report Period

☐ Applicable ☒ Not Applicable

## III. Core Competitiveness Analysis in the Report Period

☒ Applicable ☐ Not Applicable

SCG is a large construction group with a history of more than 60 years and has participated in the construction of a large number of well-known buildings in China. Since the 1990s, SCG have set a series of new records: the world's longest span steel arch bridge-Lupu Bridge, the world's first commercial operation line for high-speed maglev trains, the country's first offshore bridge-Donghai Bridge, 468 meters of Shanghai Oriental Pearl Radio & TV Tower, 420.5 meters of Jin Mao Tower, 492 meters of World Financial Center, 610 meters of Guangzhou Television Tower, 632 meters of Shanghai Center Tower, the world's largest exhibition venue-National Exhibition and Convention Center (Shanghai), Shanghai Disney Resort, etc., which have left immortal achievements in the construction history of China and the world.

After years of development, the Company has gradually formed five major business groups: construction contracting, design consulting, urban construction investment, construction-related industries, and real estate development. Its business scale continues to grow and its comprehensive strength is increasing year by year. Since 1998, the Company has been ranked in the top 50 of "250 Largest International Project Contractors in the World" by Engineering News-Record (ENR) magazine in the United States for consecutive years, with 2019 ranking 9th. At the same time, the Company has gradually developed five emerging businesses, including urban renewal, water conservation and water affairs, environmental management, digital industrial construction and construction services, to better serve the transformation and development of "service provider of the whole life cycle of construction".

At the same time, the Company's "nationalization" strategy is continuously advancing, and the layout of key areas and key cities is becoming increasingly mature. Around the relevant national strategies, the Company focuses on developing the "five metropolitan areas" of Nanjing, Hangzhou, Hefei, Suzhou-Wuxi-Changzhou and Ningbo in the Yangtze River delta region, and on developing base cities in the Pearl River delta, central plains, southwest, Beijing-Tianjin-Hebei and northeast regions. In overseas markets, while consolidating the traditional base markets in Africa, Southeast Asia, South Pacific and other regions, the Company will expand other potential regional markets in Central Asia.

At present, the Company's market competitiveness is mainly reflected in the following five aspects:

1. Good brand reputation. The Company has designed and built a number of super high-rise buildings, comprehensive transportation hubs, cultural and sports facilities and municipal facilities with international standards in Shanghai and major cities in the country. It has created a high-quality brand image of "SCG". The Company's "SCG" trademark has won the title of "China Famous Trademark" recognized by the State Administration of Industry and Commerce.

2. Intensive management. Due to long-term development of Shanghai's high-end construction market, the Company has formed a series of effective intensive management systems, which can effectively control the quality, safety and cost of project construction. According to the development trend of the industry and changes in the external environment, the Company can timely revise the relevant management system and upgrade the internal control system.

3. Relatively complete industry chain resources. Through several rounds of capital operation, the Company has gradually formed a relatively complete industrial chain from planning, design, construction to operation, guarantee and maintenance, from the whole process of engineering construction to the production and supply of high-performance commercial concrete and building components, steel structures and industrial building components, from real estate development to investment, financing, construction and operation of urban infrastructure projects, with huge space and potential for industrial development.

4. With a group of industry leaders and teams. After a series of major projects, the Company has cultivated a large number of industry elites including academicians of the Chinese Academy of Engineering, design masters and leaders. In the fields of municipal engineering design, super high-rise building construction, long-span bridges, super large steel structure installation, underground space development and other fields, the Company has a group of professional teams with international level and strong scientific and technological innovation capability.

5. With a series of high-level qualifications. After years of efforts, the Company and its subsidiaries have acquired a series of industry's highest-level qualifications in the main business areas. The main qualifications are as follows (but not limited to):

Qualification name	Qualification level
General construction contracting of building engineering	Extra Grade
General construction contracting of municipal public engineering	Extra Grade
General construction contracting of road engineering	Grade I
General construction contracting of M&E installation	Grade I

works	
General construction contracting of water conservancy and hydropower engineering	Grade I
Specialized contracting of foundation and basic construction works	Grade I
Specialized contracting of architecture decoration engineering	Grade I
Specialized contracting of steel structure engineering	Grade I
Specialized contracting of bridge engineering	Grade I
General construction contracting of petrochemical engineering	Grade I
Specialized contracting of lifting equipment installation	Grade I
Specialized contracting of building curtain wall engineering	Grade I
General construction contracting of smelting engineering	Grade I
Specialized contracting of fire facilities engineering	Grade I
Specialized contracting of electronic and intelligent engineering	Grade I
General construction contracting of port and waterway engineering	Grade II
General construction contracting of electric power engineering	Grade II
Specialized contracting of environmental engineering	Level III
Qualification for engineering design in construction industry (construction engineering)	Grade A
Qualification for engineering design in municipal industry	Grade A
Qualification for comprehensive engineering design	Grade A
Specialized intelligent system design for buildings	Grade A
Specialized landscape architecture design	Grade A
Qualification for engineering design of curtain wall	Grade B
Qualification for engineering design of lightweight steel structure	Grade B
Qualification for geotechnical engineering investigation	Grade B
Qualification for cultural relics protection engineering survey and design	Grade C
Qualification for engineering surveying	Grade A
Qualification of engineering consultation organization	Grade A
Comprehensive engineering survey	Grade A
Qualification for engineering investigation disciplines (geotechnical engineering (investigation)).	Grade A
Qualification of engineering cost consultation	Grade A
Qualification of urban-rural planning formulation	Grade A
Qualification for engineering consultation organization (machinery)	Grade A
Qualification for professional contracting of ready-mixed commercial concrete	Ungraded
Qualification of real estate development enterprises	Grade II
Qualification of contracting overseas projects	Ungraded

## Section IV Discussion and Analysis on Operations

### I. Discussion and Analysis of Operations

In 2019, driven by studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 19th National Congress of the Communist Party of China, under the guidance of the "Three Aspects" strategy, towards the goal of speeding up the transformation of "service provider of the whole life cycle of construction" and implementing the new development concept, SCG fully completed the business objectives set at the beginning of the year, maintained the development trend of stability and optimization, and recorded a record high in various business indicators. During the year, the Company won a series of high-level awards such as Luban Award and Zhan Tianyou Award for construction engineering. And the Company ranked 9th among ENR 250 International Contractors in 2019 for the second consecutive year. The Company further improved its market share in key regions, and made remarkable achievements in team cultivation,

scientific research innovation and service enhancement, laying a solid foundation for the Company to successfully complete the 13th Five-Year Plan and actively plan the 14th Five-Year Development Goals in 2020.

During the report period, while the Company achieved a record high in operating income, profit scale and amount of newly signed orders, it also made new achievements in developing emerging businesses, strengthening investment in research and development, promoting industrial linkage and improving the influence of enterprises, thus establishing the high-end brand image of SCG.

## II. Summary of Main Operating Conditions During the Report Period

During the report period, the Company's operating income reached RMB 205.497 billion, up 20.49% over the previous year. The net profit attributable to shareholders of listed companies was RMB 3.930 billion, up 41.38% over the previous year, and the annual target set by the Board of Directors was successfully achieved. At the end of report period, the total assets of the Company reached RMB 257.281 billion, the shareholders' equity attributable to the parent company was RMB 33.054 billion, and the net assets per share was RMB 2.97.

During the report period, the new contract amount of the Company was RMB 360.847 billion in total, up 18.8% in the same period of previous year, which was 109.2% of the annual target set by the Board of Directors. In terms of construction business, the total amount of new construction contracts in the whole year was RMB 302.582 billion, up 22.6% from the previous year, of which the amount of new contracts signed in other provinces and cities outside Shanghai accounted for 40.27% of the total amount of such new contracts. New contracts in overseas markets account for 2.34% of the total amount of such new contracts. In terms of design consulting business, the total amount of new design consulting contracts was RMB 18.771 billion, up 16.2% over the previous year. In terms of construction industry, the total amount of new sales contracts was RMB 17.538 billion in the whole year, up 26.4% over the previous year, of which over 37 million cubic meters of commercial concrete, with 40% YoY increase, 500,000 cubic meters of prefabricated concrete and 200,000 tons of steel components were sold. In terms of real estate business, the total amount of new sales contracts was RMB 5.978 billion, corresponding to a total sales area of 282,200 square meters (including RMB 1.084 billion of sales contracts and 105,900 square meters of sales area for indemnificatory housing). During the year, 767,200 square meters of construction area for new projects to be developed and 773,800 square meters of construction area for new projects to be started were added. In terms of urban construction investment, the Company has signed 3 new PPP projects in Shanghai, Hangzhou and Rizhao and participated in 1 urban renewal project in Shanghai, with a total investment contract amount of RMB 6.598 billion.

### (I) Analysis of Main Business

#### 1. Analytical statement of change in relevant items in profit statement and cash flow statement

Unit: RMB Currency: RMB

Item	Amount in the current period	Amount in the same period of previous year	Change Proportion (%)
Operating income	205,496,707,808.35	170,545,783,102.81	20.49
Operating cost	184,357,931,024.01	151,364,082,106.60	21.80
Selling expenses	678,938,451.35	694,909,568.84	-2.30
Administrative expenses	5,609,792,081.53	4,827,734,949.28	16.20
R&D expenses	6,219,718,567.98	5,178,923,793.66	20.10
Financial expenses	1,699,515,535.68	1,383,070,431.06	22.88
Historical net cash flow from operating activities	4,549,212,209.80	2,395,957,428.84	89.87
Net cash flows from investing activities	-3,008,307,413.56	-4,282,862,993.04	29.76
Net cash flows from financing activities	9,719,481,520.07	2,149,986,962.05	352.07

#### 2. Income and Cost Analysis

√Applicable □ Not Applicable

In the past three years, the operating income of the Company's five major sectors is shown in the following table:

Unit: RMB 1 million

Sub-sector	Operating income in 2017	Annual proportion	Operating income in 2018	Annual proportion	Operating income in 2019	Annual proportion
Building construction	112,653	79.78%	128,364	75.27%	166,342	80.95%
Construction industry	4,789	3.39%	5,025	2.95%	12,187	5.93%
Real estate development	11,416	8.08%	22,882	13.42%	10,062	4.90%
Design consultation	3,546	2.51%	4,228	2.48%	4,337	2.11%
Urban construction investment	1,179	0.83%	859	0.50%	1,195	0.58%

From the above operating income data, it can be seen that the construction business is the main source of the Company's income. During the report period, the Company's construction business expanded further, with income increasing by about RMB 38 billion. The scale of construction industry business has developed rapidly, with income growth exceeding 140%. In addition, the income of the real estate development business decreased due to the decrease in the scale of housing delivery during the year.

In the past three years, the operating cost of the Company's five major sectors is shown in the following table:

Unit: RMB 1 million

Sub-sector	Operating cost in 2017	Annual proportion	Operating cost in 2018	Annual proportion	Operating cost in 2019	Annual proportion
Building construction	104,511	82.54%	118,417	78.23%	154,237	83.66%
Construction industry	4,202	3.32%	4,450	2.94%	11,170	6.06%
Real estate development	9,130	7.21%	17,872	11.81%	6,329	3.43%
Design consultation	2,475	1.95%	2,885	1.91%	3,090	1.68%
Urban construction investment	10	0.01%	12	0.01%	42	0.02%

From the above operating cost data, it can be seen that the business cost structure of the Company's five major sectors is relatively stable, and the construction business cost is still the main component of the Company's cost, which matches its income proportion. The proportion of business costs and operating income in the construction industry have increased simultaneously, reflecting the Company's relatively complete advantages in the construction-related industrial chain.

**(1). Information on main businesses by industry, product and area**

Unit: RMB Currency: RMB

Main businesses (by industry)						
Industry	Operating income	Operating cost	Gross profit rate (%)	Increase or decrease in operating income compared with the previous year (%)	Increase or decrease in operating cost compared with the previous year (%)	Increase or decrease in gross profit rate compared with the previous year (%)
Building, contract, construction	166,341,995,841.78	154,237,141,952.92	7.28	29.59	30.25	A decrease of 0.47 percentage points
Design, consulting	4,337,277,245.60	3,090,481,333.39	28.75	2.60	7.12	A decrease of 3.01

service						percentage points
Construction industry	12,187,396,200.58	11,170,361,379.70	8.34	142.51	151.02	A decrease of 3.11 percentage points
Real estate development	10,062,117,164.48	6,329,207,234.56	37.10	-56.03	-64.59	An increase of 15.20 percentage points
Urban construction investment	1,195,447,949.39	41,556,384.10	96.52	39.18	246.49	A decrease of 2.08 percentage points
Import and export of complete equipment and other merchandise	6,554,409,077.29	6,379,891,325.36	2.66	31.66	33.45	A decrease of 1.31 percentage points
Project management consulting, labor dispatch and other services	2,912,219,902.01	1,641,825,176.65	43.62	12.22	3.03	An increase of 5.03 percentage points
Gold sales business	634,167,314.18	427,364,550.91	32.61	-30.07	-44.13	An increase of 16.96 percentage points
Main businesses (by product)						
Product	Operating income	Operating cost	Gross profit rate (%)	Increase or decrease in operating income compared with the previous year (%)	Increase or decrease in operating cost compared with the previous year (%)	Increase or decrease in gross profit rate compared with the previous year (%)
General civil building	60,124,599,872.39	55,940,239,690.89	6.96	51.59	52.56	A decrease of 0.60 percentage points
30-50 floors of civil buildings	1,123,557,965.17	1,040,175,064.82	7.42	4.25	4.74	A decrease of 0.43 percentage points
Above 50 floors of civil buildings	1,984,351,123.30	1,807,514,818.30	8.91	72.01	70.56	An increase of 0.77 percentage points
Industrial buildings	6,110,503,141.52	5,709,802,046.55	6.56	1.59	2.63	A decrease of 0.95 percentage points
Civic building	14,504,642,802.57	13,550,375,718.91	6.58	-18.50	-17.46	A decrease of 1.17 percentage points
Public facility building	39,411,335,777.90	36,584,926,294.41	7.17	14.47	15.09	A decrease of 0.50 percentage points
Building decoration engineering	5,087,042,833.62	4,409,544,971.03	13.32	19.14	15.15	An increase of 3.01 percentage points
EPC	30,140,553,388.18	28,221,391,043.07	6.37	64.28	66.14	A decrease of 1.05 percentage points
Sales of building stones	419,506,874.74	174,925,518.61	58.30	6.48	-35.32	An increase of 26.95 percentage points
Urban construction investment	1,195,447,949.39	41,556,384.10	96.52	39.18	246.49	A decrease of 2.08 percentage points
Design, consulting service	4,337,277,245.60	3,090,481,333.39	28.75	2.60	7.12	A decrease of 3.01 percentage points
Sales of commercial concrete materials	10,030,703,454.91	9,500,622,604.86	5.28	161.19	178.44	A decrease of 5.87 percentage points
Concrete member	1,192,401,465.74	1,075,095,868.35	9.84	75.77	61.84	An increase of 7.77 percentage points
Concrete processing equipment	9,334,404.21	8,391,279.15	10.10	-23.97	-17.99	A decrease of 6.55 percentage points
Landscaping	7,855,408,937.13	6,973,172,304.94	11.23	40.04	36.38	An increase of 2.38 percentage points
Real estate development	10,062,117,164.48	6,329,207,234.56	37.10	-56.03	-64.59	An increase of 15.20 percentage points
Other construction industry	535,450,000.98	411,326,108.73	23.18	433.17	342.99	An increase of 15.64 percentage points
Import and export of complete equipment and other merchandise	6,554,409,077.29	6,379,891,325.36	2.36	11.13	12.99	A decrease of 1.61 percentage points



Gold sales business	634,167,314.18	427,364,550.91	32.61	-30.07	-44.13	An increase of 16.96 percentage points
Others	2,912,219,902.01	1,641,825,176.65	43.62	12.22	3.03	An increase of 5.03 percentage points
<b>Main Businesses (by area)</b>						
Area	Operating income	Operating cost	Gross profit rate (%)	Increase or decrease in operating income compared with the previous year (%)	Increase or decrease in operating cost compared with the previous year (%)	Increase or decrease in gross profit rate compared with the previous year (%)
Chinese Mainland	199,376,855,893.68	179,390,056,841.68	10.02	21.11	22.60	A decrease of 1.09 percentage points
Other countries and areas	4,848,174,801.63	3,927,772,495.91	18.98	-6.95	-11.77	An increase of 4.43 percentage points

Description of information on main businesses by industries, by products and by areas

During the report period, the scale of gold production and sales of Zara Mining Share Company (ZMSC) invested by the Company (See Notice No. L 2012-029 for details) decreased over the previous year, so the operating income and cost of gold mining and sales business decreased significantly.

Unit: RMB 10,000

Gold business	2017	2018	2019
Operating income	78,489	90,687	63,417
Operating cost	42,885	76,499	42,736
Gold sales (ounce)	84,641	107,356	65,700

## (2). Analytical statement of production and sales volume

☐ Applicable ☒ Not Applicable

## (3). Cost analysis

Unit: RMB

Condition (by industry)							
Industry	Cost items	Amount in the current period	Proportion of the amount in the current period out of the total cost (%)	Amount of the same period in the previous year	Proportion of the amount in the same period of the previous year out of the total cost (%)	Proportion of change in the amount of the current period compared with the same period in the previous year (%)	Description Notes
Building, contract, construction		154,237,141,952.92	84.14	118,417,327,687.80	78.54	30.25	
Design, consulting service		3,090,481,333.39	1.69	2,885,028,536.60	1.91	7.12	
Construction industry		11,170,361,379.70	6.09	4,449,901,884.77	2.95	151.02	
Real estate development		6,329,207,234.56	3.45	17,871,976,743.16	11.85	-64.59	
Urban construction investment		41,556,384.10	0.02	11,993,601.19	0.01	246.49	
Import and		6,379,891,325.36	3.48	4,780,590,336.57	3.17	33.45	

export of complete equipment and other merchandise							
Other business		1,641,825,176.65	0.90	1,593,504,858.02	1.06	3.03	
Gold sales business		427,364,550.91	0.23	764,987,765.42	0.51	-44.13	
By products							
Product	Cost items	Amount in the current period	Proportion of the amount in the current period out of the total cost (%)	Amount of the same period in the previous year	Proportion of the amount in the same period of the previous year out of the total cost (%)	Proportion of change in the amount of the current period compared with the same period in the previous year (%)	Description Notes
Civil Architecture	Subtotal	55,940,239,690.89	100.00	36,666,704,651.49	100.00	52.56	
	Labor cost	13,145,956,327.36	22.05	8,506,675,479.15	23.20	54.54	
	Material cost	32,954,395,201.90	60.49	21,725,022,506.01	59.25	51.69	
	Machinery cost	2,824,982,104.39	5.02	1,829,668,562.11	4.99	54.40	
	Other direct costs	2,584,439,073.72	4.59	1,694,001,754.90	4.62	52.56	
	Indirect cost	4,430,466,983.52	7.85	2,911,336,349.33	7.94	52.18	
Industrial buildings	Subtotal	5,709,802,046.55	100.00	5,563,368,727.07	100.00	2.63	
	Labor cost	1,867,105,269.23	31.31	1,827,566,626.85	32.85	2.16	
	Material cost	2,680,181,080.65	48.62	2,613,670,627.98	46.98	2.54	
	Machinery cost	375,704,974.66	6.69	361,618,967.26	6.50	3.90	
	Other direct costs	332,310,479.11	5.82	320,450,038.68	5.76	3.70	
	Indirect cost	454,500,242.91	7.56	440,062,466.31	7.91	3.28	
Civic building	Subtotal	13,550,375,718.91	100.00	16,417,710,721.73	100.00	-17.46	
	Labor cost	3,527,162,799.64	27.30	4,239,052,908.36	25.82	-16.79	
	Material cost	6,321,250,272.87	45.78	7,696,622,786.35	46.88	-17.87	
	Machinery cost	1,524,417,268.38	11.03	1,915,946,841.23	11.67	-20.44	
	Other direct costs	905,165,098.02	6.68	1,063,867,654.77	6.48	-14.92	
	Indirect cost	1,266,960,129.72	9.21	1,502,220,531.04	9.15	-15.66	
Public building	Subtotal	36,584,926,294.41	100.00	31,787,059,976.76	100.00	15.09	
	Labor cost	14,085,196,623.35	37.50	12,241,196,797.05	38.51	15.06	
	Material cost	15,241,280,294.25	43.52	13,105,804,828.42	41.23	16.29	
	Machinery cost	3,003,622,448.77	7.92	2,326,812,790.30	7.32	29.09	
	Other direct costs	2,238,997,489.22	5.55	1,913,581,010.60	6.02	17.01	
	Indirect cost	2,015,829,438.82	5.51	2,199,664,550.39	6.92	-8.36	
Above 30 floors of buildings	Subtotal	1,040,175,064.82	100.00	993,133,971.69	100.00	4.74	
	Labor cost	474,527,864.57	40.25	455,053,985.83	45.82	4.28	
	Material cost	373,214,813.26	40.92	356,137,842.25	35.86	4.80	

	Machinery cost	72,812,254.54	6.98	60,084,605.29	6.05	21.18	
	Other direct costs	54,713,208.41	5.26	52,139,533.51	5.25	4.94	
	Indirect cost	68,027,449.24	6.59	69,718,004.81	7.02	-2.42	
Above 50 floors of buildings	Subtotal	1,807,514,818.30	100.00	1,059,729,691.37	100.00	70.56	
	Labor cost	726,982,459.92	40.20	399,094,201.77	37.66	82.16	
	Material cost	723,548,181.77	41.25	441,059,497.55	41.62	64.05	
	Machinery cost	193,404,085.56	10.80	111,483,563.53	10.52	73.48	
	Other direct costs	150,385,232.88	7.02	84,990,321.25	8.02	76.94	
	Indirect cost	13,194,858.17	0.73	23,102,107.27	2.18	-42.88	
Decoration engineering	Subtotal	4,409,544,971.03	100.00	3,829,509,010.79	100.00	15.15	
	Labor cost	983,328,528.54	24.52	824,110,339.12	21.52	19.32	
	Material cost	3,239,692,690.22	71.25	2,843,410,440.51	74.25	13.94	
	Other direct costs	79,371,809.48	1.80	69,697,064.00	1.82	13.88	
	Indirect cost	107,151,942.80	2.43	92,291,167.16	2.41	16.10	
EPC	Subtotal	28,221,391,043.07	100.00	16,986,881,619.02	100.00	66.14	
	Labor cost	6,349,812,984.69	21.22	3,541,764,817.57	20.85	79.28	
	Material cost	16,537,735,151.24	59.56	10,161,552,584.50	59.82	62.75	
	Machinery cost	2,497,593,107.31	9.15	1,499,941,646.96	8.83	66.51	
	Other direct costs	1,981,141,651.22	7.04	1,234,946,293.70	7.27	60.42	
	Indirect cost	855,108,148.61	3.03	548,676,276.29	3.23	55.85	
Sales of building stones	Subtotal	174,925,518.61	100.00	270,450,980.32	100.00	-35.32	
	Labor cost	15,568,371.16	9.50	24,043,092.15	8.89	-35.25	
	Material cost	61,223,931.51	34.62	92,602,415.66	34.24	-33.89	
	Machinery cost	52,914,969.38	30.03	80,648,482.33	29.82	-34.39	
	Labor cost	45,218,246.56	25.85	73,156,990.18	27.05	-38.19	
Urban construction investment	Subtotal	41,556,384.10	100.00	11,993,601.19	100.00	246.49	
	Other costs	41,556,384.10	100.00	11,993,601.19	100.00	246.49	
Design and services	Subtotal	3,090,481,333.39	100.00	2,885,028,536.61	100.00	7.12	
	Labor cost	1,798,660,136.03	58.23	1,650,524,825.79	57.21	8.98	
	Subcontracting cost of design	521,673,249.08	16.85	518,728,130.88	17.98	0.57	
	Others	770,147,948.28	24.92	715,775,579.93	24.81	7.60	
Sales of commercial concrete materials	Subtotal	9,500,622,604.86	100.00	3,412,054,912.12	100.00	178.44	
	Labor cost	684,994,889.81	7.22	232,702,145.01	6.82	194.37	
	Material cost	7,624,249,640.40	80.24	2,764,446,889.80	81.02	175.80	
	Transportation cost	686,895,014.33	7.23	243,620,720.73	7.14	181.95	
	Manufacturing costs	504,483,060.32	5.31	171,285,156.59	5.02	194.53	
Concrete member	Subtotal	1,075,095,868.35	100.00	664,312,233.05	100.00	61.84	
	Labor cost	121,055,794.78	11.38	74,735,126.22	11.25	61.98	
	Material cost	775,144,121.08	72.02	477,972,651.68	71.95	62.17	
	Machinery cost	135,032,041.06	12.52	84,566,947.27	12.73	59.67	

	Manufacturing costs	43,863,911.43	4.08	27,037,507.89	4.07	62.23	
Concrete processing equipment	Subtotal	8,391,279.15	100.00	10,232,556.58	100.00	-17.99	
	Labor cost	1,132,822.69	13.50	1,295,441.66	12.66	-12.55	
	Material cost	6,889,240.18	82.10	8,560,556.83	83.66	-19.52	
	Manufacturing costs	369,216.28	4.40	376,558.08	3.68	-1.95	
Landscaping	Subtotal	6,973,172,304.94	100.00	5,113,229,317.88	100.00	36.38	
	Labor cost	2,581,468,387.29	36.11	1,850,477,690.14	36.19	39.50	
	Material cost	3,522,846,648.46	50.75	2,598,543,139.35	50.82	35.57	
	Machinery cost	161,777,597.47	2.99	131,921,316.40	2.58	22.63	
	Other direct costs	196,643,459.00	2.83	157,998,785.92	3.09	24.46	
	Indirect cost	510,436,212.72	7.32	374,288,386.07	7.32	36.38	
Real estate development	Subtotal	6,329,207,234.56	100.00	17,871,976,743.16	100.00	-64.59	
	Land cost	2,957,005,619.99	48.02	8,083,495,080.93	45.23	-63.42	
	Upfront expense	107,596,522.99	1.70	307,397,999.98	1.72	-65.00	
	Costs of construction and installation	2,164,588,874.22	33.85	6,475,017,174.05	36.23	-66.57	
	Supporting cost	367,094,019.60	5.02	1,016,915,476.69	5.69	-63.90	
	Expenses for the period	194,939,582.82	3.01	568,328,860.43	3.18	-65.70	
	Interest cost	537,982,614.94	8.40	1,420,822,151.08	7.95	-62.14	
Imports and exports	Subtotal	5,401,582,757.55	100.00	4,780,590,336.57	100.00	12.99	
	Material cost	4,770,677,891.47	88.32	4,191,143,548.07	87.67	13.83	
	Labor cost	630,904,866.08	11.68	589,446,788.50	12.33	7.03	
Others	Subtotal	3,458,824,404.10	100.00	2,451,343,826.14	100.00	41.10	
	Labor cost	1,622,880,410.40	46.92	1,123,205,741.14	45.82	44.49	
	Material cost	1,835,943,993.70	53.08	1,328,138,085.00	54.18	38.23	

#### (4). Information about Main Sales Customers and Suppliers

√ Applicable □ Not Applicable

The sales amount of the top five customers was RMB 10.018 billion, accounting for 4.9% of the total annual sales amount, among which the sales amount of related parties was RMB 0, accounting for 0 % of the total annual sales amount.

The purchase amount of the top five suppliers was RMB 4.840 billion, accounting for 2.63% of the total annual purchase amount, in which the purchase amount of related parties was RMB 1.392 billion, accounting for 0.76% of the total annual purchase amount.

#### Other notes

During the report period, the Company's total operating income from the top five customers was RMB 10.018 billion, accounting for 4.9% of the operating income, with a relatively low proportion, which shows that the Company is not highly dependent on the above customers and has strong operating independence and going concern capability.

Unit: RMB 1 million

Customer name	Sales amount	Proportion to the total operating income (%)
Shanghai Urban Drainage Co., Ltd.	3,798.39	1.85
National Exhibition and Convention Center (Shanghai) Co., Ltd.	2,262.83	1.10
Shanghai Rail Transit Line 18 Development Co., Ltd.	1,402.50	0.68
New Galaxy Entertainment Co., Ltd.	1,247.62	0.61

Shanghai Laogang Waste Utilization Co., Ltd.	1,307.07	0.64
Total	10,018.40	4.88

During the report period, the Company's total purchase amount from the top five suppliers was RMB 5.086 billion, accounting for 2.76% of the operating cost. It shows that the Company is not highly dependent on the above suppliers and has strong independence and going concern capability. The details are as follows:

Unit: RMB 1 million		
Supplier name	Purchase amount	Proportion to the total operating cost (%)
Shanghai Dongfu Construction Labor Services Co., Ltd.	1,516.89	0.82%
Bureau of Land Management of Tianjin Jinnan District	1,190.00	0.65%
Shanghai Dongqing Construction Labor Services Co., Ltd.	949.12	0.51%
Shanghai Allied Cement Limited	736.31	0.40%
Sichuan Nengtou Material Industry Group Co., Ltd.	693.97	0.38%
Total	5,086.28	2.76%

### 3. Cost

☐ Applicable ☒ Not Applicable

### 4. R&D Investment

#### (1). R&D Investment Table

☒ Applicable ☐ Not Applicable

Unit: RMB	
Current expensing R&D investment	6,219,718,567.98
Current capitalized R&D investment	0
Total R&D investment	6,219,718,567.98
Proportion of total R&D investment in the operating income (%)	3.03
Number of the Company R&D personnel (persons)	8,262
Proportion of the number of R&D personnel in the Company's headcount (%)	19.32
Proportion of the capitalized R&D investment (%)	0

#### (2). Description

☐ Applicable ☒ Not Applicable

### 5. Flow of Cash

☒ Applicable ☐ Not Applicable

Unit: RMB				
Item name	Amount at the end of the current period	Amount at the end of the previous period	Proportion of change in the amount at the end of the current period compared with that at the end of previous period (%)	Description
Historical net cash flow from operating	4,549,212,209.80	2,395,957,428.84	89.87	Net cash flow from operating activities in the current period increased by RMB 2.154 billion, mainly due to a net increase of RMB 4.2 billion in cash received

activities				by subsidiaries for selling goods and providing services, and for paying for purchasing goods and receiving services.
Net cash flows from investing activities	-3,008,307,413.56	-4,282,862,993.04	29.76	Net cash flow from investment activities in the current period decreased by RMB 1.274 billion, mainly due to an increase of RMB 700 million in the loan lent by the subsidiary to Yibin Cuiping Project Company and a recovery of RMB 620 million from Guokai Binjiang Investment.
Net cash flows from financing activities	9,719,481,520.07	2,149,986,962.05	352.07	Net cash flow from investment and financing activities increased by RMB 7.569 billion in the current period, mainly due to an increase of RMB 2.250 billion in cash received from corporate loans and a decrease of RMB 5.558 billion in debt repayments due.

## (II) Description of Material Changes in Profits Resulted from Non-main Businesses

√Applicable □ Not Applicable

In 2019, the ending balance of the Company's trading financial assets was RMB 3.15 billion, a significant increase of RMB 2.27 billion from the beginning of the year (mainly due to the year-end share prices of other listed companies held by the Company increased from the beginning of the year), affecting the Company's annual net profit of about RMB 540 million.

## (III) Analysis on Assets and Liabilities

√ Applicable □ Not Applicable

### 1. Situation of assets and liabilities

Unit: RMB

Item name	Amount at the end of the current period	Proportion of the amount at the end of the current period out of the total assets (%)	Amount at the end of the previous period	Proportion of the amount at the end of the previous period out of the total assets (%)	Proportion of change in the amount at the end of the current period compared with that at the end of previous period (%)	Description
Financial assets held for trading	3,152,499,005.64	1.23			100.00	This is due to the reclassification of available-for-sale equity instruments measured at fair value under available-for-sale financial assets to transactional financial assets, and the large appreciation of the above-mentioned financial assets in the current period when the Company implements the new financial instrument standards during the report period.
Financial assets at fair value through current profit and loss			107,123,975.43	0.05	-100.00	This is due to the reclassification of financial assets measured at fair value and whose changes are included in the current profits and losses to transactional financial assets when the Company implements the new financial instrument standards during the report period.
Notes	992,645,290.83	0.39	4,774,249,529.99	2.21	-79.21	This is due to the reclassification of some

receivable						notes receivable to receivables financing when the Company implements the new financial instrument standards during the report period.
Accounts receivable	36,382,708,474.79	14.14	25,425,371,772.43	11.78	43.10	This is mainly due to the increase in the Owner's receivables brought about by the sales growth during the report period.
Receivables financing	5,116,834,432.35	1.99			100.00	This is due to the reclassification of some notes receivable to receivables financing when the Company implements the new financial instrument standards during the report period.
Current portion of non-current assets	1,069,584,919.54	0.42	776,834,172.52	0.36	37.69	This is mainly due to the increase in repurchase amount of BT and PPP project companies due within one year during the report period compared with the beginning of the year.
Long-term equity investments	4,535,182,233.21	1.76	2,558,170,018.25	1.18	77.28	This is mainly due to the Company's increased investment in affiliated enterprises during the report period.
Long-term deferred expenses	338,060,116.44	0.13	120,334,843.75	0.06	180.93	This is mainly due to the improvement of fixed assets under operating lease from subsidiaries during the report period.
Other non-current assets	389,581,467.60	0.15	579,870,129.39	0.27	-32.82	This is mainly due to the advance purchase of equity, advance purchase of equipment and carry-over of project reserves by subsidiaries during the report period.
Notes payable	11,131,206,593.91	4.33	7,826,360,066.30	3.62	42.23	This is mainly due to the bills and irrevocable domestic letters of credit issued by the Company during the report period.
Accounts payable	76,541,684,887.28	29.75	55,259,870,894.87	25.59	38.51	This is mainly due to the expansion of the Company's production scale and the increase in the amount of materials and labor services payable during the report period.
Current portion of non-current liabilities	7,991,541,778.41	3.11	5,128,077,952.10	2.38	55.84	This is mainly due to the reclassification of current portion of bonds payable to this account during the report period.
Other current liabilities	188,535,677.61	0.07	139,684,659.97	0.06	34.97	This is mainly due to the increase in tax on the items to be written off at the end of the report period.
Long-term borrowings	44,189,370,794.24	17.18	29,598,014,199.55	13.71	49.30	This is mainly due to the net increase in guaranteed loans of subsidiaries during the report period.
Bonds payable	96,984,000.00	0.04	4,388,461,165.76	2.03	-97.79	This is mainly due to the reclassification of medium-term notes and dollar bonds to current portion of non-current liabilities during the report period.
Treasury shares	55,121,123.98	0.02			100.00	This is mainly due to the Company's share repurchase during the report period.
Other comprehensive income	-85,530,145.70	-0.03	561,192,568.47	0.26	-115.24	This is mainly the reclassification of gains and losses on changes in fair value of available-for-sale financial assets to undistributed profits when the Company implements the new financial instrument standards during the report period.

## 2. Restrictions on Major Assets by the End of the Report Period

☐ Applicable ☒ Not Applicable

## 3. Other notes

☐ Applicable ☒ Not Applicable

**(IV) Industry Operational Information Analysis**

√ Applicable □ Not Applicable

**1. Industry macro analysis**

In 2019, under the strong leadership of the CPC Central Committee, all walks of life in China's national economy thoroughly implemented the spirit of the 19th National Congress of the Communist Party of China and its Second Plenary Session, Third Plenary Session, Fourth Plenary Session, and the strategic plan made at the 19th National Congress of the Communist Party of China. In addition, in accordance with the "Government Work Report" made by the State Council and the arrangements of the Central Economic Work Conference, we taken new steps towards the goal of building a well-off society in an all-round way by adhering to the general tone of making progress while ensuring stability, deepening the structural reform on the supply side, intensifying the reform and opening up. In 2019, China's GDP totaled RMB 99.09 trillion, a year-on-year growth rate of 6.1%, in line with the expected target, with a growth rate significantly higher than the global average. Per capita GDP exceeded the US\$ 10,000, achieving a historic new leap. Moreover, with the steady advancement of structural reforms on the supply side, the achievements of "cutting overcapacity and excess inventory, deleverage, reducing costs, and strengthening points of weakness" have been consolidated, and the utilization rate of national industrial capacity has been continuously improved, with high economic growth. Looking forward to 2020, China will still face downward pressure from the economy and will be disturbed by the COVID-19, which will adversely affect its economic development in the short term. However, with the effective control of the epidemic situation and the precise implementation of economic support policies, the long-term steady and positive trend of China's economic development has not changed, and there is still great potential for high-quality growth in various fields.

In terms of industry, statistics from the National Bureau of Statistics show that the added value of the whole society's construction industry in 2019 was RMB 7.09 trillion (5.6% YoY increase). Profits of general contracting and professional contracting construction enterprises with qualification grade reached RMB 838.1 billion (5.1% YoY increase), of which profits of state-owned holding enterprises reached RMB 258.5 billion, up 14.5%. In the whole year, the fixed asset investment of the whole society was RMB 56.09 trillion (5.1% YoY increase), (Note: According to the provisions of the fourth national economic census, statistical law enforcement inspection and statistical investigation system, the fixed asset investment data in 2018 were revised, and the growth rate in 2019 was calculated according to comparable basis), in which infrastructure investment increased by 3.8%. Besides, investment in real estate development totaled RMB 13.22 trillion (9.9% YoY increase). The industry as a whole has maintained a steady development trend.

In the Shanghai market, according to the information released by the Shanghai Municipal Commission of Housing and Urban-Rural Development, the construction of major and practical projects in Shanghai was completed in 2019, with a total investment of RMB 146.23 billion for major projects, an increase of RMB 4.34 billion over the previous year. Shanghai's 2020 investment plan for major projects shows that it plans to invest RMB 150 billion in 2020, an increase of about 10% over the previous year's plan, involving 152 formal projects and 60 preparatory projects, covering: science and technology industries, social livelihood, ecological civilization construction, urban infrastructure, urban-rural integration and rural revitalization. The above investment data show that Shanghai's fixed asset investment scale and construction market demand have maintained a healthy and stable growth trend in the past few years. The planned major project investment and construction plan will continue to provide business development opportunities for construction and upstream and downstream industrial chain enterprises in the future.

	2017	2018	2019
Investment in national fixed assets (excluding peasant household)	RMB 63.17 trillion	RMB 64.57 trillion	RMB 56.09 trillion
Investment in primary industry	RMB 2,089.2 billion	RMB 2,241.3 billion	RMB 1,263.3 billion
Investment in secondary industry	RMB 23,575.1 billion	RMB 23,789.9 billion	RMB 16,307 billion
Investment in Tertiary Industry	RMB 37,504 billion	RMB 37,532.4 billion	RMB 37,577.5 billion
Investment in major projection construction in Shanghai	RMB 134.3 billion	RMB 141.9 billion	RMB 146.2 billion



At the beginning of 2020, affected by the COVID-19, there were various practical difficulties in the construction industry. To this end, the Ministry of Housing and Urban-Rural Development issued the *Notice on Strengthening the Prevention and Control of the COVID-19 and Orderly Promoting Enterprises to Resume Work*, strengthening the prevention and control of the epidemic in housing construction and municipal infrastructure projects, orderly promoting enterprises to resume work and supporting the smooth operation of the industry. The NDRC announced that it would actively carry out all kinds of work to stabilize investment and focus on key areas such as shortage supplement by promptly issuing investment plans within the central budget and expanding the scale of special bonds for local governments. The Ministry of Finance announced that it would further adjust the structure of fiscal expenditure, increase the intensity of transfer payments to local areas, and coordinate the prevention and control of epidemic situations and economic and social development to make proactive fiscal policies more active. To this end, our company will carefully study the relevant national policies and industry guidelines, grasp the market opportunities and make positive contributions to the economic development of the people's livelihood of the motherland.

## 2. Gross profit composition of the Company's branches

Among the Company's five main businesses, the gross profit of the construction business maintained a growth rate of more than 20%, while the gross profit of the construction industry business increased by more than 77% year on year, driving the steady growth of the Company's overall gross profit. The gross operation profit from the business of each sub-sector of the Company in the past three years was shown in table below:

Unit: RMB 1 million

Sub-sector	Gross operation profit in 2017	Annual proportion	Gross operation profit in 2018	Annual proportion	Gross operation profit in 2019	Annual proportion
Building construction	8,142	55.82%	9,946	51.85%	12,105	57.24%
Construction industry	587	4.02%	576	3.00%	1,017	4.81%
Real estate development	2,286	15.67%	5,010	26.12%	3,733	17.65%
Design consultation	1,071	7.34%	1,343	7.00%	1,247	5.90%
Urban construction investment	1,169	8.01%	847	4.42%	1,154	5.46%

**Construction Industry Operating Information Analysis****1. Status of Projects of which Acceptance Is Completed during the Report Period**

√Applicable □ Not Applicable

Unit: RMB 10,000 Currency: RMB

Segmented Industry	Housing Construction	Infrastructure projects	Professional engineering	Architectural decoration	Others	Total
Quantity of Project (Nr.)	150	30	459	197	167	1,003
Total amount	4,103,721.25	473,615.22	1,408,318.50	364,581.52	460,158.61	6,810,395.10

√Applicable □ Not Applicable

Unit: RMB 10,000 Currency: RMB

Project area	Domestic	Overseas	Total
Quantity (Nr.)	983	20	1,003
Total amount	6,605,968.81	204,426.29	6,810,395.10

Other notes

□ Applicable √Not Applicable

**2. Status of Projects under Construction during the Report Period**

√Applicable □ Not Applicable

Unit: RMB 10,000 Currency: RMB

Segmented Industry	Housing Construction	Infrastructure projects	Professional engineering	Architectural decoration	Others	Total
Quantity (Nr.)	1,135	150	1,584	384	255	3,508
Total amount	50,150,405.43	3,123,853.06	16,536,387.25	1,453,688.44	1,641,733.30	72,906,067.48

√Applicable □ Not Applicable

Unit: RMB 10,000 Currency: RMB

Project area	Domestic	Overseas	Total
Quantity (Nr.)	3,451	57	3,508
Total amount	70,930,783.18	1,975,284.30	72,906,067.48

**3. Status of Major Projects under Construction**

√Applicable □ Not Applicable

Unit: RMB 10,000 Currency: RMB

Item name	Business mode	Item Amount	Construction period	Percentage of Completion (%)	Income Recognized in Current Period	Accumulative recognized revenue	Cost Input in Current Period	Accumulative Cost Input
Longjiang Road South Extension Project (BT) in Wujin District of Changzhou	Financing contract mode	143,266.04	2010.5-2013.1	100	12,565.02	102,330.40	-	143,266.04
Changzhou Zhongwu Road Project (BT)	Financing contract mode	46,650.23	2010.5-2014.4	100	6,934.98	22,172.72	-	46,650.23
Yanghu Road Project in Wuxi (BT)	Financing contract mode	47,948.58	2012.6-2017.10	100	841.98	10,941.22	-	47,948.58
Municipal Road (BT) Project of Honggutan Jiulonghu Core Starting Area in Nanchang	Financing contract mode	80,400.00	2013.5-2019.3	57	-	5,823.57	-	46,143.68

Nanchang Qianhu Avenue Expressway Project (Western Outer Ring-Chaoyang Bridge)	Financing contract mode	204,200.00	2014.9-2018.12	86	3,609.18	14,206.18	16,504.04	176,370.22
Expressway Qianhu Interchange Project at Qianhu Avenue in Nanchang	Financing contract mode	52,200.00	2016.11-2018.11	89	-	-	5,926.95	46,276.25
Reconstruction and Expansion BT Project of Tianxu Line in Gaogang District of Taizhou City	Financing contract mode	86,905.50	2014.3-2018.1	100	2,262.77	20,472.99	294.84	84,010.23
Changzhou Jinwu Road Reconstruction BT Project (Wujin Section)	Financing contract mode	51,970.29	2014.5-2017.11	100	1,435.42	11,756.73	-	51,970.29
Transportation Reconstruction and Landscape Engineering BT From Daxikou to Nanguang in Yibin	Financing contract mode	72,047.30	2015.4-2018.1	100	2,060.02	17,363.02	5,000.00	76,991.84
Infrastructure and Public Construction Investment and Financing Construction Projects of Minjiang New Zone Starting Area in Cuiping District of Yibin	Financing contract mode	300,000.00	2015.12-2018.12	61	5,079.01	22,315.01	14,440.30	111,868.72
Municipal Engineering PPP Project Phase I in Oujiangkou New Zone of Wenzhou	Financing contract mode	853,360.00	2015.11-2021.11	75	26,295.36	58,408.44	64,004.96	440,073.13
Financing Construction Projects of Financing Construction Bid Section I of Sanhe New House Phase I Project, Xinmiao Xindu Project and Jihua Community in Wuhou District of Chengdu	Financing contract mode	45,407.00	2016.3-2018.6	99	2,755.92	7,205.92	-	40,517.35
Infrastructure PPP Project in Binjiang New Zone of Dujiangyan	Financing contract mode	460,000.00	2016.8-2018.8	62	22,946.05	50,340.05	49,903.34	287,215.50
PPP Project of New Urbanization Construction of Anji Economic Development Zone	Financing contract mode	358,408.00	2016.8-2020.7	48	7,227.11	17,839.11	28,665.02	172,318.79
Investment and Financing	Financing contract	130,000.00	2016.7-2019.7	29	1,593.73	12,205.73	14,012.40	37,129.52

Construction Project of Fengqi Lake Scenic Spot in Gaogang District of Taizhou City	mode							
PPP Project of North Branch Bridge Project of Qidu Bridge in Wenzhou	Financing contract mode	211,310.00	2017.5-2020.11	76	4,453.12	8,342.74	35,622.64	106,615.64
Zhaoqing Railway Station Complex Construction PPP Project	Financing contract mode	152,600.00	2016.12-2018.5	88	12.2	12.20	7,141.55	115,205.32
Sihui City Commercial Avenue Reconstruction, S260 Line Reconstruction and Sihui Section of S262 Reconstruction Line PPP Project	Financing contract mode	189,700.00	2017.10-2019.10	22	1,348.48	1,348.48	15,921.99	42,416.70
Meishan Transportation and Social Undertakings Construction Project (PPP Mode)	Financing contract mode	699,879.00	2018.11-2022.11	35	20,062.60	41,005.60	115,085.39	406,750.00
Changhe Expressway Maoshan Interchange to Jintan Binhu New Town Connecting Line Work (PPP) Project	Financing contract mode	220,838.00	2017.9-2019.9	97	-	-	86,503.05	192,779.35
Nanjing Qiaolin New Town Hospital Project (PPP Mode)	Financing contract mode	118,000.00	2017.3-2019.3	-	-	-	-	-
Nursery Upgrading and Reconstruction (Fenghuangtai Botanical Park) PPP Project in Western Suburbs of Jining	Financing contract mode	71,647.00	2018.7-2020.12	100	-	-	29,016.03	46,014.59
Relocation and Resettlement Housing PPP Project in Qinwang District	Financing contract mode	270,000	2018.9-2021.9	25	-	-	24,733.46	66,349.43
Cultural and Sports Center Construction PPP Project in Zhili Town	Financing contract mode	83,980.00	2018.12-2020.12	29	-	-	14,628.40	20,126.40
Sponge City Pilot PPP Project in Western Central City (Jinwan District) of Zhuhai	Financing contract mode	170,720.00	2019.1-2021.1	28	-	-	21,034.77	32,446.92
Dongtou Lingkun Section PPP Project	Financing contract	209,512.27	2018.12-2021.12	34	661.04	661.04	53,773.12	71,343.22

of 228 National Highway	mode							
PPP Project of Westlake University Construction Project	Financing contract mode	436,284.00	2019.2-2021.12	34	-	-	88,394.46	113,544.53
PPP Project of Supporting Infrastructure for Shantytown Transformation in Dongguan Area, Donggang District, Rizhao City	Financing contract mode	176,823.48	2019.7-2022.7	1	-	-	833.74	2,303.39
PPP Project of Jiangchuan Sports Center	Financing contract mode	30,622.00	2019.5-2021.5	12	-	-	2,688.21	5,757.97

## Other notes

√Applicable □ Not Applicable

(1) Pricing mechanism for major projects: The pricing mechanism and process of the above-mentioned major projects implemented on the financing contract mode are as follows: As the Bidder, our company or the consortium formed by our company participates in the bidding of the financing construction project organized by the construction unit. After bid opening and bid evaluation, if our company win the bid, the price agreed in the financing construction contract signed by our company (Party B of the Project) and the construction unit (Party A of the Project) is the project amount of the major projects.

(2) Payment collection arrangements for major projects: Among the above-mentioned major projects implemented on the financing contract mode, the payment collection mode of BT projects is that the construction unit (Party A of the Project) pay the repurchase amount to the Project Company based on the actual amount for the Project construction of the Project Company which is set up by our company (Party B of the Project) for the project investing in the construction of the bid and on the return on investment agreed in the contract from the starting date of repurchase. The specific amount and payment time of each repurchase amount is determined according to the relevant clauses agreed in the financing construction contract. Payment collection mode for PPP projects: Generally, the construction unit (Party A of the Project) withdraws by means of purchasing services. The specific form is that the construction unit (Party A of the Project) pays the government procurement service fee, municipal engineering service fee (or other forms of fees agreed in the contract) to the Project Company which is set up by our company (Party B of the Project) to invest in the construction of the bid. The purchase price of the above-monitored government procurement service fee and municipal engineering service fee (or other forms of fees agreed in the contract) consists of the total project fee, the total preparation fee, the fund application fee and the project management fee. The specific payment term structure (if applicable), corresponding amount and payment time is determined according to the relevant clauses agreed in the financing construction contract.

(3) Financing mode for major projects: In the implementation of the investment and construction of the subject projects on the financing contract mode, such as the above-mentioned BT or PPP, the Company's main financing mode and capital sources include: the Company and its subsidiaries' own funds, loans applying for project from banks, or industrial funds establishing through cooperation with other social capital.

(4) Preferential policies for major projects: determined according to the bidding conditions (if applicable).

#### 4. Status of Overseas Projects During the Report Period

√Applicable □ Not Applicable

Unit: RMB 10,000 Currency: RMB

Project area	Quantity (Nr.)	Total amount
Macao	3	409,788.00
Trinidad and Tobago	1	66.82

Guinea	3	1,471.12
Maldives	1	4,186.21
Nepal	1	4,215.26
Zimbabwe	1	62,626.71
Myanmar	1	20,097.09
East Timor	5	60,704.95
Samoa	2	16,656.96
Vanuatu	1	2,181.92
Cambodia	4	269,148.58
Uzbekistan	3	247,092.00
Vietnam	1	89,236.52
USA	1	61,560.00
Kazakhstan	3	79,058.00
Canada	5	46,996.71
USA	3	324,024.16
Macao	7	35,265.91
Malaysia	1	24,591.47
Hong Kong	3	86,099.00
Trinidad and Tobago	7	130,216.88
Total	57	1,975,284.27

Other notes

☐ Applicable ☒ Not Applicable**5. Accumulated New Projects Signed during the Report Period**☒ Applicable ☐ Not Applicable

During the report period, a total of 24,712 new projects were signed, with a total amount of RMB 360.847 billion. Among the total amount of newly signed contracts mentioned above, 3,098 new contracts have been signed in the construction business, with a contract amount of about RMB 302.582 billion. A total of 4,294 new contracts have been signed in the design consulting business, with a contract value of RMB 18.771 billion.

**6. Summary of Completion but Unsettlement in Inventory**☒ Applicable ☐ Not Applicable

Unit: RMB 10,000 Currency: RMB

Item	Accumulated incurred cost	Recognized gross profit	Estimated loss	Settled amount	Completed but not settled outstanding balance
Amount	35,803,540.43	382,625.59		31,727,737.18	4,458,465.81

**7. Other notes**☐ Applicable ☒ Not Applicable**(V) Analysis on Investment****1. Overall analysis on foreign equity investment**☒ Applicable ☐ Not Applicable

Long-term equity investment of the Company in subsidiaries, associates and joint ventures, as well as other long-term equity investments during the report period are as follows:

Unit: RMB

Item	Beginning balance	Ending balance	Growth rate (%)
Joint ventures	43,736,312.68	38,871,197.11	-11.12%
Associates	2,514,433,705.57	4,496,311,036.10	78.82%
Subtotal	2,558,170,018.25	4,535,182,233.21	77.28%

**(1) Major Equity Investment**

□ Applicable √ Not Applicable

**(2) Major Non-equity Investment**

√ Applicable □ Not Applicable

Unit: RMB 10,000

Item name	Project amount	Project schedule	Investment in the report period	Cumulative actual	Project income situation
Road Project of Wuxi Taihu New Town Ruijingdao (BT Project)	119,949	Completed settlement	1,706.14	119,948.63	During the report period, the income reached RMB 0, and the accumulative income reached RMB 245.7019 million.
Longjiang Road South Extension Project (BT) in Wujin District of Changzhou	143,266	Completed settlement	-	143,266.04	During the report period, the income reached RMB 125,650,200, and the accumulative income reached RMB 1.023304 billion.
Changzhou Zhongwu Road Project (BT Project)	46,650	Completed settlement	-	46,650.23	During the report period, the income reached RMB 69,349,800, and the accumulative income reached RMB 221.7272 million.
Yanghu Road Project in Wuxi (BT Project)	47,949	Completed settlement	-	47,948.58	During the report period, the income reached RMB 8,419,800, and the accumulative income reached RMB 109.4122 million.
North Middle Road (BT) Project in Wuxi	69,232	Completed settlement	260.51	69,232.13	During the report period, the income reached RMB 0, and the accumulative income reached RMB 86.05 million.
Municipal Road (BT) Project of Honggutan Jiulonghu Core Starting Area in Nanchang	80,400	Under construction	-	46,143.68	During the report period, the income reached RMB 0, and the accumulative income reached RMB 58.2357 million.
Nanchang Qianhu Avenue Expressway Project (Western Outer Ring-Chaoyang Bridge)	204,200	Completed but unsettled	16,504.04	176,370.22	During the report period, the income reached RMB 36,091,800, and the accumulative income reached RMB 142.0618 million.
Expressway Qianhu Interchange Project at Qianhu Avenue in Nanchang	52,200	Completed but unsettled	5,926.95	46,276.25	During the report period, the income reached RMB 0, and the accumulative income reached RMB 0 million.
Reconstruction and Expansion BT Project of Tianxu Line in Gaogang District of Taizhou City	86,906	Completed settlement	294.84	84,010.23	During the report period, the income reached RMB 22,627,700, and the accumulative income reached RMB 204.7299 million.
Changzhou Jinwu Road Reconstruction BT Project (Jintan Section)	110,289	Completed settlement	-	110,288.89	During the report period, the income reached RMB 0, and the accumulative income reached RMB 150.463 million.
Changzhou Jinwu Road Reconstruction BT Project (Wujin Section)	51,970	Completed settlement	-	51,970.29	During the report period, the income reached RMB 14,354,200, and the accumulative income reached RMB 117.5673 million.
Transportation Reconstruction and Landscape Engineering BT From Daxikou to Nanguang in Yibin	72,047	Completed but unsettled	5,000.00	76,991.84	During the report period, the income reached RMB 20,600,200, and the accumulative income reached RMB 173.6302 million.
Infrastructure and Public Construction Investment and Financing Construction Projects of Minjiang New Zone Starting Area in Cuiping District of Yibin	300,000	Under construction	14,440.30	111,868.72	During the report period, the income reached RMB 507,901,000, and the accumulative income reached RMB 223.1501 million.
Municipal Engineering PPP Project Phase I in Oujiangkou New Zone of Wenzhou	853,360	Under construction	64,004.96	440,073.13	During the report period, the income reached RMB 262,953,600, and the accumulative income reached RMB 584.0844 million.

Financing Construction Projects of Financing Construction Bid Section I of Sanhe New House Phase I Project, Xinmiao Xijiu Project and Jiuhua Community in Wuhou District of Chengdu	45,407	Completed but unsettled	-	40,517.35	During the report period, the income reached RMB 27,559,200, and the accumulative income reached RMB 72.0592 million.
Infrastructure PPP Project in Binjiang New Zone of Dujiangyan	460,000	Under construction	49,903.34	287,215.50	During the report period, the income reached RMB 229,460,500, and the accumulative income reached RMB 503.4005 million.
PPP Project of New Urbanization Construction of Anji Economic Development Zone	358,408	Under construction	28,665.02	172,318.79	During the report period, the income reached RMB 72,271,100, and the accumulative income reached RMB 178.3911 million.
Investment and Financing Construction Project of Fengqi Lake Scenic Spot in Gaogang District of Taizhou City	130,000	Under construction	14,012.40	37,129.52	During the report period, the income reached RMB 15,937,300, and the accumulative income reached RMB 122.0573 million.
PPP Project of North Branch Bridge Project of Qidu Bridge in Wenzhou	211,310	Under construction	35,622.64	106,615.64	During the report period, the income reached RMB 44,531,200, and the accumulative income reached RMB 83.4274 million.
Zhaoqing Railway Station Complex Construction PPP Project	152,600	Completed but unsettled	7,141.55	115,205.32	During the report period, the income reached RMB 122,000, and the accumulative income reached RMB 122,000.
Sihui City Commercial Avenue Reconstruction, S260 Line Reconstruction and Sihui Section of S262 Reconstruction Line PPP Project	189,700	Under construction	15,921.99	42,416.70	During the report period, the income reached RMB 13,484,800, and the accumulative income reached RMB 13,484,800.
Meishan Transportation and Social Undertakings Construction Project (PPP Mode)	699,879	Under construction	115,085.39	406,750.00	During the report period, the income reached RMB 200,626,000, and the accumulative income reached RMB 410.056 million.
Changhe Expressway Maoshan Interchange to Jintan Binhu New Town Connecting Line Work (PPP) Project	220,838	Completed but unsettled	86,503.05	192,779.35	During the report period, the income reached RMB 0, and the accumulative income reached RMB 0 million.
Nanjing Qiaolin New Town Hospital Project (PPP Mode)	118,000	Not Yet Started	-	-	During the report period, the income reached RMB 0, and the accumulative income reached RMB 0 million.
Nursery Upgrading and Reconstruction (Fenghuangtai Botanical Park) PPP Project in Western Suburbs of Jining	71,647	Completed but unsettled	29,016.03	46,014.59	During the report period, the income reached RMB 0, and the accumulative income reached RMB 0 million.
Relocation and Resettlement Housing PPP Project in Qinwang District	270,000	Under construction	24,733.46	66,349.43	During the report period, the income reached RMB 0, and the accumulative income reached RMB 0 million.
Cultural and Sports Center Construction PPP Project in Zhili Town	83,980	Under construction	14,628.40	20,126.40	During the report period, the income reached RMB 0, and the accumulative income reached RMB 0 million.
Sponge City Pilot PPP Project in Western Central City (Jinwan District) of Zhuhai	170,720	Under construction	21,034.77	32,446.92	During the report period, the income reached RMB 0, and the accumulative income reached RMB 0 million.
Dongtuo Lingkun Section PPP Project of 228 National Highway	119,949	Completed settlement	1,706.14	119,948.63	During the report period, the income reached RMB 6,610,400, and the accumulative income reached RMB 6,610,400.
PPP Project of Westlake University Construction Project	436,284	Under construction	88,394.46	113,544.53	During the report period, the income reached RMB 0, and the accumulative income reached RMB 0 million.



PPP Project of Supporting Infrastructure for Shantytown Transformation in Dongguan Area, Donggang District, Rizhao City	176,823	Under construction	833.74	2,303.39	During the report period, the income reached RMB 0, and the accumulative income reached RMB 0 million.
PPP Project of Jiangchuan Sports Center	30,622	Under construction	2,688.21	5,757.97	During the report period, the income reached RMB 0, and the accumulative income reached RMB 0 million.

**(3) Financial assets measured at fair value**

√ Applicable □ Not Applicable

Unit: RMB

Name of investee	Nature of equity	Number of Shares (Unit: Shares)	Ending fair value	Beginning fair value	Accounting subject
SPD Bank	Tradable shares of listed companies	8,913,521	110,260,254.77	117,732,505.80	Financial assets held for trading
Bank of Communications	Tradable shares of listed companies	6,082,626	34,245,184.38	38,999,645.10	Financial assets held for trading
Chengtou Holding	Tradable shares of listed companies	1,351,974	7,733,291.28	8,099,314.13	Financial assets held for trading
Shanghai Huanjin	Tradable shares of listed companies	0	0	5,457,035.37	Financial assets held for trading
Yuyuan Shares	Tradable shares of listed companies	0	0	4,732,862.40	Financial assets held for trading
Shanghai Oriental Pearl (Group) Co., Ltd.	Tradable shares of listed companies	29,788	278,815.68	305,029.12	Financial assets held for trading
Shenergy	Tradable shares of listed companies	0	0	395,280.00	Financial assets held for trading
Jinjiang International Industrial Investment	Tradable shares of listed companies	0	0	98,790.30	Financial assets held for trading
Orient Securities Co., Ltd.	Tradable shares of listed companies	133,523,008	1,436,707,566.08	1,064,178,373.76	Financial assets held for trading
PowerChina	Tradable shares of listed companies	51,480,051	223,338,414.74	250,364,353.21	Financial assets held for trading
Zhangjiajie Tourism Group Co., Ltd.	Tradable shares of listed companies	11,930,164	62,362,795.07	58,011,752.73	Financial assets held for trading
SDIC Capital	Tradable shares of listed companies	39,973,351	605,517,252.33	360,175,314.23	Financial assets held for trading
Zhejiang NHU Co., Ltd.	Tradable shares of listed companies	7,172,400	166,408,137.97	136,847,193.13	Financial assets held for trading
Taiji Group	Tradable shares of listed companies	6,510,416	74,101,893.24	54,510,662.56	Financial assets held for trading
Kangni Mechanical and Electrical	Tradable shares of listed companies	7,249,126	38,365,152.30	28,832,468.98	Financial assets held for trading
GEM Co., Ltd	Tradable shares of listed companies	9,157,509	44,547,871.97	35,417,827.61	Financial assets held for trading
Pujiang International	Tradable shares of listed companies	11,362,000	43,239,505.25	0	Financial assets held for trading
JINMAO INV ORD NPV	Tradable shares of listed companies	28,971,500	103,810,678.80	107,123,975.43	Financial assets held for trading
Total			2,950,916,813.86	2,271,282,383.86	

**(VI) Sales of Major Assets and Equity**

□ Applicable √ Not Applicable

**(VII) Analysis on Principal Holding and Participating Companies**

√ Applicable □ Not Applicable

During the report period, there were 1 subsidiaries whose net profit is accounted for more than 10% of the Company's net profit, and the details were as follows:

Unit: RMB 10,000

Name of subsidiary	Registered capital	Total assets	Net assets	Net profit
Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.	50,000	1,043,718.79	319,414.13	50,926.42

Note: The "net assets" listed in the Table include minority shareholders' equity, and the "net profit" includes minority shareholders' profit and loss.



Shanghai Municipal Engineering Design Institute (Group) Co., Ltd. was established in 1954 and engaged in the whole process service of planning, engineering design and consultation, Engineering construction EPC and project management. At present, it has such disciplines as comprehensive transportation, underground space and underground engineering, planning, water supply, drainage, roads, bridges, structures, rail transit, solid waste, construction, water conservancy and waterways, environmental engineering, city gardens landscape, gas, heating power, equipment, technology and economy, information technology, survey, construction management and general contracting of engineering, covering all fields of infrastructure construction industry. its comprehensive strength ranks first among its counterparts in China. In 2008, it obtained the first comprehensive qualification Grade A for engineering design.

Shanghai Municipal Engineering Design Institute (Group) Co., Ltd. (SMEDI) currently has more than 4,800 employees, including 1 academician of the Chinese Academy of Engineering, 6 national engineering survey and design masters, 9 leading talent in Shanghai, 9 outstanding technology leader of Shanghai, more than 40 experts enjoying the special allowance of the State Council, more than 100 full-time professor-level senior engineers, and 19 Shanghai Rising-Stars. Lin Yuanpei, academician of the Chinese Academy of Engineering and SMEDI senior chief engineer, was named a permanent asteroid. The Institute has 9 management departments, 17 design (research) institutes and 21 investment subsidiaries, It has academician studios and master studios. Postdoctoral workstations have the qualification to recruit postdoctoral students independently, and Grade C funding of Shanghai Rising-Star Program relies on enterprises.

Adhering to the enterprise spirit of "scientific innovation, honesty and dedication", the Institute has contributed to the society and benefited the people's livelihood. It has completed more than 16,000 engineering survey and design consultation and EPC general contracting, and its projects covered all provinces, cities and autonomous regions in China. It adhered to the strategy of "nationalization and whole process", focused on key points, optimized the "1 +4 +10" market layout, and successively set up 26 branches outside Shanghai, achieved full coverage of materialized branches in key cities, and achieved that the operating income from the markets outside Shanghai accounts for more than 70%. It insisted on scientific and technological innovation, and has won 12 National Prize for Progress in Science and Technology over the years, 169 provincial and ministerial Prize for Progress in Science and Technology, 17 Zhan Tianyou Civil Engineering Award, more than 1,000 prizes for survey, design, consultation and planning, more than 1,600 patent applications and more than 800 licensed patents.

**(VIII) Structured Entities Controlled by the Company**

√ Applicable □ Not Applicable

Unit: RMB 100 million

Name of Partnership	(Total subscription	Unpaid Amount up to	Paid Amount of the	General Partner	Limited partner	Projects Invested or to be Invested	Information disclosure
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	amount )	the End of 2019	Compa ny and Subsidi aries				e index (Announ cement No.)
SCG Anying Investment Management Center (Limited Partnership)	50.10	7.62	1.46	SCG Equity Investment Fund Management Co., Ltd.	SCG Jianheng Equity Investment Funds Partnership (Limited Partnership), Ping An Asset Management Co., Ltd., and CITIC Trust Co., Ltd.	Xuhui Guokai Binjiang Dream Center Project (quit yet)	L 2015—048
SCG Taihe Enterprise Management Center (Limited Partnership)	50.01	21.68	7.77	SCG Equity Investment Fund Management Co., Ltd.	SCG Jianheng Equity Investment Funds Partnership (Limited Partnership), and Taiping Asset Management Co., Ltd.	PPP Project of New Urbanization Construction of Anji Economic Development Zone	L 2016—020 and L 2016—058
SCG Hexi Enterprise Management Center (Limited Partnership)	50.51	50.51	5.05	SCG Equity Investment Fund Management Co., Ltd.	Shanghai Construction Real Estate Co., Ltd., Shanghai International Trust Co., Ltd. and SCG Investment Co., Ltd.	Real Estate Development Project of No. 38 and 39 Hexi Plot of SCG Real Estate	L 2016-021 and L 2016-050
SCG Jianying Enterprise Management Center (Limited Partnership)	40.01			SCG Equity Investment Fund Management Co., Ltd.	SCG Jianheng Equity Investment Funds Partnership (Limited Partnership), and E Fund Asset Management Co., Ltd.		L 2015-036 and L 2016—058
SCG Zhongying Enterprise Management Center (Limited Partnership)	100.01	9.05	1.82	SCG Equity Investment Fund Management Co., Ltd.	SCG Jianheng Equity Investment Funds Partnership (Limited Partnership), and Zhongyin Asset Management Co., Ltd.	Infrastructure PPP Project in Binjiang New Zone of Dujiangyan	L 2015-036 and L 2016-067
Ningbo Meishan Bonded Port Zone Minyao Investment Management Partnership (Limited Partnership)	2.01	2.00	2.00	SCG Equity Investment Fund Management Co., Ltd.	SCG Jianheng Equity Investment Funds Partnership (Limited Partnership), Shanghai Construction No. 4 (Group) Co., Ltd.	Hongkou Scientific Innovation Center	L 2017—020 and L 2017-032
SCG Jianheng Equity Investment Funds Partnership (Limited Partnership)	30.10	30.10	30.10	SCG Equity Investment Fund Management Co., Ltd.	SCG Investment Co., Ltd., Shanghai Construction No. 1 (Group) Co., Ltd., Shanghai Construction No. 2 (Group) Co., Ltd., Shanghai Construction No. 4 (Group) Co., Ltd., Shanghai Construction No. 5 (Group) Co., Ltd., Shanghai Construction No. 7 (Group) Co., Ltd., Shanghai Foundation Engineering Group Co., Ltd., Shanghai Mechanized Construction Group Co., Ltd., Shanghai Garden & Landscape (Group) Co., Ltd., Shanghai Municipal Engineering Design Institute (Group) Co., Ltd., Shanghai Construction Group Co., Ltd., Shanghai Installation Engineering Group Co., Ltd., and Shanghai Construction Decoration Engineering Group Co., Ltd.	SCG Anying Investment Management Center (Limited Partnership), SCG Taihe Enterprise Management Center (Limited Partnership), SCG Hexi Enterprise Management Center (Limited Partnership), SCG Jianying Enterprise Management Center (Limited Partnership), SCG Zhongying Enterprise Management Center (Limited Partnership), Ningbo Meishan Bonded Port Area Minyao Investment Management Partnership (Limited Partnership), Suzhou Jianying Purui Venture Capital Center	L 2015-024 and L 2015-054

						(Limited Partnership)	
SCG Angong Equity Investment Funds Partnership (Limited Partnership)	20.20	11.00	6.59	SCG Anhao Equity Investment Funds Management Co., Ltd.	Shanghai Construction Group Investment Co., Ltd., Zhuhai Anshi Yiyang Investment Center (Limited Partnership)	Yangshupu Power Plant Project	L 2018-04 0
Suzhou Jianying Purui Venture Capital Center (Limited Partnership)	2.01	2.01	2.01	SCG Equity Investment Fund Management Co., Ltd.	SCG Jianheng Equity Investment Funds Partnership (Limited Partnership), Shanghai Building Decoration Engineering Group Co., Ltd.	Lufa Plaza Project	L 2019-00 5
Suzhou Dongjianyihe Venture Capital Center L.P.	1.00	0.81	0.65	Donghai Investment Co., Ltd.	Shanghai Construction Group Investment Co., Ltd.	Baoshan Gaojing Project	L 2018-03 8
Suzhou Jianying Ruixin Venture Capital Center (Limited Partnership)	3.01	0.21	0.21	SCG Equity Investment Fund Management Co., Ltd.	Shanghai Construction Group Investment Co., Ltd., Shanghai Building Decoration Engineering Group Co., Ltd.	Shanghai Lingang Xinyefang Shangchuan Equity Investment Fund Partnership (Limited Partnership)	L 2019-02 1
Suzhou Jianying Ruizhi Venture Capital Center (Limited Partnership)	0.0011	0.0011	0.0011	SCG Equity Investment Fund Management Co., Ltd.	Shanghai Construction No.4 (Group) Co., Ltd.,		L 2019-02 2

Name of Capital Management Plan	Total Amount Raised	Purchased Share	Management Personnel of Capital Management Plan	Purchaser of Inferior Capital Management Share	Purchaser of Priority Capital Management Share	Investment project	Information disclosure index (Announcement No.)
Ruiyi Asset - SCG No.1 Special Asset Management Plan	21.76	4.46	Shanghai Ruiyi Asset Management Co., Ltd.	SCG Jianheng Equity Investment Funds Partnership	China Construction Bank Shanghai Branch	Municipal Engineering PPP Project Phase I in Oujiangkou New Zone of Wenzhou	L 2015-036

### III. Discussion and Analysis by the Company on Future Development of the Company

#### (I) Industrial Pattern and Development Trend

√ Applicable □ Not Applicable

Year 2019 marks the 70th anniversary of the founding of the PRC. It is a crucial year to build a moderately prosperous society in all respects and achieve the first of China's two centenary goals. Throughout the year, China's economic operation situation was affected to some extent under the background of the overall slowdown of global economic growth and the obvious increase of external risks and challenges. The downward pressure on economic growth was increased, which affected the industry of the Company accordingly. Therefore, the Chinese government continues to implement an active fiscal policy and a prudent monetary policy, ensuring a long-term economic development trend towards the better and putting forward higher requirements for the high-quality development of the construction industry in the future. MOHURD's *13th Five-Year Plan for Development of Construction Industry* sets the goal that the gross output value of construction industry of China should have an annual

average growth rate of 7% and the added value of the construction industry should have an annual average growth rate of 5.5% during the "13th Five-Year Plan". The goal has consolidated the position of construction industry as a pillar in the national economy. According to the National Bureau of Statistics, the gross output value of China's construction industry in 2019 was RMB 24.84 trillion, which was a 5.7% YoY increase, and the added value of construction industry was RMB 7.09 trillion, which was a 5.6% YoY increase, showing that the construction industry in China maintained a steady development trend.

In Q1 2020, the construction industry and its upstream and downstream industries were negatively affected by the coronavirus epidemic, the construction progress of projects under construction and the market bidding and bid were delayed accordingly, and the steady growth trend of the industry was disturbed in a short term. In response to this, the government and relevant departments issued relevant stimulus policies, and enterprises in the industry also actively responded to their macro guidance, so as to strive to overcome the practical difficulties and facilitate the healthy and orderly development of the industry.

Looking forward to the development of the industry, with the proper progression of the national strategies of the "Belt and Road" cooperation initiative, "Guangdong-Hong Kong-Macao Bay Area" and "Integration of Yangtze River Delta", fixed asset investment in related fields will be expected to promote the healthy development of China's construction industry. In the meantime, the huge business demand generated by "new-type urbanization", "new infrastructure" and "infrastructure for shortage supplement" will still provide broad development opportunities for the construction industry. Under such a big environment, the industries within the scope of the Company's main businesses show the following industry structure and development trends:

#### 1. Construction business

The construction industry is an important industry to absorb employment and guarantee stable economic development in China. Generally speaking, China's engineering contracting industry has low market entry barriers, numerous enterprises in the industry and low industry concentration. The *Statistical Analysis on Development of Construction Industry in the First Half of 2019* of MOHURD and the Architecture Industry Association shows that, as of the end of June 2019, there were 92.7 thousand construction enterprises with construction activities in China, including 6,552 with the special-grade and first-grade qualifications, which can be roughly classified into three types: large state-owned enterprises or state-controlled integrated enterprises, emerging private enterprises as well as multinational corporations. The Company is a large construction group of the first type above, and represents the state of art of China in the engineering contracting field. Recently, such super projects as Shanghai Tower, the Hong Kong-Zhuhai-Macao Bridge, and the oversize city subway control network were created in China's engineering construction field. These super engineerings were undertaken by large construction group at the first echelon in the first echelon.

The *2019 Statistics Bulletin of the National Economic and Social Development* of National Bureau of Statistics shows that, the added value of China's construction industry in the whole year was RMB 7.09 trillion, which was a 5.6% YoY increase; the profit of the qualified construction enterprises engaged in general contracting and special contracting was RMB 838.1 billion, which was a 5.1% YoY increase, including RMB 258.5 billion from state-controlled enterprises, which was a 14.5% YoY increase. Shanghai Municipal Bureau of Statistics *2019 Statistics Bulletin of the Shanghai Economic and Social Development* shows that the gross output value of the construction industry in Shanghai in 2019 reached RMB 781.3 billion throughout the year (10.5% YoY increase); the construction area of houses was RMB 509.19 million square meters, up 7.0%; the completed residential area was 92.32 million square meters, up 16.0%.

In 2019, 7 Chinese construction (or professional construction) enterprises, including SCG, have been ranked in the top 10 of "250 Largest International Project Contractors in the World" voted by authoritative Engineering News-Record (ENR) magazine in the United States, and the company continuously ranked 9<sup>th</sup>. The company ranked the first among the ranked China's provincial and municipal construction groups. Its growth rate exceeded the industry average level and would continue to be a leader

#### 2. Design consulting service

Engineering design consultation is the most important intellectual service in all aspects of construction projects. The Ministry of Housing and Urban-Rural Development *2018 Statistics Bulletin of National Engineering Survey and Design* shows that the total operating income of national engineering survey and design enterprises in 2018 was RMB 5.19 trillion, about 20% increase compared with 2017.

The maintained high growth trend shows that the growth rate of the survey and design industry is faster and earlier than the industry rules of the construction industry.

The Company's design consulting business covers many fields such as municipal engineering, construction engineering, garden engineering, environmental protection engineering, intelligent building, engineering survey, cost consulting, bidding agency, project management, etc. It has the highest design qualification in the construction industry, municipal industry, landscape architecture and other specialties.

In recent years, China vigorously promoted EPC project general contracting mode in the construction field, and this has become an important driving force for the development of the company's design consulting business and helped the company's industrial linkage development. The volume, category and region of the Company's EPC projects won by the bid were increased significantly, and the position of subordinate design consulting enterprises in industry is further improved. The Municipal Engineering Design Institute affiliated to the Company is a leading enterprise in the municipal engineering design consulting industry in China. It has been ranked at the top in the "Top 60 Chinese Engineering Design Enterprises" jointly voted by the U.S. *Engineering News-Record* (ENR) and *China's Construction Times* for several consecutive years, and its competitive advantage was expected to be maintained for a long time.

### 3. Construction industry business

The construction industry is a relevant sub-sector of project contracting and an important part in the industrial chain of the whole life cycle of construction. Currently, the Company's construction industry business mainly includes products such as concrete, precast concrete members, steel structures and central air conditioning equipment. Based on the market of Shanghai, relevant businesses are gradually forwarding the steps to a nationwide distribution.

According to statistics from the Shanghai Concrete Industry Association, in 2019, there were 133 concrete mixing stations in Shanghai with registration certificates and output. They had a total output of 53 million m<sup>3</sup>, which was a 13.3% YoY increase. Of the said 133 mixing stations, 42 had a concrete supply of over 500,000 m<sup>3</sup>, with a market share of about 65% and the degree of industry centralization was further increased. The concrete and prefabricated member industries have high policy barriers, and the sales price is significantly affected by the price of cement and other raw materials, thus the overall gross margin of the industry is low. Restricted by the supply and demand of the upstream and downstream industries, there is room for improvement in the overall sales profit rate and capacity utilization rate of the industry. At present, the Company's subsidiary material company is the largest concrete producer of Shanghai, sharing about 50% of the local market.

During the report period, the Company actively promoted the transformation and development of the construction industry sector. In 2019, the Company's total production and sales of commercial concrete exceeded 37 million m<sup>3</sup>, with YoY increase of nearly 40%; the production and sales of concrete prefabricated members were about 500,000 m<sup>3</sup>, with YoY increase of over 10%; and the production and sales of steel members were about 200,000 tons. In terms of regional arrangement, the Company has newly set up concrete mixing stations in 11 cities including Jiaxing, Nanjing and Huzhou, with a corresponding new production capacity of over 16.6 million m<sup>3</sup>, maintaining a good trend of outward development.

### 4. Real estate development business

The report of the 19th National Congress clearly stated that "we should adhere to the definition that houses are for living, not for speculation, and the establishment of a housing system with multi-subject supply, multi-channel guarantee and simultaneous renting and purchasing should be sped up, so that all people can live with their own houses". In recent years, local governments have successively issued their regulatory policies on the real estate market, and the heat in the market is declined. Statistics from the National Bureau of Statistics show that as of the end of 2019, there were 498.21 million m<sup>2</sup> of commercial housing to be sold, which declined by 25.93 million m<sup>2</sup> from the end of last year. Of these areas, there were 224.73 million m<sup>2</sup> of commercial residential housing to be sold (reduced by 26.18 million m<sup>2</sup>), and the structural reform in the supply side of real estate industry demonstrated the efforts. Meanwhile, with the guidance of the policy, the development of indemnificatory housing continues, and new opportunities knock on the doors of the rental housing market and the joint-ownership housing market.

Statistics from the National Bureau of Statistics show that the national commercial housing sales area in 2019 was 1.716 billion m<sup>2</sup> (0.1% YoY decrease); sales amount was RMB 15.97 trillion (6.5% YoY increase); and the investment in real estate development was RMB 13.22 trillion (9.9% YoY

increase). Among them, residential investment was RMB 9,707.1 billion (13.9% increase); investment in office buildings was RMB 616.3 billion (2.8% increase); investment in commercial premises was RMB 1,322.6 billion (6.7% decrease); the construction area of houses of real estate development enterprises in the year was 8,938.21 million m<sup>2</sup>, and the newly-built area of houses was 2,271.54 million m<sup>2</sup>, which increased by 8.7% and 8.5% over the last year respectively; and during the year, the completed area of houses was 959.42 million m<sup>2</sup> (2.6% YoY increase). In terms of sales, the sales area of commercial housing was 1,715.58 million m<sup>2</sup>, which slightly decreased by 0.1% compared with the last year. The above statistics show that the real estate development market in China has maintained a relatively stable growth and maintained a stable development trend under the control of macro policies.

Statistics from Shanghai Municipal Bureau of Statistics show that the investment in the real estate development completed in 2019 increased by 4.9% compared with the previous year, with an increase rate increase of 0.3%. Among them, residential investment increased by 4.1%, investment in office buildings fell by 0.5%, and investment in commercial and business premises fell by 0.9%. The construction area of commercial housing was 148.03 million m<sup>2</sup> (increased by 0.9%); and the completed area was 26.70 million m<sup>2</sup> (decreased by 14.3%). The commercial housing sales area was 16.96 million m<sup>2</sup> (decreased by 4.0%), including residential housing sales area of 13.5370 million m<sup>2</sup> (increased by 1.5%). Sales of commercial housing in the whole year was RMB 520.4 billion (increased by 9.5%), including residential housing sales of RMB 445.7 billion (increased by 15.4%), which shows that Shanghai, as the representative of China's first-tier cities, has a stable overall operation of the real estate industry a healthy supply-demand relationship.

The Ministry of Housing and Urban-Rural Development (MOHURD), PRC's *13th Five-Year Plan Outline for Housing and Urban-Rural Construction* clearly specified that China will continue to promote the course of "urbanization" and achieve the goal of about 60% population urbanization rate by 2020. The "Plan Outline" proposes to set up a housing system with simultaneous renting and purchasing to meet the housing needs of new urban residents as the major starting point, and defines two major directions for deepening the reform of housing system, i.e., to provide basic housing guarantee mainly by the government, to meet the multi-level housing needs of residents mainly by the market, to clearly propose to accelerate the cultivation and development of the housing rental market, to encourage real estate enterprises to establish housing rental businesses, and to anticipate the structural adjustment for future development needs of the industry. Judging from the demand of the commercial residential housing market, speculative demand will continue to be under control and the livelihood guarantee needs will continue to be supported.

After years of development, China's real estate industry has a low entry criterion and is full of competition. In recent years, the profit margin of the industry is gradually decreasing, and the era of extravagant profits will be difficult to reappear. The industry regulation policy of "no speculation for residential housing" and the system of "simultaneous renting and selling" will put even higher requirements on enterprises of the industry and the market concentration and competition situation will be affected in a simultaneous way. In such a fierce market competition environment, the Company will continue to explore new paths of development and business modes, continuously improve its management level, and make use of its own advantages to ensure the sustainable development of its real estate development business.

#### 5. Urban construction investment business

Since 2014, the central government has successively issued a series of policies to encourage and attract social capital's participation in urban construction investment through the PPP mode. With the deepening of urbanization and social development of China, the scope of investment in related infrastructure construction has expanded from roads and bridges, transportation hubs, etc. to the fields of, such as, urban renewal and transformation, ecological environment protection as well as public services. Under such a big background, the market put higher requirements on the level of urban construction solutions, operational service capabilities and investment and financing capabilities of the enterprises in the industry. Led by the State Council, the Ministry of Finance, National Development and Reform Commission (NDRC), MOHURD, the Ministry of Transport and other ministries and commissions have successively issued numerous supporting policies and regulations. They have publicized to the public the PPP work notice, operational manual, contract guideline and other contents, improved the supporting management measures such as budget management, government procurement, franchising, etc., and gradually promoted the establishment of the PPP system framework and established a PPP project bank and expert database so that the implementation of PPP projects will be provided with basis, and the participation of social capital in PPP projects will have laws and regulations to be based upon. Currently,

the PPP mode has become a common way for social capital and the government to participate in urban construction investment, and there are numerous participants and the market is promising.

Data from China Public Private Partnerships Center (CPPPC) of Ministry of Finance show that as of the end of 2019, the national public private partnership (PPP) comprehensive information platform and project management database contain 9,440 PPP projects with a total investment of RMB 14.4 trillion, and the overall scale continues to grow. The related investments broadly cover 31 provinces (autonomous regions and municipalities) and Xinjiang Corps and 19 industry fields. A total of 6,330 projects have been implemented, with an investment of nearly RMB 10 trillion, and the implementation rate is in a steady increase.

Urban construction investment business requires higher investment and financing ability of investors. With the intensification of competition, under the influence of macro-control policies such as "financial deleveraging", the financial strength of investors and the economic management ability of projects become increasingly important. In the meantime, the management during project construction and the operation and maintenance of the subject facilities after completion also put higher requirements on the project implementation ability of the investors. In addition, before participating in the investment, the relevant feasibility studies, risk identifications and the study and determination also require urgent and special attention from the investors. With the gradual balancing of the supply-demand relationship and the improvement of legal environment, the field of urban construction investment in China will continue to provide vast market opportunities for various participants.

## **(II) Development Strategy of the Company**

√Applicable □ Not Applicable

By comprehensive research and judgment of the macro-situation, the Company determines that China's urban construction demand will remain stable and sustainable for a period in the future. In order to adapt to the needs of the overall macroeconomic situation, the Company's development goal is to become a widely acclaimed service provider for the whole life cycle of construction. After years of development, the Company has formed a main business structure with its construction and civil engineering sector as the basis, the real estate development and urban construction investment sectors as the two wings, and the engineering design & consulting and building material sectors as the support. In recent years, it has focused on developing five emerging businesses, namely, urban renewal, water conservation and water affairs, environmental management, digital industrial construction and construction services.

To achieve the above strategic goal, the Company has established a series of management strategies with respect to industrial expansion, market expansion, and competitive strength improvement, which are progressing year by year. In terms of industrial expansion, the Company is guided by "innovation-driven, transformation for development" to expand the related diversified businesses around its main sector -- construction, and strengthen the linkage of the five major business groups, so as to improve the industrial structure and profit structure and effectively improve the profitability of the Company. In terms of market expansion, the Company has strengthened the cooperation with its strategic partners, strengthened market expansion in key regions through "project contracting driven by investment" and "from project operation to urban operation", vigorously promoted the "nationalization" strategy and the "localization" management mode, and actively explored new market opportunities under the "Belt and Road" Initiative, "the integrated regional development of the Yangtze River Delta" and "Guangdong-Hong Kong-Macao Greater Bay Area" strategies. And in terms of enhancing its competitive strength, the Company has strengthened its "general contracting and general integration" capability through strengthening enterprise management and control, innovating investment and financing, improving the capabilities of production, learning and research, enhancing the development of human resources, strengthening capital operation, as well as other strategies.

Over the years, the Company has paid attention to the construction of internal control system and strengthened its own social responsibility, which won it approval and recognition from stakeholders. In the future, while consolidating its own advantages, the Company devotes itself to business area expansion and business mode innovation to provide full-term and comprehensive construction services to the owners, and meanwhile, takes advantage of the capital market development and opening up to plan its investment and financing, so as to continuously enhance its profitability and reward its shareholders. The Company will, through the joint efforts of all its employees, seize the great strategic



opportunities given by this era and build SCG into a widely acclaimed service provider for the whole life cycle of construction.

### **(III) Operating plan**

√Applicable □ Not Applicable

2020 is the key year for the "13th Five-Year Plan" to conclude and for the "14th Five-Year Plan" to development. The Company's production and operation are expected to achieve an operating income of RMB 215.4 billion and a new contract amount of RMB 400 billion. During the year, the Company will continue to promote transformation and upgrading, actively comply with the nation's strategies, strive to seize the market opportunities, overcome the adverse effect of the epidemic on the production and operation of the Company, maintain a steady and advancing business performance, and achieve development with higher quality, so as to better benefit the shareholders, employees and the society. The Company will focus on the following points:

#### **I. Focus on macro guidance to achieve a sustainable development**

Maintain strategic focus to ensure that, while the objectives set in the "13th Five-Year Plan" are over-completed, work of the "14th Five-Year Plan" is prepared, and the medium and long-term development path of the enterprise is designed. Adjust and optimize the strategy implementation strategy, comply with the nation's strategy, grasp the opportunity of industrial policy, and improve the speed and quality of enterprise development. Accelerate and facilitate the deep transformation to a construction service provider and enhance the influence and competitiveness of "construction services".

#### **II. Improve the professional capability and strengthen the advantages of collaborative and inter-connected innovation across the whole industry chain**

Focus on promoting information linkage, technology linkage, business linkage, management linkage, talent linkage and resource sharing among various sectors to give full play to the overall advantages of the industrial cluster. Focus on clients' needs, and rely on the advantages of industrial cluster and differentiated competition, to provide overall service solutions to enable the clients to obtain added values, so as to fully reflect the comprehensive advantages of SCG. Adhere to the "trinity" development road including greening, industrialization and digitalization, and rapidly increase its market share in urban renewal (renovation of old residential communities, renovation of existing buildings, restoration of protected buildings, etc.), fabricated housing and fabricated municipal works.

#### **III. Promote the development and speed-up of new businesses, and cultivate and develop new functions**

The Company will make good use of our advantageous resource reserves, focus on improving the Company's competitiveness in the five emerging businesses (urban renewal, water conservation and water affairs, environmental management, digital industrial construction and construction services) and the high-end construction market, so as to realize the new horizontal and vertical expansion of the industry chain and value chain, and continue to promote the integration of e-commerce platforms, financial leasing, and mechanical and electrical property management into the services for whole life cycle of construction.

#### **IV. Adhere to the "breakthrough and development led by innovation"**

Take the initiative to build connection to major national scientific research projects, build a scientific and technological innovation system oriented by the coordination and interconnection of the whole construction industry chain and the services of the whole life cycle, accelerate the agglomeration of innovative resources to key areas, and promote the realization of scientific and technological achievements. Adhere to the market-oriented, practice-oriented and future-oriented strategy, and facilitate the coordination and interconnection of the whole industry chain and the whole life cycle services of construction through scientific and technological innovation. Accelerate the building of an industrial system with reasonable structure, advanced technology, friendly environment and high added-value of the building materials industry cluster. Create a good environment for innovation and stimulate the vitality of scientific and innovative talents.

#### **V. Realize a good enterprise control, and improve the brand value**

Further improve the quality and safety management, and operate the enterprise in strict accordance with the laws and regulations; continue to strengthen the construction of risk control system; implement the internal control of enterprise operation, strengthen the quality of economic operation, and pay attention to the demands and suggestions of clients and investors, so as to realize the synchronous promotion of business benefit and brand value. Increase capital operation, explore financing channels

such as spin-off listing, and strive to reduce the debt ratio. Extend and optimize the industrial layout and regional layout of the Group, through mergers and acquisitions and other means.

#### **(IV) Possible risks**

☒ Applicable ☐ Not Applicable

**Policy risks:** The Company's five major businesses including building construction and design consulting, real estate development, urban construction investment and construction industry are policy-sensitive industries. China's monetary policy, tax policy, fiscal policy and other macro and industrial control policies will have a significant impact on the development of the Company. As a solution, the Company will pay close attention to the changes of relevant national policies, adjust the scale of the Company's investment businesses and the proportion of the development of indemnificatory housing and commercial residential housing, so as to accelerate the turnover rate and reduce the risks therein.

**Financial risks:** The Company's construction and design consulting services, and related industrial facilities and infrastructure investment businesses are all subject to the owner's financial status. In the future, if there are serious situations of unsold housing and stressed financial situation of the owners, such negative impacts will be transmitted to the Company's related sectors to a certain extent. For this purpose, the Company will strengthen the internal overall capital planning and budget management, strengthen risk awareness and internal control system, and expand financing channels, so as to speed up investment recovery, and improve the Company's ability to resist financial risks.

**Market risks:** With the improvement of Shanghai's urban construction year by year, the growth of demand scale in the local construction market is decreased. The Company needs to continue to push forward the strategy of "nationalization" and increase its input in the expansion of markets of other provinces and cities and the overseas markets and increase the business scope in these markets. Thus, the Company faces higher risks in the management cost and market operation. To this end, the Company will further improve its efforts in localized operation during the establishment and consolidation of domestic market with a purposeful and strategic approach with the basis of its businesses in Shanghai, thus effectively reducing its operating costs.

**Influence of force majeure:** Since the spread of the coronavirus pneumonia epidemic in January 2020, various countries and regions have adopted prevention and control measures against the epidemic, resulting in a delay in the resumption of work on the engineering projects and a slowdown in the project progress. The extent of the subsequent influence of the epidemic on the various industries in which the Group's main businesses are involved will depend on factors such as the epidemic situation, macro policies, resumption of work and production of the upstream and downstream sectors of the industries. On the basis of effectively controlling the epidemic, the Company will endeavor to facilitate the project and work resumption, and continuously evaluate the epidemic's impact on the Group's future financial situation and operating results.

#### **(V) Others**

☐ Applicable ☒ Not Applicable

#### **IV. Description for Situation and Cause that the Company Did Not Disclose According to the Criterion Due to Inapplicable Criteria or Special Causes Concerning the State Secret and Business Secret**

☐ Applicable ☒ Not Applicable

### **Section V Important Matters**

#### **I. Plan for Profit Distribution of Common Stock or Capital Reserve Transfer**

##### **(I) Preparation, Implementation or Adjustment of Cash Dividends Policy**

☒ Applicable ☐ Not Applicable

The 2018 Annual Shareholders' Meeting Review adopted the *Plan for Return on Shareholders of the Company in the Following Three Years (2019-2021)*, which sets forth the following provisions: "III. The specific plan for return on shareholders in the following three years (2019~2021)

1. Profit distribution form: The Company can distribute profits through cash, stock or cash+stock. The Company shall give priority to cash dividend distribution.

2 Time interval for profit distribution: In principle, the Company shall distribute the profits available for distribution on an annual basis, and the Company may also initiate a mid-term cash dividends.

3. Cash dividend ratio: The ratio between the amount of cash dividend distributed in the year (including the amount implemented that year to repurchase shares by offer or centralized bidding with cash as the consideration) and the net profit attributable to the shareholders of the Company of the year shall conform to the provisions in the Articles of Association, except for such cases that are agreed through special resolution of the Shareholders' Meeting.

In the following three years, if the Company's profits distributable continue to increase, the amount of cash dividends distributable by the Company in each year (including the amount implemented that year to repurchase shares by offer or centralized bidding with cash as the consideration) shall not be less than that in 2018, provided that it will not affect the Company's capabilities of going concern and repayment.

4. Conditions for distributing share dividends: If the Company grows rapidly, the Board of Directors may propose to distribute the dividends by shares or by combining shares and cash on the premise of ensuring a sufficient cash dividend ratio and a reasonable share capital scale of the Company.

The ratio of cash and share dividends distributed by the Company shall meet the following requirements:

If the Company has no major capital expenditure arrangement, the ratio of cash dividends in that profit distribution shall reach 80% at the minimum; if the Company has significant capital expenditure arrangements, the ratio of cash dividends in that profit distribution shall reach 40% at the minimum.

Major capital expenditure means the accumulated expenditure of the Company and its controlled subsidiaries on the proposed foreign investment, asset acquisition and fixed asset investment in the next 12 months, which reaches or exceeds 10% of the audited net assets of the Company in the latest fiscal year."

The full text of the *Plan for Return on Shareholders of the Company in the Following Three Years (2019-2021)* has been disclosed on the website of Shanghai Stock Exchange.

The Company's profit distribution of 2018 was entrusted to the China Securities Depository and Clearing Co., Ltd., which was completed in July 2019.

## (II) The Company's Common Stock Profit Distribution Scheme or Plan, Capital Reserve Transfer-into-Equity Scheme or Plan in Recent Three Years (Including the report period)

Unit: RMB Currency: RMB

Dividend-receiving year	Number of bonus shares per 10 common shares (share)	Number of dividends per 10 common shares (RMB) (tax included)	Number of shares converted by capital reserve per 10 common shares (share)	Amount of cash dividends (tax inclusive)	Net profits attributable to common shareholders of listed companies in consolidated statements in dividend-receiving year	Proportion (%) accounting for net profits attributable to common shareholders of the listed companies in consolidated statements
2019	0	1.40	0	1,246,615,682	3,930,207,378.10	31.7
2018	0	1.35	0	1,202,093,693	2,779,866,799.83	43.2
2017	0	1.35	0	1,202,093,693	2,584,465,203.87	46.5

**(III) Buy-back of share in cash to be included in the cash dividends**√Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

	Amount of cash dividends	Proportion (%)
2019	55,109,000	1.4

Note: In 2019, the amount of shares repurchased by the Company through centralized bidding was RMB 55.1090 million (excluding transaction costs). According to relevant regulations, the above repurchasing amount is included in the relevant ratio calculation of the annual cash dividend, i.e., the annual cash dividend plan to be implemented by the Company plus the amount of shares repurchased by cash during the report period, totaling a cash dividend ratio of 33.1%.

**(IV) The payoff in the report period and profit of the parent company available for distribution to the common shareholders was positive, but in case of no Common Stock Cash Dividend Distribution Plan presented, the Company should, in details, disclose the cause, as well as the purpose and use plan of the undistributed profit**

☐ Applicable ☒ Not Applicable**II. Performance of Commitment Matters**

**(I) The commitment matters of the Company's actual controllers, shareholders, related parties, purchasers, the Company and other related parties in the report period or lasting to the report period**

√Applicable ☐ Not Applicable

Commitment background	Commitment Type	Commitment party	Commitment Contents	Commitment time and duration	Whether the duration for performance is provided	Whether the commitment is performed timely and strictly	Reasons of failure in timely performance	Next plan in case of failure in timely performance
Commitment made in acquisition report or report of equity change	Solution of horizontal competition	Construction Corporation	Commitment I: For that the SFECO Group is not entirely incorporated into the listed company in the asset reorganization implemented in 2011, and there are horizontal competitions in overseas businesses, Construction Corporation undertakes: SFECO Group will no longer engage in the overseas businesses that are identical to the listed company. Commitment II: In response to avoiding potential horizontal	Long-term	No	Yes		

			competitions after asset reorganization in 2011, Construction Corporation undertakes: (1) Construction Corporation and its holding subsidiaries will not directly or indirectly engage in any businesses or activities that competes with or may compete with the businesses of the listed company in any manner (including but not limited to independent operation, joint venture operation and ownership of shares or equities in other companies or enterprises); (2) after this reorganization, Construction Corporation will no longer undertake any new general construction contracting businesses both inside and outside China, and all such businesses will be independently assumed and carried out by the listed company.					
	Others	Construction Corporation	For the asset reorganization implemented in 2011, Construction Corporation has implemented relevant equity transfer for the purpose of	During the validity period of legal proceedings	No	Yes		

			<p>establishing SFECO (see page 39, <i>Report on Issuance of Shares to Purchase Assets and Related Transactions</i> (revised) for details), Construction Corporation undertakes: if the relevant transferor is unable to repay its debt due to the above-said equity transfer, Construction Corporation will assume such compensation liabilities if the relevant obligee objects to the transfer action and requires the transferor and other parties to assume the compensation liabilities or claims creditor's rights against them.</p>					
	Solution of horizontal competition	Guosheng Group	<p>Approved by the State-owned Assets Supervision and Administration Commission of the State Council and the State-owned Assets Supervision and Administration Commission of Shanghai, on July 21, 2015, the Company's holding shareholder, i.e. Construction Corporation, transferred 29.00% of the state-owned shares of the</p>	Long-term	No	Yes		

			<p>Company owned by it to Guosheng Group (see <i>Announcement on Completion of Free Transfer of State-owned Shares</i> (No.: L 2015-032) for details). In order to avoid horizontal competition, Guosheng Group issues the following commitments:</p> <p>"1. The Company undertakes that it will: not directly or indirectly engage in or carry out any business activities that directly or indirectly compete with SCG's main businesses during its tenure as a shareholder of SCG; not provide proprietary technologies, sales channels and client information and commercial secrets to other companies, enterprises or other institutions, organizations or individuals whose businesses are the same as, similar to or compete in any respect with SCG; not engage in any business detrimental to the interests of SCG, and not produce and</p>					
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			operate the same products as those of SCG; actively seek effective solutions in case of any horizontal competition with SCG due to any reason and give up such competition. 2. The Company is willing to bear all the economic losses caused to SCG due to violation of the above commitments."					
	Solution of related party transaction	Guosheng Group	Approved by the State-owned Assets Supervision and Administration Commission of the State Council and the State-owned Assets Supervision and Administration Commission of Shanghai, on July 21, 2015, the Company's holding shareholder, i.e. Construction Corporation, transferred 29.00% of the state-owned shares of the Company owned by it to Guosheng Group (see <i>Announcement on Completion of Free Transfer of State-owned Shares</i> (No.: L 2015-032) for details). In order to reduce and standardize related party transactions,	Long-term	No	Yes		



			<p>Guosheng Group issues the following commitments:</p> <p>"1. The Company will avoid and reduce related party transactions with SCG as much as possible; related party transactions that cannot be avoided or occur for reasonable reasons will be subject to the principles of just, fairness and openness in the market to enter into agreements according to the law, and legal procedures will be followed. And information disclosure obligations will be performed and relevant approval procedures will be handled in accordance with SCG's current valid <i>Articles of Association</i>, relevant laws and regulations as well as the <i>Listing Rules of Shanghai Stock Exchange</i>, so as to ensure that the legitimate rights and interests of SCG and other shareholders will not be impaired through related party transactions. 2. The Company shall be liable</p>					
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			for all losses incurred to SCG due to its failure to fulfill the commitments made herein."					
Commitments related to material asset restructuring	Others	Construction Corporation	For the related transfer (see <i>Report on Issuance of Shares to Purchase Assets and Related Transactions</i> (revised), p.212-214, for details) involved before the reorganization of subject asset in the major asset reorganization implemented in 2010, Construction Corporation undertakes: if the relevant transferor is unable to repay its debt due to the above-said equity transfer, Construction Corporation will assume such compensation liabilities if the relevant obligee objects to the transfer action and requires the transferor and other parties to assume the compensation liabilities or claims creditor's rights against them.	During the validity period of legal proceedings	No	Yes		

**(II) If profit forecast can be carried out for the company's assets or its projects, and the report period is still in the period of profit forecast, the company shall explain**

**Whether the Assets and Projects Can Realize the Original Profit Forecast and the Reasons**

☐ Has realized ☐ Not realize ☒ Not applicable

**(III) Completion of performance commitments and its impact on goodwill impairment test**

☐ Applicable ☒ Not Applicable

**III. Asset Occupation and Debt Clearing Progress Within the report period**

☐ Applicable ☒ Not Applicable

**IV. Explanations of the Company on the “Nonstandard Auditor’s Report” provided by the Accounting Firm**

☐ Applicable ☒ Not Applicable

**V. Analytical descriptions of the Company on the causes and influence of the Accounting Policy, Accounting Estimate Alterations or Major Accounting Error Correction****(I) Analytical Descriptions of the Company on the Causes and Influence of the Accounting Policy and Accounting Estimate Changes**

☒ Applicable ☐ Not Applicable

During the report period, the Company implemented the *ASBE 22 - Measurement of Financial Instruments*, *ASBE 23 - Transfer of Financial Assets*, *ASBE 24 - Hedging Accounting*, *ASBE 37 - Presentation of Financial Instruments* and *Notice on Revising and Issuing the Format of Financial Statements of General Enterprises in 2018*. Relevant adjustments involved the changes of financial assets types of the Company in accordance with the financial instrument guideline of Ministry of Finance, into the three types: "financial assets measured by amortized cost", "financial assets measured at fair value with the changes included in other comprehensive incomes" and "financial assets measured at fair value with the changes included in the current profits and losses", which will be implemented as of January 1, 2019. (See Notice No. L 2019-011 for details)

**(II) Analytical Descriptions of the Company on the Causes and Influence of Major Accounting Error Correction**

☐ Applicable ☒ Not Applicable

**(III) Communication with Former Accounting Firms**

☐ Applicable ☒ Not Applicable

**(IV) Other notes**

☐ Applicable ☒ Not Applicable

**Employment and Dismissal of Accounting Firms**

Unit: RMB 10,000 Currency: RMB

	Existing accounting firm
Name of domestic accounting firm	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration for domestic accounting firm	1,670
Audit period of domestic accounting firm	7 year

	Name	Remuneration
Accounting firm for internal control and audit	BDO China Shu Lun Pan Certified Public Accountants LLP	275
Finance consultant	Haitong Securities Co., Ltd.	10

Description for employment and dismissal of accounting firms

☐ Applicable ☒ Not Applicable

Description of changed employment of the accounting firm during the audit

☐ Applicable ☒ Not Applicable

**VII. Facing of Risks of Suspending Listing****(I) Reasons for Suspension of Listing**

☐ Applicable ☒ Not Applicable

**(II) Countermeasures Proposed to Be Taken by the Company**

☐ Applicable ☒ Not Applicable

**VIII. Situation of and Reasons for Termination of Listing**

☐ Applicable ☒ Not Applicable

**IX.****Relevant Matters of Bankruptcy Reorganization**

☐ Applicable ☒ Not Applicable

**X. Major Litigation and Arbitration Matters**

☒ The Company had major litigations or arbitrations in the current year ☐ The Company had no major litigations or arbitrations in the current year.

**(I) Litigations and Arbitrations That Have Been Disclosed in the Interim Notice and There Is No Subsequent Progress**

☒ Applicable ☐ Not Applicable

Summary and Types of the Matters	Query index
On December 26, 2019, a wholly-owned subsidiary of the Company, Shanghai Construction No. 7 (Group) Co., Ltd. received a summons from Tianjin No. 1 Intermediate People's Court. The summons is about the disputes of property damage compensation between Tianjin City Institute of Traditional Chinese Medicine Affiliated Hospital (Plaintiff) and Tianjin Lujin Real Estate Development Co., Ltd. (Defendant) and Shanghai Construction No.7 (Group) Co., Ltd. (Defendant), which was placed on file by Tianjin No.1 Intermediate People's Court on December 13, 2019 (Case No. (2019) J01MC1312). In this lawsuit, the Plaintiff requested the Court to order the two defendants to compensate for the costs of demolition, reconstruction and reinforcement of the buildings, as well as employee relocation fees, and income losses, totaling RMB 280 million, and to bear the litigation costs. To date, the case has not yet been heard and it is currently not possible to determine the amount affected by the litigation on the Company's profits in the current and following period(s).	For details, please refer to the <i>Notice on Litigations Involving the Subsidiaries</i> (Notice No. L 2019-057)

**(II) Lawsuits and Arbitrations not Disclosed in the Interim Notice or with Subsequent Progress**

☐ Applicable ☒ Not Applicable

**(III) Other notes**

☐ Applicable ☒ Not Applicable

**XI. Penalty to and Rectification of the Listed Company and Its Directors, Supervisors, Senior Managers, Controlling Shareholders, Actual Controllers and Purchasers**

☐ Applicable ☒ Not Applicable

**XII. Description of the Honesty Condition of the Company and Its Controlling Shareholders and Actual Controllers during the Report Period**

☐ Applicable ☒ Not Applicable

### **XIII. Information about the Company's Equity Incentive Plan, Employee Stock Ownership Plan or other Employee Incentives and Influence**

#### **(I) Incentive Matters already Disclosed in the Interim Notice and without Progress or Changes of Subsequent Execution**

☐ Applicable ☒ Not Applicable

#### **(II) Information on incentives not disclosed in the interim notice or with subsequent progress**

Information about equity incentive

☐ Applicable ☒ Not Applicable

Other notes

☐ Applicable ☒ Not Applicable

ESOP information

☒ Applicable ☐ Not Applicable

Approved by the China Securities Regulatory Commission and the State-owned Assets Supervision and Administration Agency, the Company implemented the core employee stock ownership plan and non-public stock issuing in February 2017. A total of 4,542 eligible employees contributed to participate in the employee stock ownership plan (ESOP) in accordance with regulations, with a total contribution amount of RMB 1.259 billion. For the 350,830,083 shares of RMB common stock (A shares) issued by the Company to this ESOP, the share registration procedures were completed on February 28, 2017. The restricted trade period of the above shares is 36 months which is expired on March 2, 2020. The shares may now be listed for trading. (For details, please refer to the Notice No. L 2016-013, data from the 2015 Annual Shareholders' Meeting, Notice No. L 2017-001, Notice No. L 2017-010 and Notice No. L 2020-016)

Other incentive measures

☒ Applicable ☐ Not Applicable

On October 27, 2016, the 5th meeting review of the 7th Board of Directors of the Company adopted the *Incentive Fund Plan (2016 - 2020)*, which agreed that the Company will withdraw a certain amount of the incentive fund to award the subjects of incentives (excluding directors and supervisors elected in the Shareholders' Meeting) every year for five consecutive fiscal years from 2016 to 2020, provided that the constraint conditions for withdrawing the funds are met. On April 29, 2019, the review by the compensation and assessment committee of the 7th Board of Directors of the Company adopted the *Implementation Scheme for the Incentive Fund Plan of the Company (2018)*, which agreed that the Company will implement incentives to the 105 incentive subjects (excluding the directors, supervisors, president, vice president, chief engineer, chief economic manager and chief accountant elected by the Shareholders' Meeting) that meet the incentive conditions in accordance with the audited financial report indexes of the Company of 2018.

On April 27, 2017, the 8th meeting review of the 7th Board of Directors of the Company adopted the *Incentive Fund Plan for Professional Managers of Shanghai Construction Group Co., Ltd. (2017~2019)*, which agreed that the Company will withdraw a certain amount of the incentive fund every year for three consecutive fiscal years (2017~2019) in accordance with this incentive fund plan, and grant the same to its professional managers (specific positions include: president, vice president, chief engineer, chief economic manager and chief accountant) provided that the constraint conditions for withdrawing the funds are met. On April 29, 2019, the review by the compensation and assessment committee of the 7th Board of Directors of the Company adopted the *Performance Assessment and Compensation Plan for Professional Managers (2017)*, which agreed the 2018 performance assessment and compensation plan for 11 professional managers, and the incentives will be implemented according to the relevant regulations in the *Incentive Fund Plan for Professional Managers of the Company (2017~2019)*.

#### XIV. Major Related Party Transactions

##### (I) Related party transaction relevant to daily management

###### 1. Matters already disclosed in the interim notice and without progress or changes of subsequent execution

☐ Applicable ☒ Not Applicable

###### 2. Matters already disclosed in the interim notice but with progress or changes of subsequent execution

☐ Applicable ☒ Not Applicable

###### 3. Matters not Disclosed in the Temporary Notice

☐ Applicable ☒ Not Applicable

##### (II) Related Party Transactions Accrued from the Assets or Equity Acquisition and Sales

###### 1. Matters already disclosed in the interim notice and without progress or changes of subsequent execution

☐ Applicable ☒ Not Applicable

###### 2. Matters already disclosed in the interim notice but with progress or changes of subsequent execution

☐ Applicable ☒ Not Applicable

###### 3. Matters not Disclosed in the Temporary Notice

☐ Applicable ☒ Not Applicable

###### 4. Where the performance is agreed, the achievements during the report period shall be disclosed

☐ Applicable ☒ Not Applicable

##### (III) Major Related Party Transactions of Joint Investments Abroad

###### 1. Matters already disclosed in the interim notice and without progress or changes of subsequent execution

☐ Applicable ☒ Not Applicable

###### 2. Matters already disclosed in the interim notice but with progress or changes of subsequent execution

☐ Applicable ☒ Not Applicable

###### 3. Matters not Disclosed in the Temporary Notice

☐ Applicable ☒ Not Applicable

##### (IV) Related Party Credit And Debt

###### 1. Matters already disclosed in the interim notice and without progress or changes of subsequent execution

☐ Applicable ☒ Not Applicable

###### 2. Matters already disclosed in the interim notice but with progress or changes of subsequent execution

☐ Applicable ☒ Not Applicable

###### 3. Matters not Disclosed in the Temporary Notice

☐ Applicable ☒ Not Applicable

##### (V) Others

☐ Applicable ☒ Not Applicable

**XV. Major Contracts and Performance****(I) Trusteeship, Contracting and Leasing Events****1. Trusteeship**

☐ Applicable ☒ Not Applicable

**2. Contracting**

☐ Applicable ☒ Not Applicable

**3. Leasing**

☐ Applicable ☒ Not Applicable

**(II) Guarantee**

☒ Applicable ☐ Not Applicable

Unit: RMB 100 million Currency: RMB

Unit: RMB 100 million      Currency: RMB

External guarantee (excluding the guarantee to subsidiaries)													
Guarantor	Relation between guarantor and listed company	Guaranteed Party	Guaranteed amount	Guarantee date (agreement signing date)	Guarantee Start date	Guarantee Expiry date	Type of guarantee	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Amount override	Whether counter guarantee exists	Whether it is the guarantee to related parties	Association relationship
Shanghai Construction Real Estate Co., Ltd.	Wholly owned subsidiary	Customer	58.75				Joint liabilities	No	No		Yes	No	
SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	Wholly owned subsidiary	Zhejiang Jiangneng Construction Co., Ltd.	0.13	April 1, 2017	April 1, 2017		Joint liabilities	No	No		Yes	No	
Total guarantee amount in the report period (excluding the guarantee to subsidiaries)													
Total guarantee balance at the end of report period (A) (excluding the guarantee to subsidiaries)							58.88						
Guarantee of the Company and its subsidiaries on subsidiaries													
Total guarantee amount incurred to the subsidiaries during the report period													
Total guarantee balance to subsidiaries at the end of report period (B)							186.68						
Total guarantee amount of the Company (including the guarantee to subsidiaries)													
Total guarantee amount (A+B)							245.56						
Proportion (%) of total guarantee amount in the Company's net assets							67.88						
Where:													
Amount of the guarantee provided for shareholders, actual controllers and their related parties (C)							0						
Debt guarantee amount provided directly or indirectly for the guaranteed object whose asset-liability ratio is more than 70% (D)							0.13						
Total guarantee amount exceeding 50% of the net assets (E)							0						

Total amount of above three guarantees (C+D+E)	0.13
Description of possible liability for satisfaction (the guarantee not yet due)	
Guarantee description	<p>As of 2019, the Company's total guarantee amount which was still in the guarantee period was RMB 24.556 billion, which was lower than the total external guarantee amount of RMB 53.1 billion approved by the Company's 2018 Annual Shareholders' Meeting, where: the balance of guarantee issued due to financing of the Company (or its subsidiaries) was RMB 3.773 billion; the balance of bid guarantee's counter-guarantee, advance payment refund guarantee's counter-guarantee, performance guarantee's counter-guarantee, project warranty guarantee's counter-guarantee and property preservation guarantee's counter-guarantee provided by the Company for the construction contracting businesses of its subsidiaries was RMB 14.895 billion; and the balance of the mortgage guarantee provided by the subsidiaries for selling products was RMB 5.875 billion. SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd. has provided joint liability guarantee for the engineering guarantee issued by Zhejiang Jiangneng Construction Co., Ltd. before the acquisition in March 2018. As of the end of 2019, the outstanding balance of the guarantee was RMB 13 million.</p> <p>Among the above guarantees, the first two types of are for the wholly-owned subsidiaries of the Company. The third type of guarantees is aimed at the clients who purchase houses from Shanghai Construction Real Estate Co., Ltd. For sale of products, the above enterprise needs to acquire the tripartite mortgage guarantee loan agreement signed with the client with mortgage loan and the bank from the bank to form a phased joint liability guarantee. The third type of guarantees is for Zhejiang Jiangneng Construction Co., Ltd., which is not affiliated with the Company.</p>

### (III) About the Entrusting Others with the Management of Cash Assets

#### 1. Entrusted financial management

##### (1) Overall Entrusted Financial Management

☐ Applicable ☒ Not Applicable

##### Other information

☐ Applicable ☒ Not Applicable

##### (2) Single Entrusted Financial Management

☐ Applicable ☒ Not Applicable

##### Other information

☐ Applicable ☒ Not Applicable

##### (3) Impairment Provision of Entrusted Financial Management

☐ Applicable ☒ Not Applicable

#### 2. Entrusted loans

##### (1) Overall Entrusted Loans

☐ Applicable ☒ Not Applicable

##### Other information

☐ Applicable ☒ Not Applicable

##### (2) Single Entrusted Loans

☐ Applicable ☒ Not Applicable

##### Other information

☐ Applicable ☒ Not Applicable

##### (3) Impairment Provision of Entrusted Loans

☐ Applicable ☒ Not Applicable

#### 3. Other information

☐ Applicable ☒ Not Applicable

### (IV) Other Major Contracts

☐ Applicable ☒ Not Applicable

### XVI. Notes for Other Major Matters

☐ Applicable ☒ Not Applicable



**XVII. Working Status of Actively Fulfilling Social Responsibility****(I) About the Poverty Alleviation Work of Listed Companies**

√Applicable □ Not Applicable

**1. Planning of Targeted Poverty Alleviation**

√Applicable □ Not Applicable

Based on its own advantages, the Company will fully implement the guiding spirit of the *Notice of the State Council on Issuing the Poverty Alleviation Plan of the "13th Five-Year Plan"* and *Opinions of the China Securities Regulatory Commission on Giving Full Play to the Role of Capital Market in Serving the National Poverty Alleviation Strategy*, carry out precise poverty alleviation, innovate the modes and methods of poverty alleviation, improve the effectiveness of poverty alleviation, and strive to fulfill its social responsibilities and share the achievements of enterprise development in a more comprehensive manner while developing itself.

**2. Summary of Annual Targeted Poverty Alleviation**

√Applicable □ Not Applicable

During the report period, the Company actively implemented relevant national poverty alleviation strategies, actively practiced assistance to rural areas, and helped and donated an amount totally over RMB 10 million to Shizong County in Yunnan, Muli County in Sichuan, Huining County in Gansu, Pingnan County in Guangxi, Chongming District in Shanghai, etc.; actively participated in social poverty alleviation, and donated totally about RMB 500,000 to Shanghai Charity Foundation, charity donation of the Benevolence under Blue Sky, Wenzhou Longwan District Charity Federation, Red Cross Society of China Nanjing Branch and other social charity organizations.

**3. Achievement in Targeted Poverty Alleviation**

√Applicable □ Not Applicable

Index		Unit: RMB 10,000    Currency: RMB
Quantity and development		
I. General situation		
Including: 1. Funds		1,122.81
II. Investment of items		
4. Poverty alleviation through education		
4.3 Amount of investment in improving educational resources in poor areas		37.23
8. Poverty alleviation through social work		
8.2 Amount of investment in fixed-point poverty alleviation work		1,029.00
8.3 Charitable Fund for Poverty Alleviation		56.58

**4. Follow-up Plan of Targeted Poverty Alleviation**

√Applicable □ Not Applicable

In 2020, the Company will continue to implement the national poverty alleviation strategy and actively respond to the poverty alleviation policy of "giving full play to the role of capital market to serve the national poverty alleviation strategy" issued by CSRC.

**(II) Social Responsibility**

√Applicable □ Not Applicable

For details, please refer to the *Report on Performing Social Responsibilities (2018)* disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn).

**(III) Environmental Information****1. Description of the environment protection of the Company belonging to the heavy pollution units as prescribed by the environment protection department and its major subsidiaries**

□ Applicable √Not Applicable

## 2. Description of Environmental Protection of Companies other than Key Pollutant Discharge Units

☒ Applicable ☐ Not Applicable

Comprehensively advocate for green development: SCG regards protecting and improving the environmental quality of urban and rural areas and the health of its employees as its own duties. It actively implements the development concept of "lucid waters and lush mountains are invaluable assets", and continuously establishes and improves its environmental protection management system to reduce the damages to environmental protection due to construction, production and operation. It actively exerts its own professional expertise to lay out emerging businesses such as soil remediation, sewage treatment and sponge city, and strives to make contributions to urban and rural environmental restoration and improvement.

The Company incorporates environmental protection into the whole process of production and operation, and requires all members of the Group to:

Reuse consumables or use them in a recycling manner as much as possible; minimize the use of non-renewable resources (materials, fuel and energy); minimize the generation and emission of noises, the three wastes (gas, solid and liquid) and ensure that all regulatory requirements are observed; consider environmental impact and pollution prevention requirements while making business decisions, and give priority to environmentally friendly materials, equipment and new technologies/processes; and encourage and guide business partners to adopt environmental protection management policies.

Systematically formulate internal environmental protection system: The Company has formulated the Group's *Environmental Protection Management Guidelines* and *Environmental Protection Management Specifications* in accordance with the *Environmental Protection Law*, *Urban Construction Waste Management Regulations* and other laws and regulations pertinent to environmental protection and civilized construction of construction projects, and detailed the key points and implementation requirements of the Group's environmental protection work. In the Group's HQ and all its subsidiaries, an environmental protection management organization system operating in a closed "organization-system-assessment" loop, where the chief administrative officer is the first responsible person, and the functional departments at all levels perform their respective duties is established.

The Company has introduced the *Environmental Management Systems -- Requirements with Guidance for Use* (GB/T 24001—2016) to ensure orderly and controllable environmental protection, and to prevent and control the impact of waste water, waste gas, dust, noise, vibration and various solid wastes generated during construction on the surroundings of the construction site. It adopts a systematic evaluation method to identify, evaluate and control the impact factors of the production process on the environment.

During the report period, the Company and its major subsidiaries did not have any environmental liabilities or major violations of laws and regulations pertinent to energy saving and emission reduction. The Company and its major subsidiaries are not listed among the major pollution discharge units announced by the national environmental protection authorities.

## 3. Explanation on reasons for non-disclosure of environmental information by companies other than key pollutant discharge units

☐ Applicable ☒ Not Applicable

## 4. Explanation on the follow-up progress or changes in the disclosure of environmental information content during the report period

☐ Applicable ☒ Not Applicable

### (IV) Other notes

☐ Applicable ☒ Not Applicable

## XVIII. Convertible Corporate Bond

☐ Applicable ☒ Not Applicable

## Section VI About the Changes in Common Stock Equity and Shareholders

### I. About the Changes in Common Stock Equity

#### (I) Common stock and its equity movement table

##### 1. Share change table of common stock

During the report period, both the total amount of shares and equity structure of the Company have not changed.

##### 2. Description of Share Change of Common Stock

☐ Applicable ☒ Not Applicable

##### 3. The influence of share change of common stock on earnings per share and net asset per share and other financial indexes last year and in the latest period (if any)

☐ Applicable ☒ Not Applicable

##### 4. Other contents disclosed according to the requirements of the Company or the Securities Regulatory Institutions

☒ Applicable ☐ Not Applicable

During the report period, the Company implemented share repurchase. As of the end of 2019, the Company repurchased a total of 15,800,000 company shares through centralized bidding. (See Notice No. L 2020-001 for details)

On March 2, 2020, the 417,487,799 shares held by the special account of the Company's core employee stock ownership plan, i.e. "Changjiang Pension Insurance Co., Ltd.- Special Pension Security Management Product of Employee Stock Ownership Plan of Changjiang Pension- SCG", expired and may be listed for trading. (See Notice No. L 2020-016 for details)

#### (II) Changes in restricted share

☐ Applicable ☒ Not Applicable

### II. Conditions on issuance and listing of securities

#### (I) Conditions on Issuance of Securities as of the Report Period

☐ Applicable ☒ Not Applicable

Explanation on the issuance of securities as of the report period (please specify separately for bonds with different interest rates during the duration):

☐ Applicable ☒ Not Applicable

#### (II) Changes in the Total Shares of Common Stock and Shareholder Structure of the Company as well as Changes in the Structure of the Company's Assets and Liabilities

☐ Applicable ☒ Not Applicable

#### (III) Shares of Existing Internal Employee

☐ Applicable ☒ Not Applicable

### III. Shareholders and Actual Controllers

#### (I) Total Number of Shareholders

Total number of common shareholders as of the end of the report period (Nr.)	173,149
Total number (Nr.) of common shareholders at the end of the previous month before disclosure of the annual report	173,337

**(II) Shareholding Situation of Top Ten Shareholders and Top Ten Shareholders of Tradable Shares (or Shareholders without Trading Limited Condition) as of the End of the report period**

Unit: Share

Shareholding structure of the top ten shareholders							
Name of shareholder (full name)	Increase/decrease during report period	Number of shares held at the end of the period	Proportion (%)	Number of holding shares with trading limited condition	Pledged or frozen status		Nature of Shareholders
					Status of shares	Quantity	
Shanghai Construction (Group) Corporation	0	2,688,670,545	30.19	0	None		State-owned legal person
Guosheng Group- International Finance-15 Guosheng EB Guarantee and Special Trust Property Account	0	1,200,944,073	13.49	0	None		Others
Shanghai Guosheng (Group) Co., Ltd.	0	836,759,155	9.40	0	None		State-owned legal person
Changjiang Pension Insurance Co., Ltd.- Special Pension Security Management Product of Employee Stock Ownership Plan of Changjiang Pension- SCG	0	417,487,799	4.69	417,487,799	None		Others
Hong Kong Securities Clearing Company Limited	293,396,456	306,431,424	3.44	0	None		Overseas legal person
China Securities Finance Corporation Limited	0	266,241,736	2.99	0	None		State-owned legal person
Industrial and Commercial Bank of China Limited- CSI Shanghai State-owned Enterprise ETF	10,721,000	66,070,383	0.74	0	None		Others
Central Huijin Asset Management Co., Ltd.	0	53,950,982	0.61	0	None		State-owned legal person
Bosera Funds – Agricultural Bank of China – Bosera CSI Financial Assets Management Plan	0	43,766,883	0.49	0	None		Others
E Fund – Agricultural Bank of China – E Fund CSI Financial Assets Management Plan	0	43,766,883	0.49	0	None		Others
Shareholdings of top ten shareholders without trading limited condition							
Name of shareholder				Number of tradable shares without trading limited condition	Share type and number		
					Category	Quantity	
Shanghai Construction (Group) Corporation				2,688,670,545	Common stock (A shares)	2,688,670,545	
Guosheng Group- International Finance-15 Guosheng EB Guarantee and Special Trust Property Account				1,200,944,073	Common stock (A shares)	1,200,944,073	
Shanghai Guosheng (Group) Co., Ltd.				836,759,155	Common stock (A shares)	836,759,155	
Hong Kong Securities Clearing Company Limited				306,431,424	Common stock (A shares)	306,431,424	
China Securities Finance Corporation Limited				266,241,736	Common stock (A shares)	266,241,736	
Industrial and Commercial Bank of China Limited- CSI Shanghai State-owned Enterprise ETF				66,070,383	Common stock (A shares)	66,070,383	
Central Huijin Asset Management Co., Ltd.				53,950,982	Common stock (A shares)	53,950,982	
Bosera Funds – Agricultural Bank of China – Bosera CSI Financial Assets Management Plan				43,766,883	Common stock (A shares)	43,766,883	
E Fund – Agricultural Bank of China – E Fund CSI Financial Assets Management Plan				43,766,883	Common stock (A shares)	43,766,883	

Dacheng Fund – Agricultural Bank of China – Dacheng CSI Financial Assets Management Plan		43,766,883	Common stock (A shares)	43,766,883
Explanations of relationships between or concerted actions of the aforementioned shareholders	<p>Shanghai Construction (Group) Corporation is the controlling shareholder of the Company.</p> <p>"Changjiang Pension Insurance Co., Ltd.- Special Pension Security Management Product of Employee Stock Ownership Plan of Changjiang Pension- SCG" is a special account for the Company's core employee stock ownership plan, which is entrusted to Changjiang Pension Insurance Co., Ltd.</p> <p>"Guosheng Group- International Finance- -15 Guosheng EB Guarantee and Special Trust Property Account" is a special account set up for Guosheng Group to issue exchangeable corporate bonds.</p> <p>The Company is not aware of any relationships or concerted actions among other shareholders.</p>			

Shares held by the top ten shareholders with trading conditions and the detailed information about the trading conditions

☒ Applicable ☐ Not Applicable

Unit: Share

S/ N	Shareholders holding shares with trading conditions	Quantity of shares held with trading conditions	Condition of marketable shares with trading conditions		Conditions on trading
			Time for listing and trading	Number of new shares for listing and trading	
1	Changjiang Pension Insurance Co., Ltd.- Special Pension Security Management Product of Employee Stock Ownership Plan of Changjiang Pension- SCG	417,487,799	March 02, 2020		Restricted for sale for 36 months due to subscription of shares issued by the Company in private.
Explanations of relationships between or concerted actions of the aforementioned shareholders					

### (III) Strategic investor or general legal entity becoming top ten shareholders due to rights issue

☐ Applicable ☒ Not Applicable

## IV. Controlling Shareholders and Actual Controllers

### (I) Controlling shareholders

#### 1 Legal Person

☒ Applicable ☐ Not Applicable

Name	Shanghai Construction (Group) Corporation
Head of unit or legal representative	Xu Zheng
Date of establishment	1994-01-06
Main businesses	Contracting overseas engineering projects commensurate with its strength, scale and performance; engaging in import and export of various goods and technologies, construction of housing construction projects, construction of municipal utilities projects, sales of building materials, lease of owned machinery and equipment, lease of owned real estate, investment consulting and industrial investment; and dispatching labor service personnel (excluding seafarers) abroad.
Equity situation of other domestic and foreign listed companies of share controlling or participation in the report period	As of the end of 2019, in addition to holding the Company's shares, Construction Corporation holds 54.662 million shares of unrestricted tradable shares of Hua Xia Bank (Shanghai A-share code: 600015).

#### 2 Natural Person

☐ Applicable ☒ Not Applicable

### 3 Special Notes on the Absence of Controlling Shareholders in the Company

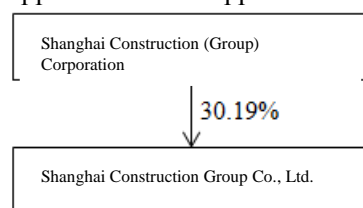
☐ Applicable ☒ Not Applicable

#### 4 Index and Date of the Changes in Controlling Shareholders during the Report Period

☐ Applicable ☒ Not Applicable

## 5 Block diagram of property right and control relationship between the Company and the controlling shareholder

√Applicable □ Not Applicable



## (II) Information on the Actual Controllers

### 1 Legal Person

√Applicable □ Not Applicable

Name	State-owned Assets Supervision and Administration Commission of People's Government of Shanghai Municipal Government
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### 2 Natural Person

□ Applicable √Not Applicable

### 3 Special Notes on the Absence of Actual Controllers in the Company

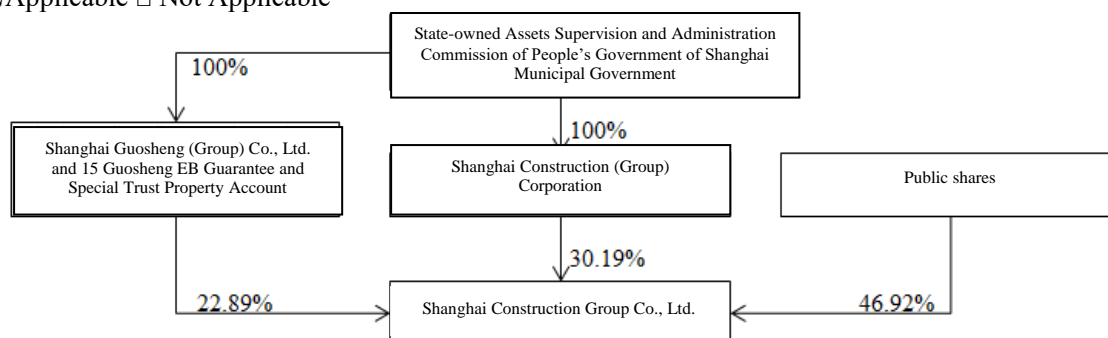
□ Applicable √Not Applicable

### 4 Index and Date of Change of Actual Controllers during the Report Period

□ Applicable √Not Applicable

## 5 Block diagram of property right and control relationship between the Company and the actual controller

√Applicable □ Not Applicable



## 6 The actual controllers control the Company by trust or other asset management methods

□ Applicable √Not Applicable

## (III) Other Information about Controlling Shareholders and Actual Controllers

□ Applicable √Not Applicable

## V. Other Institutional Shareholders of Holding more than 10% of Shares

√Applicable □ Not Applicable

Unit: RMB 10,000 Currency: RMB

Name of corporate shareholder	Head of unit or legal representative	Date of establishment	Organizations Code	Registered capital	Main businesses or management activities, etc.
Shanghai Guosheng (Group) Co., Ltd.	Shou Weiguang	September 26, 2007	91310000667805050M	2,006,600	Carry out investments dominated by non-financial investment and

					supplemented by financial investment, capital operation and asset management, industrial research, as well as social and economic consultation.
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**VI. Description of Underweight Limited by Shares**

☐ Applicable ☒ Not Applicable

**Section VII Preferred Shares**

☐ Applicable ☒ Not Applicable

## Section VIII Directors, Supervisors, Senior Managers and Employees

### I. Changes in Shareholding and Compensations

#### (I) Changes in Shareholding and Compensation of Directors, Supervisors and Senior Managers Currently in Office and Leaving Posts in the report period

√ Applicable □ Not Applicable

Unit: Share

Name	Position (Note)	Sex	Age	Starting date of tenure	Ending date of tenure	Number of shares held at the beginning of year	Number of shares held at the end of year	Increase or decrease of stocks within the year	Causes for changes	Total pre-tax compensation acquired from the Company in the report period (RMB 10,000)	Whether receiving compensation from related parties of the Company
Xu Zheng	President	Male	59	2019-06-28	2022-06-28	72,642	72,642	0		118.81	No
Bian Jiajun	Director and President	Male	58	2019-06-28	2022-06-28	142,400	264,700	122,300	Secondary market overweight	176.17	No
Zhang Lixin	Director	Male	59	2019-06-28	2022-06-28					106.98	No
Fan Xiping	Director	Male	64	2019-11-20	2022-06-28					0	No
Pan Jiuwen	Director	Male	56	2019-11-20	2022-06-28					0	No
Hu Yiming	Independent Director	Male	56	2019-06-28	2022-06-28					8.50	No
Liang Weibin	Independent Director	Female	48	2019-06-28	2022-06-28					7.08	No
Li Ming	Independent Director	Male	56	2019-06-28	2022-06-28					4.25	No
Zhou Ping	President of the Board of Supervisors	Male	60	2019-06-28	2022-06-28					0	No
He Shilin	Vice President of the Board of Supervisors	Male	55	2019-06-28	2022-06-28					103.89	No
Shao Zhemin	Supervisor	Female	52	2019-11-20	2022-06-28					0	No



Shi Zhengfeng	Supervisor	Male	57	2019-06-28	2022-06-28					106.07	No
Zhang Chao	Supervisor	Male	55	2019-06-28	2022-06-28					93.41	No
Lin Jinsheng	Vice President	Male	59	2019-06-28	2022-06-28	128,100	248,100	120,000	Secondary market overweight	158.81	No
Fang Qingqiang	Vice President	Male	60	2019-06-28	2022-06-28	128,100	248,400	120,300	Secondary market overweight	158.81	No
Tang Wei	Vice President	Male	59	2019-06-28	2022-06-28	128,100	248,400	120,300	Secondary market overweight	158.81	No
Ye Weidong	Vice President	Male	53	2019-06-28	2022-06-28	126,700	245,000	118,300	Secondary market overweight	150.64	No
Cai Guoqiang	Vice President	Male	57	2019-06-28	2022-06-28	126,700	245,800	119,100	Secondary market overweight	150.64	No
Xue Yongshen	Vice president and chief economic manager	Male	51	2019-06-28	2022-06-28	45,200	164,300	119,100	Secondary market overweight	147.02	No
Xu Jiandong	Vice President	Male	49	2019-06-28	2022-06-28	273,823	393,227	119,404	Secondary market overweight	147.02	No
Gong Jian	Chief Engineer	Male	59	2019-06-28	2022-06-28	128,100	248,200	120,100	Secondary market overweight	155.84	No
Yin Keding	Chief Accountant	Male	56	2019-06-28	2022-06-28	128,100	248,600	120,500	Secondary market overweight	155.84	No
Li Sheng	Secretary of the Board of Directors	Male	44	2019-06-28	2022-06-28					93.98	No

Ding Xiaowen	Former director	Male	71	2016-06-28	2019-06-28					0	No
Liu Hongzhong	Former director	Male	54	2016-06-28	2019-06-28					0	No
Wu Nianzu	Former independent director		71	2016-06-28	2019-06-28					0	No
Bian Jiong	Former director	Male	44	2019-06-28	2020-01-06	3,499	3,499	0		110.17	No
Wu Deyi	Former Supervisor	Male	60	2017-12-28	2019-06-28					0	No
Total	/	/	/	/	/	1,431,464	2,630,868	1,199,404	/	2,312.74	/

Name	Main Work Experiences
Xu Zheng	Once served as the director, GM and executive director of Shanghai Construction (Group) Corporation, president of the 4th, 5th, 6th and 7th Board of Directors, CEO, deputy secretary of CPC Committee of SCG. Now serves as the president of the 8th Board of Directors and secretary of CPC Committee of Shanghai Construction Group Co., Ltd., president of Shanghai Construction (Group) Corporation.
Bian Jiajun	Once served as the GM of Shanghai No. 4 Construction Co., Ltd., GM assistant and Deputy GM of Shanghai Construction (Group) Corporation, director of the 7th Board of Directors, VP and chief economic manager of Shanghai Construction Group Co., Ltd. Now serves as the director of the 8th Board of Directors and CEO of Shanghai Construction Group Co., Ltd.
Zhang Lixin	Once served as the GM, VP, president, secretary of the party committee of Shanghai Mechanized Construction Group Co., Ltd., employee director of the 5th Board of Directors, director of the 6th and 7th Board of Directors, union chairman, assistant of the secretary of CPC Committee, and director of organization dpt. of Shanghai Construction Group Co., Ltd. Now serves as the director of the 8th Board of Directors and deputy secretary of CPC Committee of Shanghai Construction Group Co., Ltd.
Fan Xiping	Once served as the secretary of CPC Committee and president of Shanghai Shendi (Group) Co., Ltd. Now serves as the director of the 8th Board of Directors of Shanghai Construction Group Co., Ltd.
Pan Jiuwen	Once served as the chief accountant of Shanghai Pudong Audit Firm. Now serves as the director of the 8th Board of Directors of Shanghai Construction Group Co., Ltd., and chief accountant of Shanghai Shangshen Accounting Firm Co., Ltd.
Hu Yiming	Once served as the professor of Shanghai University of Finance and Economics and independent director of the 7th Board of Directors of Shanghai Construction Group Co., Ltd. Now serves as the professor at Antai School of Management of Shanghai Jiaotong University, director of the Corporate Financial Research Center, member of the Asia-Pacific Management Accountant Guiding Committee, member of the Accounting Society of China, independent non-executive director of Yestar Healthcare Holdings Company Limited, independent director of MOBI GARDEN Co., Ltd. (603908), independent director of Tebon Securities Co., Ltd., external director of Bright Food (Group) Co., Ltd., and independent director of the 8th Board of Directors of Shanghai Construction Group Co., Ltd.
Liang Weibin	Once served as the managing director of HSBC Global Investment Bank, the deputy executive president of China Merchants Securities (HK) Company Limited, and the independent director of the 7th Board of Directors of Shanghai Construction Group Co., Ltd. Now serves as the vice president of

	Klenzan Chemical Co., Ltd., and independent director of the 8th Board of Directors of Shanghai Construction Group Co., Ltd.
Li Ming	Once served as the director and partner of Sloma & Co. Law Firm, independent director of Toonmax Media Co., Ltd., and independent director of Ningbo GQY Video & Telecom Joint Stock Co., Ltd. Now serves as the partner of Sloma & Co. Law Firm, independent director of West Shanghai Automotive Service Co., Ltd., and independent director of the 8th Board of Directors of Shanghai Construction Group Co., Ltd.
Zhou Ping	Once served as the deputy secretary of CPC Committee and district chief of Shanghai Zhabei District; committee member, standing committee member, deputy committee secretary, deputy district chief and acting district chief of Shanghai Jing'an District; deputy committee secretary and district chief of Shanghai Jing' an District; committee secretary of Shanghai Fengxian District, and chairman of the 6th and 7th Board of Supervisors of Shanghai Construction Group Co., Ltd. Now serves as the chairman of the 8th Board of Supervisors of Shanghai Construction Group Co., Ltd.
He Shilin	Once served as the secretary of CPC Committee, secretary of committee for discipline inspection and union chairman of Shanghai Boiler Works Co., Ltd. of Shanghai Electric Group; vice chairman of the 6th and 7th Board of Supervisors of Shanghai Construction Group Co., Ltd. Now serves as the vice chairman of the 8th Board of Supervisors and the secretary of committee for discipline inspection.
Shao Zhemin	Once served as the deputy director of the management office of the unit directly under the State-owned Assets Supervision and Administration Commission of Shanghai Municipality. Now serves as the deputy division chief and level-2 researcher of property rights management office of State-owned Assets Supervision and Administration Commission of Shanghai Municipality, and the supervisor of the 8th Board of Supervisors of Shanghai Construction Group Co., Ltd.
Shi Zhengfeng	Once served as the director of the office of Shanghai Construction (Group) Corporation, supervisor of the 5th Board of Supervisors and employee supervisor of the 6th and 7th Board of Supervisors of Shanghai Construction Group Co., Ltd. Now serves as the employee supervisor of the 8th Board of Supervisors, deputy chief economic manager and GM of president affairs dpt. of Shanghai Construction Group Co., Ltd.
Zhang Chao	Once served as the union chairman of Shanghai Construction No. 4 (Group) Co., Ltd., employee director and employee supervisor of the 7th Board of Directors of Shanghai Construction Group Co., Ltd. Now serves as the employee supervisor of the 8th Board of Supervisors and deputy union chairman of Shanghai Construction Group Co., Ltd.
Lin Jinsheng	Once served as the deputy GM of Shanghai No. 7 Construction Co., Ltd.; GM assistant and deputy GM of Shanghai Construction (Group) Corporation; and director of the 4th Board of Directors and GM of Shanghai Construction Group Co., Ltd. Now serves as the VP of Shanghai Construction Group Co., Ltd.
Fang Qingqiang	Once served as the deputy manager of the general contracting department of Shanghai Construction (Group) Corporation; and GM assistant, deputy chief engineer and deputy GM of Shanghai Construction (Group) Corporation. Now serves as the VP of Shanghai Construction Group Co., Ltd.
Tang Wei	Once served as the chairman and deputy secretary of CPC Committee of Shanghai Municipal Engineering Design Institute; CEO (chairman), deputy secretary of CPC Committee and president of Shanghai Municipal Engineering Design Institute (Group) Co., Ltd. Now serves as the VP of Shanghai Construction Group Co., Ltd.
Ye Weidong	Once served as the GM and deputy secretary of CPC Committee of Shanghai No. 2 Construction Co., Ltd.; secretary of CPC Committee and president of Shanghai Construction No. 2 (Group) Co., Ltd.; employee director and union chairman of the 6th Board of Directors of Shanghai Construction Group Co., Ltd. Now serves as the VP of Shanghai Construction Group Co., Ltd.
Cai Guoqiang	Once served as the deputy GM of Shanghai Installation Engineering Group Co., Ltd.; GM, deputy secretary of CPC Committee of Shanghai Mechanized Construction Group Co., Ltd.; and engineering director of Shanghai Construction Group Co., Ltd. Now serves as the VP of Shanghai Construction Group Co., Ltd.

Xue Yongshen	Once served as the GM, deputy secretary of CPC Committee of Shanghai No. 1 Construction Co., Ltd; CEO, deputy secretary of CPC Committee, president, secretary of CPC Committee of Shanghai Construction No. 1 (Group) Co., Ltd. Now serves as the VP and chief economic manager of Shanghai Construction Group Co., Ltd.
Xu Jiandong	Once served as the CEO, deputy secretary of CPC Committee, president, secretary of CPC Committee of Shanghai Installation Engineering Group Co., Ltd. Now serves as the VP of Shanghai Construction Group Co., Ltd.
Gong Jian	Once served as the chief engineer of Shanghai No.1 Construction Co., Ltd., executive deputy chief engineer of Shanghai Construction (Group) Corporation, and executive deputy chief engineer of Shanghai Construction Group Co., Ltd. Now serves as the chief engineer of Shanghai Construction Group Co., Ltd.
Yin Keding	Once served as the chief accountant of the South Branch of Shanghai Construction (Group) Corporation, chief accountant of Shanghai No. 2 Construction Co., Ltd., and deputy chief accountant and GM of asset & finance dept. of Shanghai Construction Group Co., Ltd. Now serves as the chief accountant of Shanghai Construction Group Co., Ltd.
Li Sheng	Once served as the security affairs representative and secretary of the 6th Board of Directors of Shanghai Construction Group Co., Ltd.as well as the secretary of the 7th Board of Directors. Now serves as the secretary of the 8th Board of Directors of Shanghai Construction Group Co., Ltd.
Ding Xiaowen	Once served as the director of Shanghai Zhongjian Law Firm, chief partner and director of Boss & Young Attorneys-At-Law, director of the 6th and 7th Board of Directors of Shanghai Construction Group Co., Ltd. Now serves as the permanent partner of Boss & Young Attorneys-At-Law.
Liu Hongzhong	Once served as the independent director of Shanghai Rural Commercial Bank, and director of the 6th and 7th Board of Directors of Shanghai Construction Group Co., Ltd. Now serves as the professor at Fudan University's School of Economics, deputy director of Fudan University's Financial Research Center, director of China International Financial Association, director of China Financial Association, director of Shanghai Financial Association, independent director of Huatai Securities Co., Ltd., independent director of Shenyin & Wanguo Futures Co., Ltd., independent director of Donghai Futures Co., Ltd., independent director of China International Fund Management Co., Ltd., and independent director of Industrial Securities Co., Ltd.
Wu Nianzu	Once served as the president and CEO of Shanghai Airport (Group) Co., Ltd., and independent director of the 6th and 7th Board of Directors of Shanghai Construction Group Co., Ltd.
Bian Jiong	Once served as the GM of HR dept., union chairman, and employee director of the 7th Board of Directors of Shanghai Construction Group Co., Ltd. Now serves as the secretary of committee for discipline inspection of Arcplus Group PLC.
Wu Deyi	Once served as the chief officer and deputy researcher at the financial audit department of Shanghai Municipal Audit Bureau and the supervisor in the 7th Board of Supervisors of Shanghai Construction Group Co., Ltd.

Description of other information

☐ Applicable ☒ Not Applicable**(II) Equity Incentive Awarded to Directors and Senior Managers during the Report Period**☐ Applicable ☒ Not Applicable**II. Service Status of Directors, Supervisors and Senior Managers Currently in Office and Leaving Posts during the Report Period****(I) Status of Post Held in the Firm of Shareholders**☒ Applicable ☐ Not Applicable

Name of employees	Name of the firm of shareholders	Post held in the firm of shareholders	Starting date of tenure	Ending date of tenure
Xu Zheng	Shanghai Construction (Group) Corporation	President	February 2015	
Ye Weidong	Shanghai Construction (Group) Corporation	Director	March 2017	
Cai Guoqiang	Shanghai Construction (Group) Corporation	Director	March 2017	

**(II) Status of Post Held in Other Organizations**

√ Applicable □ Not Applicable

Name of employees	Name of other organizations	Position held in other organizations	Starting date of tenure	Ending date of tenure
Pan Jiuwen	Shanghai Shangshen Certified Public Accountants Co., Ltd.	Chief accountant	August 1998	
Hu Yiming	Shanghai Jiao Tong University	Professor	January 2005	
Hu Yiming	Yestar Healthcare Holdings Company Limited	Independent Director	February 2016	
Hu Yiming	MOBI GARDEN Co., Ltd.	Independent Director	October 2018	
Hu Yiming	Tebon Securities Co., Ltd.	Independent Director	October 2017	
Hu Yiming	Bright Food (Group) Co., Ltd.	External Director	February 2018	
Liang Weibin	Klenzan Chemical Co., Ltd.	Vice president (VP)	March 2020	
Li Ming	Sloma & Co. Law Firm,	Partners	November 1995	
Li Ming	West Shanghai Automotive Service Co., Ltd.	Independent Director	February 2015	
Yin Keding	Orient Securities Co., Ltd.	Supervisor	October 2014	
Yin Keding	Shanghai Pudong Jianxin Rural Bank Co., Ltd.	Director	June 2014	

**III. Remunerations of Company's Directors, Supervisors and Senior Managers**

√ Applicable □ Not Applicable

Decision-Making Process of Compensation of Directors, Supervisors	The income of directors, supervisors and senior managers who receive remuneration from the Company is their income as the Company's management personnel.
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and Senior Managers	
Decision Basis of Compensation of Directors, Supervisors and Senior Managers	The Company conducts annual assessment on senior managers, and determines the assessment indexes of senior managers at the beginning of each year according to the Company's overall development strategy and annual operation objectives. At the end of the year, their remuneration will be determined based on the completion of the indexes.
Compensation Paid to Directors, Supervisors and Senior Managers	<p>On October 27, 2016, the 5th meeting review of the 7th Board of Directors of the Company adopted the <i>Incentive Fund Plan (2016 - 2020)</i>, which agreed that the Company will withdraw a certain amount of the incentive fund to award the subjects of incentives (excluding directors and supervisors elected in the Shareholders' Meeting) every year for five consecutive fiscal years from 2016 to 2020, provided that the constraint conditions for withdrawing the funds are met. On April 29, 2019, the review by the compensation and assessment committee of the 7th Board of Directors of the Company adopted the <i>Implementation Scheme for the Incentive Fund Plan of the Company (2018)</i>, which agreed that the Company will implement incentives to the 105 incentive subjects (excluding the directors, supervisors, president, vice president, chief engineer, chief economic manager and chief accountant elected by the Shareholders' Meeting) that meet the incentive conditions in accordance with the audited financial report indexes of the Company of 2018.</p> <p>On April 27, 2017, the 8th meeting review of the 7th Board of Directors of the Company adopted the <i>Incentive Fund Plan for Professional Managers of the Company (2017-2019)</i>, which agreed that the Company will withdraw a certain amount of the incentive fund every year for three consecutive fiscal years (2017-2019) in accordance with this incentive fund plan, and grant the same to its professional managers (specific positions include: president, vice president, chief engineer, chief economic manager and chief accountant) provided that the constraint conditions for withdrawing the funds are met. On April 29, 2019, the review by the compensation and assessment committee of the 7th Board of Directors of the Company adopted the <i>Performance Assessment and Compensation Plan for Professional Managers (2017)</i>, which agreed the 2018 performance assessment and compensation plan for 11 professional managers, and the incentives will be implemented according to the relevant regulations in the <i>Incentive Fund Plan for Professional Managers of the Company (2017~2019)</i>.</p>
Total Compensation Paid to all the Directors, Supervisors and Senior Managers at the End of the report period	In 2019, directors, supervisors and senior managers of the Company received a total of RMB 23.1274 million from the Company.

#### IV. Change of the Director, the Supervisor and the Senior Managers of the Company

√Applicable □ Not Applicable

Name	Post	Status of change	Reasons for change
Fan Xiping	Director	Elected	Elected to take the post through the Company's Shareholders' Meeting.
Pan Jiuwen	Director	Elected	Elected to take the post through the

			Company's Shareholders' Meeting.
Li Ming	Independent Director	Elected	Elected to take the post through the Company's Shareholders' Meeting.
Shao Zhemin	Supervisor	Elected	Elected to take the post through the Company's Shareholders' Meeting.
Bian Jiong	Director	Resigned	Apply to resign from the post of employee director due to job change.

#### V. Description of the Punishment from the Securities Regulatory Institutions in Last Three Years

☐ Applicable ☒ Not Applicable

## VI. Employee Status of Parent Company and Main Subsidiaries

### (I) Employee Status

Number of employees on active duty in the parent company	1,665
Number of employees on active duty in the main subsidiaries	41,097
Number of employees on active duty in total	42,762
Number of the retired staff with expenses borne by the parent company and main subsidiaries	11,027
Type of professions	
Professions	Number of professional persons
Production personnel	19,464
Technician	17,646
Financial personnel	1,865
Administrative personnel	3,787
Total	42,762
Education background	
Education level	Quantity (headcount)
Postgraduate and above	3,639
Bachelor	22,478
Junior college	10,719
Technical secondary school	2,439
Senior high school and below	3,487
Total	42,762

### (II) Compensation Policy

√ Applicable □ Not Applicable

I. According to the requirements of total salary management, the Company will continue to implement the budget control and management on the total amount of salary of the Group; II. develop a per capita salary growth objective for employees according to the economic benefits of the Company, with consideration of the city's salary growth guide lines; III. strictly observe the minimum salary guarantee line for on-the-job employees of the city and establish a minimum salary guarantee line for on-the-job employees within the Group. IV. revise the target responsibility status assessment system of each subsidiary enterprise and its subordinate units, and improve the system which links the employee's performance assessment with his/her salary; V. improve the medium and long-term incentive mechanism, implement the Group's incentive fund plan, and gather backbone talents; VI. implement the Group's career development channel and improve the salary structure of employees.

During the report period, the actual implementation of the Company's salary plan was basically in line with the plan.

### (III) Training Plan

√ Applicable □ Not Applicable

I. The training system construction is further improved. Based on the Group's "SCG-E" talent cultivation plan to serve the development strategy of the enterprise and combine with the staff development channel to conduct systematic and hierarchical training programs of all levels and types. The "Ten Thousand Talent Plan" training program covers the post-SCG-E training system levels and trains 9,624 person-times in 11 job posts, including project manager, project engineer, safety management personnel and quality management personnel, in an offline-online combined training mode.

II. The construction of learning platform is further strengthened. The total number of learning programs implemented by the platform in 2019 is 9, with 25,116 person-times, and an overall learning rate of 91.5%. A number of special training classes have been set up for leaders and cadres, party members, new employees, fire safety, canteen logistics management, etc. to serve the needs of the nation-wide development of the Company.



III. Practicing (professional) qualification achieved good results. In 2019, 691 persons passed the Grade I Architect examination, which was a 32% increase compared with the 525 persons of the last year. Among them, 168 passed the disciplines of road, municipal engineering, water conservancy, civil aviation, port and shipping, etc. which are the urgently-needed in the Group. This number makes a new record over the years.

IV. The cultivation of skilled talents in the Group is further improved. According to the requirements of the document "Notice on Carrying out the Pilot of Occupational Skill Level Certification" (RSTF [2018] No.148) issued by the Office of the Ministry of Human Resources and Social Security, the Group successfully completed the filing for the occupational skill level certification of the Shanghai Occupational Skill Testing Authority, which includes 3 major types of work and 8 ranks. (Lifting machinery loaders, plumbers, and electrical equipment installers). This has broadened and improved the career development channels for skilled employees.

During the report period, the completion of the implementation of the annual training is basically in line with the planned contents.

#### (IV) Labor Outsourcing

☒ Applicable ☐ Not Applicable

Sum of working hours of labor outsourcing	160,890,140 work days
Remuneration sum paid for labor outsourcing	RMB 27,757.76 million

#### VII. Others

☐ Applicable ☒ Not Applicable

## Section IX Corporate Governance

### I. Description of Company Governance

☒ Applicable ☐ Not Applicable

Since 2007, the Company has gradually established a set of internal control system in line with the actual situation of it in accordance with the *Basic Standard for Enterprise Internal Control* and other relevant laws and regulations. During the report period, in accordance with the spirit of the CPC Central Committee's *Opinions on Adhering to the Party's Leadership in Deepening the Reform of State-owned Enterprises and Strengthening Party Building* and the spirit in the Party building meeting of the state-owned enterprises of China, the Company continued to implement various work requirements and unified the strengthening of Party leadership with the improvement of corporate management to adhere to the roles the Party committee as the leading core and the political core. This specified the department arrangement, functional division and tasks of the Party's organization. And the determination and facts of "three importances and one significance" were also implemented.

In 2019, the Company continued to strengthen its internal control construction, further improved its systems, continuously improved its various enterprise management systems according to relevant laws and regulations and the development of its businesses, and engaged professional consulting agencies to serve the internal control self-assessment. During the report period, the Shareholders' Meeting, the Board of Directors, the operation and management as well as the subsidiaries of the Company fulfilled their respective duties and responsibilities within the scope of their respective powers and responsibilities, thus ensuring the effective and controllable operation of the Company. The Company conducted key internal control self-assessment on major units, businesses and matters of the Group as well as high-risk areas in accordance with the risk-oriented principle. The units subject to semi-annual and annual key internal control assessment include the Company's headquarters, 3 business departments (General Contracting Department, Investment Business Department and Overseas Business Department) and 17 subordinate groups and subsidiaries (Construction No. 1 Group, Construction No. 2 Group, Construction No. 4 Group, Construction No. 5 Group, Construction No. 7 Group, Decoration Group, SCG Design & Research Institute Co., Ltd., Installation Engineering Group, Mechanized Construction Group, Foundation Engineering Group, Huadong Construction, SCG Real Estate, Garden & Landscape Group, SMEDI, SFECO Group, SCG Material, and SCG Investment). Total assets of the above organization account for 93.92% that of the Company's consolidated financial statement; and total operating incomes account for 97.86% that of the Company's consolidated financial statement.

While carrying out internal control and self-assessment, the Company engaged BDO China Shu Lun Pan CPAs to audit the effectiveness of internal control of the Company's financial reports. The Company's internal control and self-assessment and the audit results of BDO show that the Company's current internal control system can effectively ensure the legal compliance of its business operation and management, asset safety, as well as true and complete information disclosure, and the current management structure can effectively prevent and resolve operational risks and moral risks.

Is there any significant difference between the corporate governance and the requirements of the China Securities Regulatory Commission (CSRC)? If any, the reasons shall be given.

☐ Applicable ☒ Not Applicable

## II. Introduction to General Meeting of Shareholders

Session number of meetings	Holding Date	Query Indexes on Specified Website for Published Resolutions	Date for Disclosure of Published Resolutions
2018 Shareholders' Meeting	June 28, 2019	<a href="http://static.sse.com.cn/disclosure/listedinfo/announcement/c/2019-06-29/600170_20190629_1.pdf">http://static.sse.com.cn/disclosure/listedinfo/announcement/c/2019-06-29/600170_20190629_1.pdf</a>	June 29, 2019
1st Extraordinary General Meeting of 2019	November 20, 2019	<a href="http://static.sse.com.cn/disclosure/listedinfo/announcement/c/2019-11-21/600170_20191121_1.pdf">http://static.sse.com.cn/disclosure/listedinfo/announcement/c/2019-11-21/600170_20191121_1.pdf</a>	November 21, 2019

Description of Shareholders' Meeting

☐ Applicable ☒ Not Applicable

## III. About Directors' Performance of Duties

### (I) About Directors' Attendance at the Board of Directors and General Meeting of Shareholders

Director Name	Independent director or not	Attendance at the Board of Directors						Attendance at Shareholders' Meeting
		Time(s) of Suppose d Attendance at the Board of Directors	Time(s) of attendance in person	Time(s) of Attendance via Telecommunication	Time(s) of Entrusted Attendance	Time (s) of absence	Failed to attend in person for two successive times?	Time(s) of Attendance at Shareholders' Meeting
Xu Zheng	No	9	9	0	0	0	No	2
Bian Jiajun	No	9	9	0	0	0	No	2
Zhang Lixin	No	9	9	0	0	0	No	2
Fan Xiping	No	1	1	0	0	0	No	1
Pan Jiuwen	No	1	1	0	0	0	No	1
Hu	Yes	9	8	1	0	0	No	2

Yiming								
Liang Weibin	Yes	9	9	0	0	0	No	2
Li Ming	Yes	5	5	0	0	0	No	1
Ding Xiaowen	No	4	4	0	0	0	No	1
Liu Hongzhong	No	4	3	1	0	0	No	1
Wu Nianzu	Yes	4	4	0	0	0	No	1
Bian Jiong	No	9	9	0	0	0	No	2

Explanation on Failure to Attend in Person at the Meeting of Board of Directors for Two Successive Times

☐ Applicable ☒ Not Applicable

Times of Meeting(s) of Board of Directors Convened Within the Year	9
Wherein: Time(s) of On-Site Meeting(s)	8
Time(s) of Meeting(s) Convened via Telecommunication	0
Time(s) of Meeting(s) Convened in Combination in On-Site and Telecommunication Mode	1

**(II) The Independent Director has objection on related issues raised by the Company**

☐ Applicable ☒ Not Applicable

**(III) Others**

☐ Applicable ☒ Not Applicable

**IV. The Specific Information should be Disclosed in Case of Any Objections to the Important Opinions and Suggestions Raised by the Special Committee Under the Board of Directors During Its Performance of Duties in the report period**

☐ Applicable ☒ Not Applicable

**V. Description of the Company's Risks Found by the Board of Supervisors**

☐ Applicable ☒ Not Applicable

**VI. Description by the Company on the Situation that the Company and Controlling Shareholders Failed to Guarantee Independence and Maintain Autonomous Operation Capacity Existing in Aspect of Business, Personnel, Assets, Institution and Financial Affairs**

☐ Applicable ☒ Not Applicable

The Company should prepare the solution measures, job schedule and follow-up work plan to cope with horizontal competition.

☐ Applicable ☒ Not Applicable

**VII. Information on the Establishment and Implementation of the Evaluation System and Incentive Mechanism for the Senior Managers in the report period**

☒ Applicable ☐ Not Applicable

On October 27, 2016, the 5th meeting review of the 7th Board of Directors of the Company adopted the *Incentive Fund Plan (2016 - 2020)*, which agreed that the Company will withdraw a certain amount of the incentive fund to award the subjects of incentives (excluding directors and supervisors elected in the Shareholders' Meeting) every year for five consecutive fiscal years from 2016 to 2020, provided that the constraint conditions for withdrawing the funds are met. On April 29, 2019, the review by the compensation and assessment committee of the 7th Board of Directors of the Company adopted the *Implementation Scheme for the Incentive Fund Plan of the Company (2018)*, which agreed that the Company will implement incentives to the 105 incentive subjects (excluding the directors, supervisors, president, vice president, chief engineer, chief economic manager and chief accountant elected by the Shareholders' Meeting) that meet the incentive conditions in accordance with the audited financial report indexes of the Company of 2018.

On April 27, 2017, the 8th meeting review of the 7th Board of Directors of the Company adopted the *Incentive Fund Plan for Professional Managers of the Company (2017-2019)*, which agreed that the Company will withdraw a certain amount of the incentive fund every year for three consecutive fiscal years (2017-2019) in accordance with this incentive fund plan, and grant the same to its professional managers (specific positions include: president, vice president, chief engineer, chief economic manager and chief accountant) provided that the constraint conditions for withdrawing the funds are met. On April 29, 2019, the review by the compensation and assessment committee of the 7th Board of Directors of the Company adopted the *Performance Assessment and Compensation Plan for Professional Managers (2017)*, which agreed the 2018 performance assessment and compensation plan for 11 professional managers, and the incentives will be implemented according to the relevant regulations in the *Incentive Fund Plan for Professional Managers of the Company (2017~2019)*.

#### VIII. Whether to Disclose the Self-Evaluation Report on Internal Control

☒ Applicable ☐ Not Applicable

The Company disclosed the *2019 Internal Control Assessment Report* on the website of Shanghai Stock Exchange (www.sse.com.cn) according to regulations.

Description of great defects in internal control in the report period

☐ Applicable ☒ Not Applicable

#### IX. Description of Internal Control Audit Report

☐ Applicable ☒ Not Applicable

Whether to Disclose the Internal control auditor's report:

Yes

#### X. Others

☐ Applicable ☒ Not Applicable

## Section X Corporate Bonds

☒ Applicable ☐ Not Applicable

### I. Basic Information Regarding Corporate Bonds

Unit: RMB 100 million Currency: RMB

Name of bond	Abbreviation	Code	Issue Date	Expiry date	Bond Balance	Interest rate (%)	Means of Principal And Interest Repayment	Transaction place
Shanghai Construction Group Co., Ltd. publicly issued 2018 renewable corporate bonds (phase I)	17 HJ Y1	136970	March 06, 2017	March 06, 2020	10	4.78	If the issuer does not exercise the option of deferred interest payment, interest shall be paid once a year.	Shanghai Stock Exchange
Shanghai Construction Group Co., Ltd. publicly issued 2018 renewable	18HJY1	143977	August 20, 2018	August 20, 2021	20	5.15	If the issuer does not exercise the option of deferred interest	Shanghai Stock Exchange

corporate bonds (phase I)							payment, interest shall be paid once a year.	
Shanghai Construction Group Co., Ltd. publicly issued 2018 renewable corporate bonds (phase I)	18HJY3	136955	October 10, 2018	October 10, 2023	15	5.45	If the issuer does not exercise the option of deferred interest payment, interest shall be paid once a year.	Shanghai Stock Exchange

#### Payment of interest and cash of corporate bonds

☒ Applicable ☐ Not Applicable

On March 6, 2019, the Company paid the bond holders of "17 HJ Y1" the interest from March 6, 2018 to March 5, 2019 at a nominal interest rate of 4.78%. (See Notice No. L 2019-006 for details)

On August 20, 2019, the Company paid the bond holders of "18 HJ Y1" the interest from August 20, 2018 to August 19, 2019 at a nominal interest rate of 5.15%. (See Notice No. L 2019-038 for details)

On October 10, 2019, the Company paid the bond holders of "18 HJ Y3" the interest from October 10, 2018 to October 09, 2019 at a nominal interest rate of 5.45%. (See Notice No. L 2019-041 for details)

#### Description of Other Situations of Corporate Bonds

☒ Applicable ☐ Not Applicable

On March 6, 2020, the Company paid the principal and interest of Bond "17 HJ Y1" and delisted the Bond. (See Notice No. L 2020-013 for details)

## II.

### Contact Person & Contact Way of Corporate Bond Trusteeship and Contact Information of Credit Rating Agency

Bond Trustee	Name	Haitong Securities Co., Ltd.
	Office Address	No. 689, Guangdong Road, Huangpu District, Shanghai
	Contact person	Lu Xiaojing, Zheng Yunqiao
	Tel.	010-88027168
Credit Rating Agency	Name	Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.
	Office Address	14F, Huasheng Building, 398 Hankou Road, Shanghai

Other notes:

☐ Applicable ☒ Not Applicable

## III. About the Use of Corporate Bond Funds Raised

☒ Applicable ☐ Not Applicable

According to the relevant contents of *Description for Fund Raising by Public Issuance of 2017 Renewable Corporate Bonds (Phase I)*, the funds raised by the 2017 renewable corporate bonds (phase I) issued by the Company are strictly used to supplement the Company's circulating capital in accordance with the agreement. According to the relevant contents of *Description for Fund Raising of the Company by Public Issuance of 2018 Renewable Corporate Bonds (Phase I)*, the funds raised by the 2018 renewable corporate bonds (phase I) issued by the Company are strictly used to repay various loans of the Company and to supplement the circulating capital in accordance with the agreement. According to the relevant contents of *Description for Fund Raising of the Company by Public Issuance of 2018 Renewable Corporate Bonds (Phase II)*, the funds raised by the 2018 renewable corporate bonds (phase II) issued by the Company are strictly used to repay various loans of the Company and to supplement the circulating capital in accordance with the agreement.

As of December 31, 2019, the use of the funds raised by corporate bonds and the operation of the special account of the raised funds are consistent with the fund-raising description, and the balance in the special account is RMB 1,930,500. (The said bonds of three phases share one special account for raised funds)

#### IV. About the Corporate Bond Credit-rating

√Applicable ☐ Not Applicable

The follow-up rating report by Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. (rated on: May 29, 2019) maintained the Company's AAA corporate credit rating with a stable rating outlook; and maintained the credit rating of the bond "17 HJ Y1" as AAA, the bond "18 HJ Y1" as AAA and the bond "18 HJ Y3" as AAA. (For details, please refer to the *Follow-up Rating Report of Shanghai Construction Group Co., Ltd. and 17 HJ Y1, 18 HY Y1 and 18 HY Y3 Issued by SCG* disclosed on the website of Shanghai Stock Exchange).

#### V. About the Corporate Bond Credit Enhancing Mechanism, Debt Repayment Plan and Other Relevant Conditions During the report period

√Applicable ☐ Not Applicable

In the report period, there is no guarantee for the corporate bonds, and the Company strictly executes plans and other guarantying measures for liquidating debts agreed in the prospectus of IPO proceeds of corporate bonds, relevant plans and measures remaining stable. During the report period, the Company's use of special debt repayment account was consistent with the relevant commitments in the fund-raising description.

#### VI. About the Convention of the Corporate Bondholders Meeting

√Applicable ☐ Not Applicable

In the report period, the Company didn't hold any meeting of bondholders.

#### VII. About the Performance of the Corporate Bond Trustee

√Applicable ☐ Not Applicable

During the report period, the trustee of corporate bonds performed the duties as agreed.

#### VIII. Company Accounting Data and Financial Index in Latest Two Years till the End of Report Period

√Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Major Indexes	2019	2018	Increase & decrease in this period over the same period of last year (%)	Reasons for change
Earnings before interest, tax, depreciation and amortization (EBITDA)	9,951,522,676.22	7,925,288,593.57	25.57	
Liquidity ratio	1.21	1.20	0.83	
Quick ratio	0.67	0.63	6.35	
Asset-liability ratio (%)	0.86	0.84	2.74	
EBITDA-Total Debts Ratio	0.05	0.04	2.27	
Interest Protection Multiples	2.72	2.40	13.33	
Cash Interest Protection Multiples	3.07	2.31	32.90	This is mainly due to the increase of the Company's cash interest payments and income tax payments

EBITDA Interest Protection Multiples	3.47	3.09	12.30	
Loan repayment rate (%)	1.00	1.00	0.00	
Interest coverage rate (%)	1.00	1.00	0.00	

**IX. About the Interest Payment Honoring of the Company's Other Bonds and Debt Financing Instruments**

☒ Applicable ☐ Not Applicable

During the report period, the trustee of corporate bonds performed the duties as agreed.

**X. Statement of the Company's Bank Credit Limit During the Report Period**

☒ Applicable ☐ Not Applicable

As of the end of the report period, the total credit granted to the Company was RMB 177.908 billion, where RMB 68.13 billion had been used and RMB 109.778 billion was unused. During the report period, the Company's bank loans were repaid on time.

**XI. About the Company's Implementation of Agreement or Commitment Related to Its Bond Prospectus During the Report Period**

☒ Applicable ☐ Not Applicable

During the report period, the Company strictly implemented the relevant agreements and commitments in the above-mentioned corporate bonds fund-raising description. In order to sufficiently and effectively safeguard the interests of bondholders, the Company made relevant work arrangements, including arranging special departments and personnel, strictly implementing the fund management plan, giving full play to the role of bond trustee and strictly performing the obligation of information disclosure, etc., so as to ensure a timely and safe interest payment and cashing of corporate bonds.

**XII. Impact of the Company's Major Issues on Its Operating Performance and Solvency Ability**

☐ Applicable ☒ Not Applicable

## Section XI Financial Report

### I. Auditor's Report

√ Applicable ☐ Not Applicable  
XKSBZ [2020] No. ZA1101

To all shareholders of Shanghai Construction Group Co., Ltd.,

#### (I) Opinion

We have audited the financial statements of Shanghai Construction Group Co., Ltd. (hereinafter referred to as "SCG"), which comprise the Consolidated and Parent Company's Balance Sheets as at December 31, 2019, the Consolidated and Parent Company's Income Statements, the Consolidated and Parent Company's Cash Flow Statements and the Consolidated and Parent Company's Statements of Changes in Owner's Equity and the Notes to the relevant Financial Statements for the year then ended.

In our opinion, the attached financial statements, prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects, fairly present the consolidated and parent company's financial positions of SCG as of December 31, 2019, and their business performance and cash flows in 2019.

#### II Basis for Opinion

We conducted our audit in accordance with the *Auditing Standards for Certified Public Accountants of China*. The section in the auditor's report titled "CPAs' Responsibilities for the Audit of the Financial Statements" further describes our responsibilities under these standards. We conduct our audit independent of SCG in accordance with the China Code of Ethics for Certified Public Accountants and fulfill other responsibilities in ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### III Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of current year. These matters were addressed in the context of our audit for the entire financial statements and the formation of our opinions thereon. We do not declare a separate opinion on these matters. We confirm that the following matters are key audit matters that need to be communicated in the Auditor's Report.

Key Audit Matters	How to deal with those matters in this audit
<b>(I) Recognition of revenues related to construction contract</b>	
As indicated in Notes III, (XXIV) and III, (XXIX) to the financial statement, for the construction services provided, SCG confirms the contract income and expenses on the balance sheet date according to the completion percentage method when the results of the construction contract can be reliably estimated. The management needs to confirm the completed work amount according to the production statistics provided by the engineering management department. The contract completion is determined based on the proportion of the completed work amount to the estimated total amount. It is necessary to	<p>The main procedures that we should carry out include:</p> <ol style="list-style-type: none"> <li>1. Testing of internal controls related to construction contract budgeting and revenue recognition;</li> <li>2. Obtain samples of main construction contracts, check the estimated total revenue, and evaluate whether the management's estimation of the estimated total revenue is sufficient;</li> <li>3. Select samples of construction contracts, check the relevant data on which the estimated total work amount and the completed work amount is based, and review the contract progress;</li> <li>4. Take samples of relevant construction contracts, conduct on-site inspection on the project visual progress, discuss with the project management</li> </ol>



continuously review and revise the costs and expenses in the contract budget and review the contract completion progress during the contract progress process, which involves the management's major accounting estimates. Therefore, we recognize it as a key audit item.	department to confirm the completion progress of the project, and compare the same with the book records, and carry out further inspection procedures for abnormal deviations; 5. Select samples, review the accumulated generation of project construction cost, and test the project construction cost incurred this year.
<b>(II) Impairment of accounts receivable</b>	
As indicated in Notes III, (X) and III, (XXIX) to the financial statements, SCG carries out impairment accounting treatment on the accounts receivable on the basis of expected credit losses and recognizes the provision for losses. In consideration of all the reasonable and well-founded information (including forward-looking information), the management assesses the expected credit losses. Since the significant accounting estimates and judgments of the management are involved, the impairment of accounts receivable is identified as a key audit matter.	Our audit procedures for provision for impairment of accounts receivable mainly include: 1. Testing the management's key internal controls related to the daily management and impairment test of accounts receivable; 2. Re-checking the relevant considerations and objective evidence for the management assessing the expected credit losses of accounts receivable; 3. For accounts receivable with significant single amount and provision for credit losses withdrawn separately, selecting the samples to re-check the management's basis and rationality for assessing the cash flow expected to be acquired; 4. For accounts receivable with the expected credit losses measured by the management according to the portfolio, re-checking and assessing the adequacy of expected credit loss model used by the management and the rationality of the accrual proportion of loss provision determined by the management by referring to historical credit loss experience and combining the forward-looking information.

#### IV Other Information

SCG's management (hereinafter referred to as the "Management") is responsible for other information. Other information comprises the information included in the 2019 Annual Report of SCG, but does not include the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not include other information, and we neither express any form of authentication opinion for other information.

Based on our audit of financial statements, we bear the responsibility of reading other information and considering whether there is any significant inconsistency or seemingly material misstatement between other information and the financial statements or situations obtained by us in the audit process.

If, based on the work we have performed, we conclude that there is a material misstatement in such other information, we are required to report that fact. We have nothing to report in this regard.

#### V Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the *Accounting Standards for Business Enterprises*, and the maintenance and preservation of such internal controls as management deems necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

In preparation of the financial statements, the management is responsible for assessing the going concern ability of SCG, disclosing the going concern related items (if applicable) and applying going concern assumptions, unless it is planned to liquidate or stop operation or it has no other practical choice.

The governance is responsible for supervising the SCG's financial reporting process.

#### VI CPAs' Responsibility for the Financial Statements Audit

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above mentioned laws and regulations will always detect any material misstatement that exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users would take on the basis of these financial statements.

As part of an audit in accordance with Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. At the same time, we also:

(1) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence forming a sufficient and appropriate basis for our opinion. The risk of failing to detect a material misstatement due to fraud is higher than that of failing to detect a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or overriding of internal control.

(2) Know the internal control relating to the audit in order to design appropriate audit procedures.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SCG's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SCG to cease to continue as a going concern.

(5) Evaluate the overall presentation (including disclosure), structure and content of the financial statements, and evaluate whether the financial statements provide a fair representation of the underlying transactions and events.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within SCG to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit on the Group, and we remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless the laws or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter shall not be communicated in our report because the adverse consequences of doing so will reasonably be expected to outweigh the public interest benefits of such communication.

BDO China Shu Lun Pan Certified Public Accountants  
LLP (Special General Partnership)

Certified Public Accountant  
of China: He Xuchun  
(Project Partner)

Certified Public Accountant of China: Li Shuang

Shanghai, China

April 20, 2020

## II. Financial Statements

### Consolidated Balance Sheet

December 31, 2019

Prepared by: Shanghai Construction Group Co., Ltd.

Unit: RMB Currency: RMB

Item	Notes	December 31, 2019	December 31, 2018
<b>Current assets:</b>			
Cash at bank and on hand	(I)	66,093,788,808.80	54,589,600,864.84
Settlement reserve			
Loans to banks and other financial institutions			
Financial assets held for trading	(II)	3,152,499,005.64	
Financial assets at fair value through current profit and loss	(III)		107,123,975.43
Derivative financial assets			
Notes receivable	(IV)	992,645,290.83	4,774,249,529.99
Accounts receivable	(V)	36,382,708,474.79	25,425,371,772.43
Receivables financing	(VI)	5,116,834,432.35	
Advances to suppliers	(VII)	2,609,985,958.70	2,757,063,258.96
Premiums receivable			
Reinsurance premium receivable			
Reinsurance contract reserve receivable			
Other receivables	(VIII)	5,102,371,191.66	6,581,256,873.73
Including: interest receivable		87,185,010.47	98,299,019.32
Dividends receivable		10,286,720.03	4,542,089.33
Financial assets purchased under agreements to resell			
Inventories	(IX)	88,042,901,462.95	75,530,929,253.22
Including: the unsettled payment after completion of works		44,584,658,091.77	34,627,085,483.63
Held-for-sale assets			
Current portion of non-current assets	(X)	1,069,584,919.54	776,834,172.52
Other current assets	(XI)	2,672,010,768.48	2,630,766,291.85
Total current assets		211,235,330,313.74	173,173,195,992.97
<b>Non-current assets:</b>			
Loans and advances			
Debt investment			
Available-for-sale financial assets	(XII)		4,849,918,609.98
Investment in other debentures			
Held-to-maturity investments			
Long-term receivables	(XIII)	21,917,628,153.86	18,785,749,368.43

Long-term equity investments	(XIV)	4,535,182,233.21	2,558,170,018.25
Other equity instrument investments	(XV)	764,007,075.93	
Other non-current financial assets	(XVI)	1,857,439,448.52	
Investment properties	(XVII)	4,969,343,961.23	4,225,930,232.90
Fixed assets	(XVIII)	7,734,039,382.43	8,095,445,233.69
Construction in progress	(XIX)	484,838,908.75	527,887,251.10
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	(XX)	2,132,311,762.17	2,167,518,331.74
Development costs			
Goodwill	(XXI)	114,133,452.08	116,008,057.24
Long-term deferred expenses	(XXII)	338,060,116.44	120,334,843.75
Deferred income tax assets	(XXIII)	809,000,233.14	717,635,859.15
Other non-current assets	(XXIV)	389,581,467.60	579,870,129.39
Total non-current assets		46,045,566,195.36	42,744,467,935.62
Total assets		257,280,896,509.10	215,917,663,928.59
<b>Current liabilities:</b>			
Short-term borrowings	(XXV)	5,821,804,016.21	4,935,485,552.49
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
Financial liabilities at fair value through current profit and loss			
Derivative financial liabilities			
Notes payable	(XXVI)	11,131,206,593.91	7,826,360,066.30
Accounts payable	(XXVII)	76,541,684,887.28	55,259,870,894.87
Advances from customers	(XXVIII)	56,141,342,203.04	56,433,011,032.15
Including Payment settled but not completed		45,447,289,088.80	41,851,449,154.83
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Customer brokerage deposits			
Acting underwriting securities			
Employee compensation payable	(XXIX)	830,501,601.75	689,612,800.06
Taxes payable	(XXX)	3,954,255,488.92	3,639,152,177.66
Other payables	(XXXI)	12,121,558,314.82	10,378,442,747.16
Including: interest payable		223,679,985.67	150,360,217.96
Dividends payable		3,649,372.24	10,584,275.86
Fees and commissions			

payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Current portion of non-current liabilities	(XXXII)	7,991,541,778.41	5,128,077,952.10
Other current liabilities	(XXXIII)	188,535,677.61	139,684,659.97
Total current liabilities		174,722,430,561.95	144,429,697,882.76
<b>Non-current liabilities:</b>			
Insurance contract reserves			
Long-term borrowings	(XXXIV)	44,189,370,794.24	29,598,014,199.55
Bonds payable	(XXXV)	96,984,000.00	4,388,461,165.76
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	(XXXVI)	1,140,089,000.80	1,044,012,410.79
Long-term employee compensation payable	(XXXVII)	296,488,097.00	320,615,876.00
Estimated liabilities	(XXXVIII)	6,002,194.11	4,593,416.66
Deferred income	(XXXIX)	173,018,009.04	191,139,945.82
Deferred income tax liabilities	(XXIII)	429,763,249.68	582,055,206.50
Other non-current liabilities	(XL)	53,705,996.65	52,836,070.67
Total non-current liabilities		46,385,421,341.52	36,181,728,291.75
Total liabilities		221,107,851,903.47	180,611,426,174.51
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	(XLI)	8,904,397,728.00	8,904,397,728.00
Other equity instruments	(XLII)	6,500,000,000.00	6,500,000,000.00
Including: Preferred shares			
Perpetual bonds		6,500,000,000.00	6,500,000,000.00
Capital reserves	(XLIII)	2,200,006,546.37	2,200,870,974.75
Less: Treasury shares	(XLIV)	55,121,123.98	
Other comprehensive income	(XLV)	-85,530,145.70	561,192,568.47
Special reserves	(XLVI)	2,384,562.98	
Surplus reserves	(XLVII)	1,513,091,171.63	1,242,612,943.31
General risk provision			
Undistributed profits	(XLVIII)	14,074,908,867.70	11,667,743,645.90
Total equities attributable to the owners (shareholders) of parent company		33,054,137,607.00	31,076,817,860.43
Minority equity		3,118,906,998.63	4,229,419,893.65
Total owners' equity (or shareholders' equity)		36,173,044,605.63	35,306,237,754.08
Total liabilities and owners' equity (or shareholders' equity)		257,280,896,509.10	215,917,663,928.59

Legal representative: Xu Zheng; Person in charge of the accounting affairs: Yin Keding; Person in charge of the accounting organization: Wang Hongshun

**Parent Company Balance Sheet**

December 31, 2019

Prepared by: Shanghai Construction Group Co., Ltd.

Unit: RMB Currency: RMB

Item	Notes	December 31, 2019	December 31, 2018
<b>Current assets:</b>			
Cash at bank and on hand		14,012,876,302.42	11,605,587,086.37
Financial assets held for trading		1,436,707,566.08	
Financial assets at fair value through current profit and loss			
Derivative financial assets			
Notes receivable	(I)		774,786,988.76
Accounts receivable	(II)	3,769,461,530.09	3,242,362,964.36
Receivables financing	(III)	523,039,438.58	
Advances to suppliers		266,338,448.36	158,180,417.49
Other receivables	(IV)	3,847,615,312.01	8,285,395,143.04
Including: interest receivable		9,442,286.34	10,569,775.45
Dividends receivable		222,137,450.17	218,052,839.50
Inventories		10,985,623,053.70	7,347,293,737.24
Including: the unsettled payment after completion of works		10,503,554,739.48	7,023,286,675.15
Held-for-sale assets			
Current portion of non-current assets			
Other current assets		6,202,147,870.02	152,533,760.49
Total current assets		41,043,809,521.26	31,566,140,097.75
<b>Non-current assets:</b>			
Debt investment			
Available-for-sale financial assets			2,392,458,180.24
Investment in other debentures			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	(V)	21,821,905,134.58	19,399,560,349.07
Other equity instrument investments		792,070,898.93	
Other non-current financial assets		475,540,713.36	
Investment properties		40,850,191.03	42,676,609.75
Fixed assets		1,023,609,074.35	964,145,670.97
Construction in progress		9,033,446.70	8,823,246.90
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		26,199,112.51	26,958,912.58
Development costs			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets			
Other non-current assets		44,145.32	44,145.32

Total non-current assets		24,189,252,716.78	22,834,667,114.83
Total assets		65,233,062,238.04	54,400,807,212.58
<b>Current liabilities:</b>			
Short-term borrowings		2,492,947,655.79	2,495,543,861.62
Financial liabilities held for trading			
Financial liabilities at fair value through current profit and loss			
Derivative financial liabilities			
Notes payable			
Accounts payable		13,817,401,023.50	10,273,596,985.24
Advances from customers		11,863,761,668.88	9,313,571,256.24
Including Payment settled but not completed		10,468,230,664.30	9,094,047,857.20
Employee compensation payable		22,009,995.92	11,392,390.03
Taxes payable		20,163,689.65	100,898,281.11
Other payables		11,144,886,057.73	6,880,349,281.60
Including: interest payable		34,899,010.79	34,625,570.62
Dividends payable			
Held-for-sale liabilities			
Current portion of non-current liabilities		1,500,000,000.00	
Other current liabilities		4,875,700.11	4,035,898.15
Total current liabilities		40,866,045,791.58	29,079,387,953.99
<b>Non-current liabilities:</b>			
Long-term borrowings			
Bonds payable			1,500,000,000.00
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables		195,186,336.16	195,186,336.16
Long-term employee compensation payable			
Estimated liabilities			
Deferred income		15,357,698.34	16,574,008.40
Deferred income tax liabilities		214,863,159.56	150,710,179.75
Other non-current liabilities			
Total non-current liabilities		425,407,194.06	1,862,470,524.31
Total liabilities		41,291,452,985.64	30,941,858,478.30
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)		8,904,397,728.00	8,904,397,728.00
Other equity instruments		6,500,000,000.00	6,500,000,000.00
Including: Preferred shares			
Perpetual bonds		6,500,000,000.00	6,500,000,000.00
Capital reserves		3,695,151,297.49	3,695,151,297.49
Less: Treasury shares		55,121,123.98	
Other comprehensive income		-41,867,344.85	611,689,603.01
Special reserves			

Surplus reserves		1,501,610,411.06	1,231,132,182.74
Undistributed profits		3,437,438,284.68	2,516,577,923.04
Total owners' equity (or shareholders' equity)		23,941,609,252.40	23,458,948,734.28
Total liabilities and owners' equity (or shareholders' equity)		65,233,062,238.04	54,400,807,212.58

Legal representative: Xu Zheng; Person in charge of the accounting affairs: Yin Keding; Person in charge of the accounting organization: Wang Hongshun

**Consolidated Income Statement**  
From January 2019 to December 2019

Unit: RMB Currency: RMB

Item	Notes	2019	2018
I. Total operating income		205,496,707,808.35	170,545,783,102.81
Including: operating income	(XLIX)	205,496,707,808.35	170,545,783,102.81
Interest income			
Premium earned			
Handling charges and commission income			
II. Total operating costs		200,419,181,866.34	165,869,957,396.84
Including: Operating cost	(XLIX)	184,357,931,024.01	151,364,082,106.60
Interest expenses			
Handling charges and commission expense			
Surrenders			
Net payments for insurance claims			
Net provision for insurance contract reserves			
Policyholder dividend expenses			
Expenses for reinsurance accepted			
Taxes and surcharges	(L)	1,853,286,205.79	2,421,236,547.40
Selling expenses	(LI)	678,938,451.35	694,909,568.84
Administrative expenses	(LII)	5,609,792,081.53	4,827,734,949.28
R&D expenses	(LIII)	6,219,718,567.98	5,178,923,793.66
Financial expenses	(LIV)	1,699,515,535.68	1,383,070,431.06
Including: Interest expenses		2,100,898,202.94	1,795,050,404.24
Interest income		551,420,819.24	545,298,669.44
Add: Other income	(LV)	96,396,818.81	66,317,268.74
Revenues from investment (loss to be listed with "-")	(LVI)	248,043,837.24	169,337,441.62
Including: Share of profit of associates and joint ventures		84,858,065.29	35,456,072.12
Revenue from derecognition of financial assets at amortized cost			
Exchange earnings (loss to be listed with "-")			
Net exposure hedging revenue (loss to be listed with "-")			



Revenue from changes in fair value (loss to be listed with “-”)	(LVII)	869,049,911.02	-17,528,094.83
Credit impairment loss (loss to be listed with “-”)	(LVIII)	-922,808,234.94	
Asset impairment losses (losses to be listed with “-”)	(LIX)	-1,923,695.01	-872,524,929.75
Revenue from assets disposal (loss to be listed with “-”)	(LX)	27,338,175.05	17,000,468.43
III. Operating profits (loss to be listed with “-”)		5,393,622,754.18	4,038,427,860.18
Add: non-operating income	(LXI)	318,139,572.37	336,416,687.45
Less: non-operating expenditure	(LXII)	28,301,095.66	19,552,689.38
IV. Total profit (total losses to be listed with “-”)		5,683,461,230.89	4,355,291,858.25
Less: income tax expenses	(LXIII)	1,371,213,950.69	925,843,326.57
V. Net profit (net loss to be listed with “-”)		4,312,247,280.20	3,429,448,531.68
(I) Classified according to operating continuity			
1. Net profit from going concern (net loss to be listed with “-”)		4,312,247,280.20	3,429,448,531.68
2. Net profit from discontinued operations (net loss to be listed with “-”)			
(II) Classified according to attribution of the ownership			
1. Net profit attributable to the shareholders of the parent company (net loss to be listed with “-”)		3,930,207,378.11	2,779,866,799.83
2. Minority profit and loss (net loss to be listed with “-”)		382,039,902.09	649,581,731.85
VI. Net after-tax amount of other comprehensive income		-69,333,286.28	-793,919,024.49
(I) Net of tax of other comprehensive income attributable to the owner of the parent company		-65,920,988.36	-785,889,615.63
1. Other comprehensive income not to be reclassified through profit or loss		-49,644,863.11	-17,492,968.25
(1) Changes arising from remeasurement of defined benefit plan		1,407,355.13	-17,492,968.25
(2) Other comprehensive income not to be reclassified through profit or loss using the equity method			
(3) Changes in fair value of other equity instrument investments		-51,052,218.24	
(4) Changes in fair value of the enterprise's credit risk			
2. Other comprehensive incomes that will be re-classified into profit or loss		-16,276,125.25	-768,396,647.38
(1) Other comprehensive income to be reclassified through profit or loss using the equity method			
(2) Changes in fair value of investment in other debentures			
(3) Profit or loss from changes			-787,841,959.52

in fair value of available-for-sale financial assets			
(4) Amount of financial assets reclassified into other comprehensive income			
(5) Profit or loss of available-for-sale financial assets that can be reclassified by the held-to-maturity investment			
(6) Provision for credit impairment in other debt investments			
(7) Cash flow hedge reserve (effective portion of profit (loss) arising from cash flow hedging)			
(8) Conversion difference in the financial statements of foreign currency		-16,276,125.25	19,445,312.14
(9) Others			
(II) Other net after-tax comprehensive income attributable to minority shareholders		-3,412,297.92	-8,029,408.86
VII. Total comprehensive income		4,242,913,993.92	2,635,529,507.19
(I) Total comprehensive income attributable to owners of the parent company		3,864,286,389.75	1,993,977,184.20
(II) Total comprehensive income attributable to minority shareholders		378,627,604.17	641,552,322.99
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	(LXIV)	0.41	0.29
(II) Diluted earnings per share (RMB/share)	(LXIV)	0.41	0.29

In case of business combination under common control in current period, the net profit realized by the merged party before merger is RMB 0 and the net profit realized by the merged party in the previous period is: RMB 0.

Legal representative: Xu Zheng; Person in charge of the accounting affairs: Yin Keding; Person in charge of the accounting organization: Wang Hongshun

### Parent Company's Income Statement

From January 2019 to December 2019

Unit: RMB Currency: RMB

Item	Notes	2019	2018
I. Operating income	(VI)	39,640,931,751.04	31,625,639,812.74
Less: operating cost	(VI)	38,556,974,285.93	30,593,015,434.00
Taxes and surcharges		67,119,193.27	61,061,537.05
Selling expenses			
Administrative expenses		523,193,560.01	445,598,976.95
R&D expenses		101,771,682.88	133,588,990.47
Financial expenses		95,745,568.22	135,421,019.03
Including: Interest expenses		169,844,371.82	169,818,659.08
Interest income		94,739,853.34	71,178,794.53
Add: Other income		10,731,364.82	25,194,338.69
Revenues from investment (loss to be listed with "-")	(VII)	1,516,797,164.89	1,307,067,367.00
Including: Share of profit of associates		-159,492.25	-1,779,946.82

and joint ventures			
Revenue from derecognition of financial assets at amortized cost			
Net exposure hedging revenue (loss to be listed with “-”)			
Revenue from changes in fair value (loss to be listed with “-”)		372,815,848.38	
Credit impairment loss (loss to be listed with “-”)		-71,650,749.99	
Asset impairment losses (losses to be listed with “-”)			-59,968,885.37
Revenue from assets disposal (loss to be listed with “-”)		-11,694.16	343,948.14
II. Operating profit (losses to be listed with “-”)		2,124,809,394.67	1,529,590,623.70
Add: non-operating income		51,068,473.85	46,227,706.84
Less: non-operating expenditure		12,445,371.60	5,093,565.68
III. Total profit (total losses to be listed with “-”)		2,163,432,496.92	1,570,724,764.86
Less: income tax expenses		77,610,376.23	61,003,894.27
IV. Net profit (net losses to be listed with “-”)		2,085,822,120.69	1,509,720,870.59
(I) Net profit from going concern (net loss to be listed with “-”)		2,085,822,120.69	1,509,720,870.59
(II) Net profit from discontinuing operations (net loss to be listed with “-”)			
V. Net of tax from other comprehensive income		-59,315,578.96	-613,530,784.36
(I) Other comprehensive income not to be reclassified through profit or loss		-59,338,858.28	
1. Changes arising from remeasurement of defined benefit plan			
2. Other comprehensive income not to be reclassified through profit or loss using the equity method			
3. Changes in fair value of other equity instrument investments		-59,338,858.28	
4. Changes in fair value of the enterprise's credit risk			
(II) Other comprehensive income to be reclassified through profit or loss		23,279.32	-613,530,784.36
1. Other comprehensive income to be reclassified through profit or loss using the equity method			
2. Changes in fair value of investment in other debentures			
3. Profit or loss from changes in fair value of available-for-sale financial assets			-613,530,784.36
4. Amount of financial assets reclassified into other comprehensive income			
5. Profit or loss of available-for-sale financial assets that can be reclassified by the held-to-maturity investment			
6. Provision for credit impairment in other debt investments			
7. Cash flow hedge reserve (effective portion of profit (loss) arising from cash flow hedging)			

8. Conversion difference in the financial statements of foreign currency		23,279.32	
9. Others			
VI. Total comprehensive income		2,026,506,541.73	896,190,086.23
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.23	0.15
(II) Diluted earnings per share (RMB/share)		0.23	0.15

Legal representative: Xu Zheng; Person in charge of the accounting affairs: Yin Keding; Person in charge of the accounting organization: Wang Hongshun

**Consolidated Cash Flow Statement**  
From January 2019 to December 2019

Unit: RMB Currency: RMB

Item	Notes	2019	2018
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods or rendering of services		201,066,734,483.96	170,125,424,785.38
Net increase in customer deposits and interbank deposits			
Net increase of borrowings from the central bank			
Net increase in placement from other financial institutions			
Premiums received from original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits and investments from policyholders			
Cash received from interests, handling charges and commission			
Net increase in deposits with the central bank and other financial institutions			
Net increase in buyback business capital			
Net cash received from securities brokering			
Refund of taxes and surcharges		81,179,080.02	86,901,458.86
Cash received relating to other operating activities	(LXV)	10,686,144,780.27	8,125,413,268.61
Sub-total of cash inflows from operating activities		211,834,058,344.25	178,337,739,512.85
Cash paid for goods and services		169,095,363,687.76	142,303,963,392.59
Net increase in loans and advances to customers			
Net increase of deposits in the central bank and other banks			
Cash paid for claims of original insurance contract			
Net increase in placements from			

banks and other financial institutions			
Cash paid for interests, handling charges and commissions			
Cash paid for policy dividends			
Cash paid to and on behalf of employees		12,271,900,853.87	10,004,349,813.04
Payments of taxes and surcharges		6,651,870,995.37	6,324,109,886.17
Cash paid relating to other operating activities	(LXV)	19,265,710,597.45	17,309,358,992.21
Sub-total of cash outflows from operating activities		207,284,846,134.45	175,941,782,084.01
Historical net cash flow from operating activities		4,549,212,209.80	2,395,957,428.84
<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investments		999,427,555.96	154,508,984.99
Cash received from returns on investments		145,777,307.07	221,342,823.87
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		60,174,559.59	52,173,005.61
Net cash received from disposal of subsidiaries and other business units			
Cash received relating to other investing activities	(LXV)	893,258,366.66	945,945,675.08
Sub-total of cash inflows from investing activities		2,098,637,789.28	1,373,970,489.55
Cash paid to acquire fixed assets, intangible assets and other long-term assets		2,271,255,328.85	2,032,802,811.69
Cash paid to acquire investments		2,706,831,130.15	2,264,806,919.00
Net increase in pledge loans			
Net cash paid to acquire subsidiaries and other business units		19,475,405.83	190,701,936.75
Cash paid relating to other investing activities	(LXV)	109,383,338.01	1,168,521,815.15
Sub-total of cash outflows from investing activities		5,106,945,202.84	5,656,833,482.59
Net cash flows from investing activities		-3,008,307,413.56	-4,282,862,993.04
<b>III. Cash flows from financing activities:</b>			
Cash received from capital contributions		332,905,600.00	450,939,200.00
Including: Cash received from capital contributions by minority shareholders of subsidiaries		332,905,600.00	450,939,200.00
Cash received from borrowings		28,313,126,133.46	26,062,490,950.10
Cash received relating to other financing activities	(LXV)		
Sub-total of cash inflows from financing activities		28,646,031,733.46	26,513,430,150.10
Cash repayments of borrowings		14,344,707,538.33	19,903,096,350.60
Cash payments for interest expenses and distribution of dividends or profit		4,568,136,850.62	3,786,702,132.12

Including: Cash payments for dividends or profit to minority shareholders of subsidiaries		40,134,421.98	36,539,685.81
Cash payments relating to other financing activities	(LXV)	13,705,824.44	673,644,705.33
Sub-total of cash outflows from financing activities		18,926,550,213.39	24,363,443,188.05
Net cash flows from financing activities		9,719,481,520.07	2,149,986,962.05
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		31,910,908.94	60,667,439.40
<b>V. Net increase in cash and cash equivalents</b>		11,292,297,225.25	323,748,837.25
Add: Cash and cash equivalents at the beginning of the period		53,850,906,758.78	53,527,157,921.53
<b>VI. Cash and cash equivalent at the end of year</b>		65,143,203,984.03	53,850,906,758.78

Legal representative: Xu Zheng; Person in charge of the accounting affairs: Yin Keding; Person in charge of the accounting organization: Wang Hongshun

**Parent Company's Cash Flow Statement**  
From January 2019 to December 2019

Unit: RMB Currency: RMB

Item	Notes	2019	2018
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods or rendering of services		43,328,038,026.23	36,065,194,299.82
Refund of taxes and surcharges			
Cash received relating to other operating activities		6,220,346,195.85	4,626,898,904.85
Sub-total of cash inflows from operating activities		49,548,384,222.08	40,692,093,204.67
Cash paid for goods and services		40,364,651,097.03	33,560,799,934.20
Cash paid to and on behalf of employees		794,831,830.15	732,298,773.10
Payments of taxes and surcharges		341,920,551.73	923,867,727.88
Cash paid relating to other operating activities		3,101,273,051.51	1,817,053,034.60
Sub-total of cash outflows from operating activities		44,602,676,530.42	37,034,019,469.78
Historical net cash flow from operating activities		4,945,707,691.66	3,658,073,734.89
<b>II. Cash flows from investing activities:</b>			
Cash received from disposal of investments		2,578,365,892.16	
Cash received from returns on investments		1,510,092,077.44	1,383,347,940.59
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,282,556.25	4,274,466.87
Net cash received from disposal of subsidiaries and other business units			
Cash received relating to other		1,549,567,342.45	1,873,610,392.73

investing activities			
Sub-total of cash inflows from investing activities		5,641,307,868.30	3,261,232,800.19
Cash paid to acquire fixed assets, intangible assets and other long-term assets		451,083,434.74	195,628,030.66
Cash paid to acquire investments		2,648,436,644.91	2,653,543,052.00
Net cash paid to acquire subsidiaries and other business units			
Cash paid relating to other investing activities		1,444,700,000.00	4,192,128,229.82
Sub-total of cash outflows from investing activities		4,544,220,079.65	7,041,299,312.48
Net cash flows from investing activities		1,097,087,788.65	-3,780,066,512.29
<b>III. Cash flows from financing activities:</b>			
Cash received from capital contributions			
Cash received from borrowings		1,009,024,357.00	5,200,000,000.00
Cash received relating to other financing activities			
Sub-total of cash inflows from financing activities		1,009,024,357.00	5,200,000,000.00
Cash repayments of borrowings		711,620,562.83	1,700,000,000.00
Cash payments for interest expenses and distribution of dividends or profit		1,683,014,624.93	1,498,838,602.36
Cash payments relating to other financing activities		4,933,153.72	15,475,531.58
Sub-total of cash outflows from financing activities		2,399,568,341.48	3,214,314,133.94
Net cash flows from financing activities		-1,390,543,984.48	1,985,685,866.06
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		-2,456,659.54	-17,591,440.35
<b>V. Net increase in cash and cash equivalents</b>		4,649,794,836.29	1,846,101,648.31
Add: Cash and cash equivalents at the beginning of the period		9,328,499,191.73	7,482,397,543.42
<b>VI. Cash and cash equivalent at the end of year</b>		13,978,294,028.02	9,328,499,191.73

Legal representative: Xu Zheng; Person in charge of the accounting affairs: Yin Keding; Person in charge of the accounting organization: Wang Hongshun

**Consolidated Statement of Changes in Owners' Equity**  
From January 2019 to December 2019

Unit: RMB Currency: RMB

Item	2019												
	Equity attributable to the owners of parent company												
	Paid-in capital (or share capital)	Other equity instruments	Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Undistributed profits	Others	Subtotal	Minority equity	Total owner's equity
I. Ending balance of previous year	8,904,397,728.00	6,500,000,000.00	2,200,870,974.75		561,192,568.47		1,242,612,943.31		11,667,743,645.90		31,076,817,860.43	4,229,419,893.65	35,306,237,754.08
Add: Changes in accounting policies					-580,801,725.81		61,896,016.25		198,983,749.04		-319,921,960.52	-17,496,009.21	-337,417,969.73
Correction of prior errors													
Business combination under common control													
Others													
II. Beginning balance of the current year	8,904,397,728.00	6,500,000,000.00	2,200,870,974.75		-19,609,157.34		1,304,508,959.56		11,866,727,394.94		30,756,895,899.91	4,211,923,884.44	34,968,819,784.35
III. Amount increase/decrease of the current period (decrease to be listed with "-")			-864,428.38	55,121,123.98	-65,920,988.36	2,384,562.98	208,582,212.07		2,208,181,472.76		2,297,241,707.09	-1,093,016,885.81	1,204,224,821.28
(I) Total Comprehensive Income					-65,920,988.36				3,930,207,378.11		3,864,286,389.75	378,627,604.17	4,242,913,993.92
(II) Invested and decreased capital of owners			-864,428.38	55,121,123.98							-55,985,552.36	-1,437,464,971.62	-1,493,450,523.98
1. Common stock invested by owners												-1,430,169,400.00	-1,430,169,400.00
2. Capital invested by other equity instrument holders													
3. Amount of share-based payment included in owners' equity													
4. Others			-864,428.38	55,121,123.98							-55,985,552.36	-7,295,571.62	-63,281,123.98
(III) Profit Distribution							208,582,212.07		-1,722,025,905.35		-1,513,443,693.28	-34,179,518.36	-1,547,623,211.64
1. Appropriation of surplus reserves							208,582,212.07		-208,582,212.07				
2. Appropriation to general risk provision													
3. Distribution among owners (or shareholders)									-1,202,093,693.28		-1,202,093,693.28	-34,179,518.36	-1,236,273,211.64
4. Others									-311,350,000.00		-311,350,000.00		-311,350,000.00
(IV) Internal carryover of owners' equity													
1. Capital reserve transferred to capital (or share capital)													
2. Earned surplus transferred to capital (or share capital)													



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3. Surplus reserves to recover loss															
4. Retained earnings carried over from changes in defined benefit plans															
5. Retained incomes carried forward from other comprehensive income															
6. Others															
(V) Special reserves							2,384,562.98				2,384,562.98			2,384,562.98	
1. Appropriation in current period							2,622,168,202.64				2,622,168,202.64			2,622,168,202.64	
2. Use for current period							2,619,783,639.66				2,619,783,639.66			2,619,783,639.66	
(VI) Others															
IV. Ending balance in the current period	8,904,397,728.00		6,500,000,000.00		2,200,006,546.37	55,121,123.98	-85,530,145.70	2,384,562.98	1,513,091,171.63		14,074,908,867.70		33,054,137,607.00	3,118,906,998.63	36,173,044,605.63

Item	2018															
	Equity attributable to the owners of parent company														Minority equity	Total owner's equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Undistributed profits	Others	Subtotal			
		Preferred shares	Perpetual bonds	Others												
I. Ending balance of previous year	8,904,397,728.00		3,000,000,000.00		2,312,259,224.79		1,347,082,184.10		1,091,640,856.25		10,367,542,626.41		27,022,922,619.55	3,332,187,671.26	30,355,110,290.81	
Add: Changes in accounting policies																
Correction of prior errors																
Business combination under common control																
Others																
II. Beginning balance of the current year	8,904,397,728.00		3,000,000,000.00		2,312,259,224.79		1,347,082,184.10		1,091,640,856.25		10,367,542,626.41		27,022,922,619.55	3,332,187,671.26	30,355,110,290.81	
III. Amount increase/decrease of the current period (decrease to be listed with "-")			3,500,000,000.00		-111,388,250.04		-785,889,615.63		150,972,087.06		1,300,201,019.49		4,053,895,240.88	897,232,222.39	4,951,127,463.27	
(I) Total Comprehensive Income							-785,889,615.63				2,779,866,799.83		1,993,977,184.20	641,552,322.99	2,635,529,507.19	
(II) Invested and decreased capital of owners			3,500,000,000.00		-111,388,250.04								3,388,611,749.96	280,887,006.70	3,669,498,756.66	
1. Common stock invested by owners														281,507,561.83	281,507,561.83	
2. Capital invested by other equity instrument holders			3,500,000,000.00										3,500,000,000.00		3,500,000,000.00	
3. Amount of share-based payment included in owners' equity																
4. Others					-111,388,250.04								-111,388,250.04	-620,555.13	-112,008,805.17	
(III) Profit Distribution									150,972,087.06		-1,479,665,780.34		-1,328,693,693.28	-25,207,107.30	-1,353,900,800.58	
1. Appropriation of surplus reserves									150,972,087.06		-150,972,087.06					
2. Appropriation to general risk provision																
3. Distribution											-1,202,093,693.28		-1,202,093,693.28	-25,207,107.30	-1,227,300,800.58	

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among owners (or shareholders)															
4. Others											-126,600,000.00		-126,600,000.00		-126,600,000.00
(IV) Internal carryover of owners' equity															
1. Capital reserve transferred to capital (or share capital)															
2. Earned surplus transferred to capital (or share capital)															
3. Surplus reserves to recover loss															
4. Retained earnings carried over from changes in defined benefit plans															
5. Retained incomes carried forward from other comprehensive income															
6. Others															
(V) Special reserves															
1. Appropriation in current period								1,954,334,818.88					1,954,334,818.88		1,954,334,818.88
2. Use for current period								1,954,334,818.88					1,954,334,818.88		1,954,334,818.88
(VI) Others															
IV. Ending balance in the current period	8,904,397,728.00		6,500,000,000.00		2,200,870,974.75		561,192,568.47		1,242,612,943.31		11,667,743,645.90		31,076,817,860.43	4,229,419,893.65	35,306,237,754.08

Legal representative: Xu Zheng; Person in charge of the accounting affairs: Yin Keding; Person in charge of the accounting organization: Wang Hongshun

**Parent Company's Statement of Changes in Owner's Equity**  
From January 2019 to December 2019

Unit: RMB Currency: RMB

Item	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owner's equity
		Prefer red shares	Perpetual bonds	Others							
I. Ending balance of previous year	8,904,397,728.00		6,500,000,000.00		3,695,151,297.49		611,689,603.01		1,231,132,182.74	2,516,577,923.04	23,458,948,734.28
Add: Changes in accounting policies							-594,241,368.90		61,896,016.25	557,064,146.30	24,718,793.65
Correction of prior errors											
Others											
II. Beginning balance of the current year	8,904,397,728.00		6,500,000,000.00		3,695,151,297.49		17,448,234.11		1,293,028,198.99	3,073,642,069.34	23,483,667,527.93
III. Amount increase/decrease of the current period (decrease to be listed with “-”)						55,121,123.98	-59,315,578.96		208,582,212.07	363,796,215.34	457,941,724.47
(I) Total Comprehensive Income							-59,315,578.96			2,085,822,120.69	2,026,506,541.73
(II) Invested and decreased capital of owners						55,121,123.98					-55,121,123.98
1. Common stock invested by owners											
2. Capital invested by other equity instrument holders											
3. Amount of share-based payment included in owners' equity											
4. Others						55,121,123.98					-55,121,123.98
(III) Profit Distribution									208,582,212.07	-1,722,025,905.35	-1,513,443,693.28
1. Appropriation of surplus reserves									208,582,212.07	-208,582,212.07	
2. Distribution among owners (or shareholders)										-1,202,093,693.28	-1,202,093,693.28
3. Others										-311,350,000.00	-311,350,000.00
(IV) Internal carryover of owners' equity											
1. Capital reserve transferred to capital (or share capital)											
2. Earned surplus transferred to capital (or share capital)											
3. Surplus reserves to recover loss											
4. Retained earnings carried over from changes in defined benefit plans											
5. Retained incomes carried forward from other comprehensive income											
6. Others											
(V) Special reserves											
1. Appropriation in current period											
2. Use for current period											
(VI) Others											
IV. Ending balance in the current	8,904,397,728.00		6,500,000,000.00		3,695,151,297.49	55,121,123.98	-41,867,344.85		1,501,610,411.06	3,437,438,284.68	23,941,609,252.40

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period											
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Item	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owner's equity
		Preferred shares	Perpetual bonds	Others							
I. Ending balance of previous year	8,904,397,728.00		3,000,000,000.00		3,695,151,297.49		1,225,220,387.37		1,080,160,095.68	2,486,522,832.79	20,391,452,341.33
Add: Changes in accounting policies											
Correction of prior errors											
Others											
II. Beginning balance of the current year	8,904,397,728.00		3,000,000,000.00		3,695,151,297.49		1,225,220,387.37		1,080,160,095.68	2,486,522,832.79	20,391,452,341.33
III. Amount increase/decrease of the current period (decrease to be listed with "-")			3,500,000,000.00				-613,530,784.36		150,972,087.06	30,055,090.25	3,067,496,392.95
(I) Total Comprehensive Income							-613,530,784.36			1,509,720,870.59	896,190,086.23
(II) Invested and decreased capital of owners			3,500,000,000.00								3,500,000,000.00
1. Common stock invested by owners											
2. Capital invested by other equity instrument holders			3,500,000,000.00								3,500,000,000.00
3. Amount of share-based payment included in owners' equity											
4. Others											
(III) Profit Distribution									150,972,087.06	-1,479,665,780.34	-1,328,693,693.28
1. Appropriation of surplus reserves									150,972,087.06	-150,972,087.06	
2. Distribution among owners (or shareholders)										-1,202,093,693.28	-1,202,093,693.28
3. Others										-126,600,000.00	-126,600,000.00
(IV) Internal carryover of owners' equity											
1. Capital reserve transferred to capital (or share capital)											
2. Earned surplus transferred to capital (or share capital)											
3. Surplus reserves to recover loss											
4. Retained earnings carried over from changes in defined benefit plans											
5. Retained incomes carried forward from other comprehensive income											
6. Others											
(V) Special reserves											
1. Appropriation in current period											
2. Use for current period											
(VI) Others											
IV. Ending balance in the current period	8,904,397,728.00		6,500,000,000.00		3,695,151,297.49		611,689,603.01		1,231,132,182.74	2,516,577,923.04	23,458,948,734.28

Legal representative: Xu Zheng; Person in charge of the accounting affairs: Yin Keding; Person in charge of the accounting organization: Wang Hongshun



### III. Basic Information of the Company

#### 1 Company Profile

√ Applicable □ Not Applicable

##### (I) Company Profile

Shanghai Construction Group Co., Ltd. (hereinafter referred to as "SCG" or "the Company") is a company limited by shares which is established by the sole initiator, Shanghai Construction (Group) Corporation (hereinafter referred to as "the Construction Corporation"), by means of public issuance of A shares subject to the approval of the People's Government of Shanghai Municipality via the document [1998] No. 19. The parent company of this Company is the Construction Corporation, and the actual controller of this Company is the State-owned Assets Supervision and Administration Commission of Shanghai Municipality. The unified social credit code of the business entity of this Company is 91310000631189305E. The Company was listed on the Shanghai Stock Exchange in June 1998 with a total share capital of RMB 537,000,000 at the time of its establishment and a par value of RMB 1 per share.

In October 2001, as approved by the China Securities Regulatory Commission via the document ZJFXZ [2001] No.73, the Company issued 3 new shares for every 10 shares on the basis of the total quantity of the shares of 537 million on December 31, 1999. In 2002, the Company issued 2 new shares to all shareholders for every 10 shares. After the above changes, the total share capital of the Company is RMB 719,298,000.

On October 19, 2005, as approved by the State-owned Assets Supervision and Administration Commission of Shanghai Municipality via the document *Reply on Issues Related to the Equity Division Reform of Shanghai Construction Group Co., Ltd.* (HGZWC [2005] No.641) and according the resolution of the shareholder meeting which was held on October 31, 2005 to review the equity division reform, the sole non-tradable shareholder, the Construction Corporation, paid the consideration shares to all tradable shareholders to allow the non-tradable shares which they held to be listed and circulated. The Construction Corporation paid the tradable shareholder with the consideration shares of 79.56 million in total, i.e. 3.4 consideration shares for every 10 tradable shares.

As approved by the China Securities Regulatory Commission via the document *Reply on Approving Shanghai Construction Group Co., Ltd. to Issue Shares to Shanghai Construction (Group) Corporation for Purchasing Assets* (ZJXX [2010] No.615), in June 2010, the Company issued 322,761,557 non-public shares to the controlling shareholder, the Construction Corporation, to acquire the shares of 12 companies owned by the Construction Corporation as well as 9 house properties and land assets held by the Construction Corporation. As of December 31, 2010, the total capital of the shares issued by the Company was RMB 1,042,059,600, of which 69.91% was held by the Construction Corporation and 30.09% was held by public shareholders.

In 2010, according to resolutions of the 25th meeting of the Company's 4th Board of Directors and the 2009 Annual Shareholders' Meeting of the Company, the Company changed its name to Shanghai Construction Group Co., Ltd. and went through the formality of the industrial and commercial registration of changes on July 5, 2010.

As approved by the China Securities Regulatory Commission (CSRC) via the document *Reply on Approving Shanghai Construction Group Co., Ltd. to Issue Shares to Shanghai Construction (Group) Corporation for Purchasing Assets* (ZJXX [2011] No.1163), in August 1, 2011, the Company issued 114,301,930 non-public shares to the controlling shareholder, the Construction Corporation, to acquire 100% equity of the SFECO Group Holdings Co., Ltd. and 100% equity of Shanghai Municipal Engineering Design Institute (Group) Co., Ltd. which were both held by the Construction Corporation. As of December 31, 2011, the total capital of the shares issued by the Company was RMB 1,156,361,500, of which 72.88% was held by the Construction Corporation and 27.12% was held by public shareholders.

In 2012, according to the resolution of the 2011 Annual Shareholders' Meeting of the Company, the Company carried out the 2011 profit distribution on May 11, 2012 by donating 5 new shares for every 10 shares and converting every 10 shares into 5 shares as the capital reserves. As of December 31, 2012, the total capital of the shares issued by the Company was RMB 2,312,723,000, of which 72.88% was held by the Construction Corporation and 27.12% was held by public shareholders.

In 2013, according to the resolution of the 2012 Annual Shareholders' Meeting of the Company, the Company carried out the 2012 profit distribution on July 17, 2013 by paying the RMB 2.10 for every 10 shares as the dividend and converting every 10 shares into 2 shares as the capital reserves. After

completion of the profit distribution, the total quantity of the shares of the Company increased from 2,312,722,974 to 2,775,267,568.

In 2014, according to the resolution of the 2013 Annual Shareholders' Meeting of the Company, the Company carried out the 2013 profit distribution on June 18, 2014 by paying the RMB 2.00 for every 10 shares as the dividend and converting every 10 shares into 3 shares as the capital reserves. After completion of the profit distribution, the total quantity of the shares of the Company increased from 2,775,267,568 to 3,607,847,838.

According to the resolutions of the 1st Extraordinary Shareholders' Meeting of the Company in 2014 and the 9th meeting of the 6th Board of Directors, and as replied and approved by the China Securities Regulatory Commission via the document *Reply on Approving Shanghai Construction Group Co., Ltd. to Issue Non-public Shares* (ZJXK [2014] No.971), in October 2014, the Company issued 963,855,421 common stock (A shares) to the specific investors who met the relevant requirements specified by the CSRC. After completion of this targeted share increase, the total quantity of the shares of the Company increased from 3,607,847,838 to 4,571,703,259.

In 2015, according to the resolution of the 2014 Annual Shareholders' Meeting of the Company, the Company carried out the 2014 profit distribution on May 12, 2015 by paying the RMB 2.00 for every 10 shares as the dividend and converting every 10 shares into 3 shares as the capital reserves. After completion of the profit distribution, the total quantity of the shares of the Company increased from 4,571,703,259 to 5,943,214,237.

In 2016, according to the resolution of the 2015 Annual Shareholders' Meeting of the Company, the Company carried out the 2015 profit distribution on May 17, 2016 by paying the RMB 1.50 for every 10 shares as the dividend and converting every 10 shares into 2 shares as the capital reserves. After completion of the profit distribution, the total quantity of the shares of the Company increased from 5,943,214,237 to 7,131,857,084.

According to the resolutions of the 2015 Annual Shareholders' Meeting of the Company in 2015, the 29th meeting of the 6th Board of Directors and the 3th meeting of the 7th Board of Directors, and as replied by the China Securities Regulatory Commission via the document *Reply on Approving Shanghai Construction Group Co., Ltd. to Issue Non-public Shares* (ZJXK [2016] No.3217), the Company was approved to issue new non-public shares with a quantity not more than 368,735,376. In February 2017, the Company issued 350,830,083 common stock (A shares) to the specific investors who met the relevant requirements specified by the CSRC. After completion of this targeted share increase, the total quantity of the shares of the Company increased from 7,131,857,084 to 7,482,687,167.00.

In 2017, according to the resolution of the 2016 Annual Shareholders' Meeting of the Company, the Company carried out the 2016 profit distribution on May 18, 2017 by paying the RMB 1.30 for every 10 shares as the dividend and converting every 10 shares into 1.9 shares as the capital reserves. After completion of the profit distribution, the total quantity of the shares of the Company increased from 7,482,687,167.00 to 8,904,397,728.00.

As of December 31, 2019, the Company's has issued 8,904,397,728.00 shares of share capitals and its registered capital is RMB 8,904,397,728.00.

The Company and its subsidiaries (hereinafter collectively referred to as "the Group") are mainly engaged in general contracting of building construction, professional construction, design, decoration and landscaping projects, development and management of real estate, quarrying, manufacturing and processing of concrete, management of municipal construction projects, urban infrastructure investment and construction projects, trade in complete equipment and other merchandises, operation of Zara Mine and management consultancies and labor dispatch for engineering projects. The registered address of the Company: No.33, Fushan Road, China (Shanghai) Pilot Free Trade Zone; the address of the Company's headquarter: No.666, Dongdaming Road, Shanghai.

The financial statements have been approved for release by the Board of Directors of the Company on April 20, 2020.

## 2. Scope of consolidated financial statements

√ Applicable □ Not Applicable

As of December 31, 2019, the subsidiaries and structured entities included in the consolidated financial statements of the Group are as follows:

Shanghai Construction No.1 (Group) Co., Ltd

Shanghai Huaji Industry & Trade Co., Ltd.

Shanghai Construction Group No.1 Investment and Development Co., Ltd.

Shanghai Zhouhai Construction Engineering Co., Ltd.

Shanghai Construction Group (Macau) Co., Ltd.	Shanghai Installation Engineering Group Co., Ltd.
Shanghai Construction Group No.1 Installation Engineering Co., Ltd.	Shanghai Shangan M&E Design Office Co., Ltd.
Shanghai Construction Group No.1 Architectural Decoration Co., Ltd.	Shanghai Shangan Mechanized Construction Co., Ltd.
SCG Jiangsu Construction Co., Ltd.	Shanghai Jianan Chemical Engineering Design Co., Ltd.
Sichuan SCG Construction Co., Ltd.	Shanghai Installation (Dalian) Engineering Co., Ltd.
Shanghai Construction Group No.1 Dongshun Construction Engineering Co., Ltd.	Shanghai Huayi Construction Co., Ltd.
Shanghai Construction No.2 (Group) Co., Ltd.	Shanghai Shangan Property Management Co., Ltd.
Shanghai Construction Group No.2 Mechanized Construction Co., Ltd.	Shanghai SINKO Air Conditioning Equipment Co., Ltd.
Shanghai Yigao Decoration Engineering Co., Ltd.	Shanghai SINKO Refrigeration Machinery Co., Ltd.
Shanghai Xieliyingzao Labor Service Co., Ltd.	Shanghai SINKO Building Energy Conservation Co., Ltd.
Shanghai Construction Group Jiangxi Construction Co., Ltd.	Shanghai SINKO Air Conditioning Equipment Installation Engineering Co., Ltd.
Hubei SCG Huazhong Construction Co., Ltd.	Shanghai Foundation Engineering Group Co., Ltd.
Shanghai Construction No.4 (Group) Co., Ltd.,	Shanghai Shenbao Construction Engineering Co., Ltd.
Shanghai Construction Group No.4 Engineering Equipment Co., Ltd.	Shanghai Jibao Construction Labor Services Co., Ltd.
Shanghai Construction Group No.4 Installation Engineering Co., Ltd.	Zhuhai Shenji Construction Engineering Co., Ltd.
Shanghai Construction Group No.4 Decoration Engineering Co., Ltd.	Shanghai Kangyi Marine Engineering Co., Ltd.
Shanghai Construction Group No.4 Industry Co., Ltd.	Tianjin Shenji Construction Engineering Co., Ltd.
Shanghai Xindu Decoration Engineering Co., Ltd.	Jiangsu Shenji Heavy Industries Co., Ltd.
Shanghai Xinli Decoration Engineering Co., Ltd.	Shanghai Mechanized Construction Group Co., Ltd.
Guangdong Shenyue Construction Co., Ltd.	Shanghai Hubei Architectural Decoration Engineering Co., Ltd.
Shanghai Municipal Construction Co., Ltd.	Shanghai Jishi Architectural Design Consultancy Co., Ltd.
Shanghai Xinsheng Urban Construction Engineering Co., Ltd.	Shanghai Shuzhi Construction Engineering Co., Ltd.
Shanghai Xinzhi Construction Project Management Co., Ltd.	SCG Underground Engineering Technology Co., Ltd.
Shanghai Construction No.5 (Group) Co., Ltd.	SCG Shanghai Steel Structure Co., Ltd.
SCG (Liaoning) Construction Co., Ltd.	Shanghai Gardens Group Co., Ltd.
Shanghai Construction Group No.5 Installation Engineering Co., Ltd.	Shanghai Landscape Architecture Design & Research Institute Co., Ltd.
Shanghai Construction Group No.5 Decoration Engineering Co., Ltd.	Shanghai Gardening-landscaping Construction Co., Ltd.
Shanghai Construction No.5 (Group) Jilin Construction Co., Ltd.	Shanghai Landscape Industrial Development Co., Ltd.
Guangdong SCG Construction Engineering Co., Ltd.	Shanghai Landscape Architecture Construction Co., Ltd.
Bengbu Hujian Construction Engineering Co., Ltd.	Shanghai Hongqiao Flower Market Operation and Management Co., Ltd.
Zhuhai Shenjian Construction Engineering Co., Ltd.	Shanghai Huapu Development Co., Ltd.
Guangxi Hujian Construction Engineering Co., Ltd.	Shanghai New Garden Industrial Co., Ltd.
Shanxi SCG Construction Engineering Co., Ltd.	Quanzhou Yuanqi Construction Management Co., Ltd.
Shanghai Construction No.7 (Group) Co., Ltd.	Shanghai Linyi Garden Construction Co., Ltd.
Shanghai Construction Group (Northwest) LLC	Shanghai Shangyuan Construction Service Co., Ltd.
Shanghai Wujiang Construction Labor Services Co., Ltd.	Shanghai Flower Trading Center Co., Ltd.
Shanghai Jiezhushu Equipment Leasing Co., Ltd.	Shanghai Zhuoyu Environmental Engineering Co., Ltd.
Shanghai Yusha Construction Engineering Co., Ltd.	Ganzhou Shenrong Garden Engineering Co., Ltd.
Shanghai Construction No.7 (Group) Industry Co., Ltd.	Ganzhou Shenhai Garden Planning and Design Co., Ltd.
Tianjin SCG Construction Co., Ltd.	Shanghai Zhuoyuan Water Ecological Environment Engineering Co., Ltd.
Shanghai Building Decoration Engineering Group Co., Ltd.	Cixi Shenlong Garden Engineering Co., Ltd.
Shanghai Disheng Wood Industry Co., Ltd.	SCG Changzhou Wujin Zhongwu Avenue Construction Co., Ltd.
Shanghai Weilun Architectural Design Consultancy Co., Ltd.	SCG Dalian Construction Engineering Co., Ltd.
Shanghai Dilun New Materials Co., Ltd.	SCG Changzhou Wujin Overhead Construction Co., Ltd.
SCG Design & Research Institute Co., Ltd.	Shanghai Construction Group Wuxi Yanghu Road Construction Management Co., Ltd.
SCG Machinery Testing Center Co., Ltd.	Shanghai Construction Group Wuxi Beizhong Road Construction Management Co., Ltd.
Shanghai Kaidi Engineering Consulting Co., Ltd.	Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.
Shanghai Jiuchuang Construction Management Co., Ltd.	Shanghai Municipal Engineering Design Institute Co., Ltd.



Shanghai Jianhao Engineering Consultancy Co., Ltd.	Shanghai Industrial Water Design Engineering Co., Ltd.
Qingdao SCG Design and Research Institute Co., Ltd.	Shanghai Municipal Engineering Cost Consultancy Co., Ltd.
SCG Wuxi Co., Ltd.	Shanghai Simei Printing Co., Ltd.
Shanghai Construction Real Estate Co., Ltd.	Shanghai Municipal Engineering Design Institute Group Foshan Simei Design Institute Co., Ltd.
SCG Jialong Real Estate Co., Ltd.	Shanghai Municipal Engineering Testing Center Co., Ltd.
Shanghai Zhenxin Property Management Co., Ltd.	Shanghai Municipal Traffic Design Institute Co., Ltd.
SCG Jinlong Real Estate Co., Ltd.	Shanghai Municipal Engineering Design Institute Group Zhejiang Municipal Design Institute Co., Ltd.
SCG Dalong Real Estate Co., Ltd.	Shanghai Simei Design and Drawing Inspection Consultancy Co., Ltd.
Shanghai Sanling Technology Venture Co., Ltd.	Shanghai Municipal Engineering Design Institute Group - No. 7 Design Institute Co., Ltd.
Xuzhou Hujian Real Estate Co., Ltd.	Shanghai Municipal Engineering Design Institute Group No.10 Municipal Design Institute Co., Ltd.
SCG Huifu Real Estate Development Co., Ltd.	Shanghai Municipal Engineering Design Institute Group - No. 6 Design Institute Co., Ltd.
SCG Dongxu Real Estate Co., Ltd.	Datong Municipal Engineering Design and Research Co., Ltd.
Shanghai Shengtang Real Estate Co., Ltd.	Shanghai Municipal Engineering Design Co., Ltd.
SCG Jiulong Real Estate Co., Ltd.	Shanghai Urban Transportation Design Institute Co., Ltd.
SCG Baolong Real Estate Co., Ltd.	Guangzhou Nansha Simei Engineering Design Co., Ltd.
Shanghai Yuehe Investment and Development Co., Ltd.	Shanghai Municipal Engineering Design Institute Guangzhou Co., Ltd.
Shanghai Jiading High-tech Park Construction Co., Ltd.	Shanghai Zhengji Architectural Design Co., Ltd.
SCG Hongkou Real Estate Co., Ltd.	Hohhot Municipal Engineering Design Institute Co., Ltd.
SCG Nanhui Real Estate Co., Ltd.	Shanghai Municipal Engineering Design Institute Xinjiang Co., Ltd.
SCG Yuejian Real Estate Co., Ltd.	Shanghai Municipal Pre-fabrication Technology Development Co., Ltd.
SCG Dongyue Real Estate Co., Ltd.	Shanghai Shenhuan Environmental Engineering Co., Ltd.
Shanghai Dahao Real Estate Co., Ltd.	SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.
SCG Huirui Real Estate Development Co., Ltd.	SFECO Group Holdings Co., Ltd.
SCG Chengmin Real Estate Co., Ltd.	Shanghai Machinery Complete Equipment (Group) Co., Ltd.
Shanghai Jianhao Real Estate Co., Ltd.	Shanghai Machinery & Electric Equipment Tendering Co., Ltd.
Shanghai Elit Real Estate Co., Ltd.	Shanghai Pudong Equipment Tendering Co., Ltd.
Shanghai Haojiang Real Estate Co., Ltd.	Shanghai Pudong Machinery Complete Equipment Co., Ltd.
Suzhou Hengye Real Estate Development Co., Ltd.	Shanghai Pucheng Machinery & Electric Equipment Tendering Co., Ltd.
Shanghai Construction Group Jiangxi Investment and Development Co., Ltd.	Shanghai Engineering Equipment Supervision Co., Ltd.
Shanghai Construction Group Jiangxi Jiulonghu No.2 Municipal Construction Co., Ltd.	Shanghai Purification Technology Complete Equipment Co., Ltd.
Shanghai Construction Group Jiangxi Donghu No.1 Construction Co., Ltd.	Shanghai Equipment Leasing Co., Ltd.
Shanghai Qingteng Real Estate Co., Ltd.	Shanghai Machinery Complete Equipment (Group) Engineering Co., Ltd.
Shanghai Jianyi Investment and Development Co., Ltd.	Yatong Environmental Water Treatment Jiangyin Co., Ltd.
Shanghai Dongyi Real Estate Co., Ltd.	Shanghai SFECO International Business Service Co., Ltd.
Nanjing Aohe Real Estate Development Co., Ltd.	Shanghai SFECO International Human Resources Co., Ltd.
Nanjing Aojian Real Estate Co., Ltd.	Shanghai SFECO Private Exit and Entry Consultancy Service Co., Ltd.
Xuzhou Hujian Quanshan Real Estate Co., Ltd.	Shanghai Shencheng Minxin Automobile Sales and Service Co., Ltd.
SCG Huicheng Real Estate Development Co., Ltd.	Shanghai Chengjia New Energy Co., Ltd.
Shanghai Qixian Real Estate Co., Ltd.	Shanghai Puxing Complete Automobile Sales and Service Co., Ltd.
Suzhou Hengyi Real Estate Development LLC	Nantong Shencheng Automobile Sales and Service Co., Ltd.
Jiangxi Xianye Real Estate Co., Ltd.	SCG (Hong Kong) Co., Ltd.
Nanjing Aoyi Real Estate Development Co., Ltd.	Eritrea Zara Mining Co., Ltd.
Shanghai Elit Hotel Management Co., Ltd.	Shanghai Chengyang New Energy Co., Ltd.
Jiangxi Jianhao Real Estate LLC	Shanghai Machinery Complete Equipment (Group) Singapore Co., Ltd.
Shanghai Jinteng Real Estate Co., Ltd.	Shanghai Chengchang New Energy Technology Co., Ltd.
SCG Jinshan Construction and Development Co., Ltd.	SCG America Group Inc.
Nanjing Aoying Real Estate Development Co., Ltd.	SCG Plaza Project Company
Nanjing Haiyue Property Management Co., Ltd.	SCG America Engineering Company
SCG Shengxian Real Estate Development Co., Ltd.	SCG America Asset Management Co., Ltd.

SCG Jingxian Real Estate Development Co., Ltd.	No.1 Hotel Investment Co., Ltd.
Shanghai Qingyue Real Estate Co., Ltd.	No.2 Hotel Investment Co., Ltd.
Tianjin Jinyue Real Estate Development Co., Ltd.	SCG Mima Towers LLC
Shanghai Construction Material Co., Ltd.	SCG Mima One LLC
Huzhou Xinkaiyuan Gravel Production Co., Ltd.	SCG Mima Holding LLC
Shanghai Pudong Ready-mixed Concrete Co., Ltd.	Broadway Apartment Hotel
Shanghai Dongnan Concrete Co., Ltd.	Investel Resorts Management LLC
Shanghai Tongjiu Concrete Co., Ltd.	Investel Garden Holdings LLC
Shanghai Tongshun Concrete Co., Ltd.	Investel Garden Resorts LLC
SCG Jialuo Concrete Co., Ltd.	SCG Gulf Resort Hotel Investment Company
Tianjin Shenyi Concrete Co., Ltd.	Kuafu Mima LLC
Shanghai Pulian Ready-mixed Concrete Co., Ltd.	Mima Towers LLC
Shanghai Fukang Construction Co., Ltd.	SCG Kunshan Zhonghuan Construction Co., Ltd.
Shanghai Puxin Ready-mixed Concrete Co., Ltd.	Shanghai Construction Group Jiangxi Jiulonghu Municipal Construction Co., Ltd.
Shanghai Pusheng Concrete Co., Ltd.	Zhuhai Shenhai Construction Engineering Co., Ltd.
Shanghai Jianan Concrete Co., Ltd.	Shanghai Construction Group Taizhou Tian-Xu Line Construction Co., Ltd.
SCG Materials Transportation Co., Ltd.	SCG Changzhou Wujin Jinwu Road Construction Co., Ltd.
SCG Jiajian Ready-mixed Concrete Co., Ltd.	Shanghai International Tourist Resort Engineering Construction Co., Ltd.
Sichuan SCG Concrete Co., Ltd.	Shanghai Construction Group Nanchang Qianhu Construction Co., Ltd.
Shanghai Puyang Concrete Co., Ltd.	Shanghai Construction Group Yibin Daxikou Construction Co., Ltd.
SCG Materials Huangang Ready-mixed Concrete Co., Ltd.	Shanghai Construction Group Chengdu Construction Engineering Co., Ltd.
Shanghai Jiankang Concrete Co., Ltd.	Shanghai Construction Group Wenzhou Qidu Bridge Construction Co., Ltd.
Shanghai Hongxiang Concrete Co., Ltd.	Shanghai Construction Group Wenzhou Oujiangkou Construction Co., Ltd.
Kunshan Zhonghuan Concrete Co., Ltd.	Sihui Huijian Road Reconstruction and Development Co., Ltd.
Kunshan Shenghua Concrete Co., Ltd.	Zhaoqing Huijian Railway Station Complex Construction and Development Co., Ltd.
SCG Changzhou Jianya Architectural Component Products Co., Ltd.	Shanghai Construction Group Meishan Construction Engineering Co., Ltd.
Jiangxi Shenhong New Materials Co., Ltd.	Changzhou Jintan District Maoshan Tourism Avenue Construction Co., Ltd.
Suzhou Industrial Park Yongsheng Concrete Products Co., Ltd.	Nanjing Qiaoyuan Construction Management Co., Ltd.
SCG Liren Concrete Co., Ltd.	Shanghai Construction Group Wenzhou Oujiangkou Traffic Engineering Construction Co., Ltd.
SCG Jianhua Concrete Products Co., Ltd.	Zhuhai Jinwan District Jianjin Ecological City Construction Co., Ltd.
SCG Jiangxi Concrete Engineering Co., Ltd.	Huzhou Zhili Cultural and Sports Center Construction and Development Co., Ltd.
Huzhou SCG Concrete Co., Ltd.	Shanghai Heyu Intellectual Property Agency Co., Ltd.
SCG Nanqiao Concrete Co., Ltd.	Jining Fenghuangtai Construction Co., Ltd.
SCG Yijian Material Engineering Co., Ltd.	Shanghai Construction Group Investment Co., Ltd.
Shanghai Jiansong Ready-mixed Concrete Co., Ltd.	Shanghai Construction Group Taizhou Fengqihu Construction Co., Ltd.
Nanjing Xinshan Hengji Concrete Co., Ltd.	Shanghai Construction Group Dujiangyan Construction Engineering Co., Ltd.
Shanghai Sihe Property Management Co., Ltd.	Shanghai Construction Group Anji Construction Co., Ltd.
Jiaxing SCG Shidong Concrete Co., Ltd.	Shanghai Zhongcheng Finance Leasing Co., Ltd.
Nanjing Qibagang Commercial Concrete Co., Ltd.	SCG Equity Investment Fund Management Co., Ltd.
Nantong SCG Shinan Concrete Co., Ltd.	SCG Jianheng Equity Investment Funds Partnership (Limited Partnership)
SCG Ruan Concrete Co., Ltd.	SCG Anying Investment Management Center (Limited Partnership)
Jiaxing SCG Shixi Concrete Co., Ltd.	SCG Hexi Enterprise Management Center (Limited Partnership)
Jiangxi SCG Shidong Concrete Engineering Co., Ltd.	SCG Taihe Enterprise Management Center (Limited Partnership)
SCG Longyu Construction Materials Co., Ltd.	SCG Zhongying Enterprise Management Center (Limited Partnership)
Nantong Shangjiang Construction Products Co., Ltd.	SCG Jianying Enterprise Management Center (Limited Partnership)
Suzhou SCG Concrete Co., Ltd.	Ningbo Meishan Bonded Port Zone Minyao Investment Management Partnership (Limited Partnership)
Wuhu SCG Huaxing New Construction Materials Co., Ltd.	Suzhou Jianying Purui Venture Capital Center (Limited Partnership)
Changxing SCG Changheng Concrete Co., Ltd.	Suzhou Jianying Ruizhi Venture Capital Center (Limited Partnership)
Shanghai Yafu Cement Products Co., Ltd.	Suzhou Jianying Ruixin Venture Capital Center (Limited Partnership)

Taicang SCG Tonggao Concrete Co., Ltd.	SCG Overseas (Holdings) Co., Ltd.
Ma'anshan SCG Shenma Concrete Co. Ltd.	SCG Overseas (Hong Kong) Co., Ltd.
Huzhou SCG Huayu Concrete Co., Ltd.	Xianfeng Construction Engineering Co., Ltd.
Zhenjiang SCG Concrete Co., Ltd.	Max China Engineering Limited
Jiangsu SCG Sunjie Prefabricated Components Co., Ltd.	Yongda Investment Limited
SCG Guangya Engineering Materials Co., Ltd.	Shanghai Construction Overseas Engineering Limited
Yangzhou SCG Concrete Co., Ltd.	SCG Overseas (Mongolia) Co., Ltd.
Suzhou SCG Hangxin Concrete Co., Ltd.	Shanghai Construction Group (M) Sdn. Bhd.
Wuxi Liangxing Concrete Co., Ltd.	SCG (Caribbean) Co., Ltd.
Jiangxi SCG Shixi Concrete Engineering Co., Ltd.	SCG (Canada) Co., Ltd.
Zhoushan SCG Bozhou Concrete Co. Ltd.	SCG Electronic Commerce Co., Ltd.
Haimen SCG Concrete Co., Ltd.	Shanghai Xingyu Trading Co., Ltd.
Jiaxing SCG Hexing Concrete Co., Ltd.	SCG Yiyun Technology Co., Ltd. (formerly Shanghai Xingshun Information Technology Co., Ltd.)
Jiaxing SCG Hongcheng Concrete Co., Ltd.	SCG (Cambodia) Co., Ltd.
Ma'anshan SCG Shuangcheng Commodity Concrete Co., Ltd.	Ruiyi Assets - Asset Management in SCG No.1 Special Asset Management Plan
Shanghai Qigou Concrete Components Co., Ltd.	SCG Equipment Engineering Co., Ltd.
Wuhu SCG Huaxing Lianqiang Concrete Co., Ltd.	SCG Yibin Cuiping Construction Co., Ltd.
Yancheng SCG Wanyuan Concrete Co., Ltd.	Shanghai Minchuan Sports Development Co., Ltd.
Jiangsu Hengji Concrete Co., Ltd.	Rizhao Hujian Urban Development Construction Co., Ltd.
Shanghai Huadong Construction and Machinery Co., Ltd.	

For more details about the scope of consolidated financial statements of the current period and its changes, see Note "VIII. Changes in Consolidation Scope" and Note "IX. Equity in Other Entities".

#### IV. Basis for Preparation of the Financial Statements

##### 1. Basis of Preparation

On the basis of going concern and with reference to actual transactions and events, the financial statements were prepared in accordance with the *Basic Standard of the Accounting Standards for Business Enterprises* and specific standards issued by the Ministry of Finance, and the *Application Guidance for Accounting Standards for Business Enterprises*, *Interpretations of Accounting Standards for Business Enterprises* and other relevant regulations (hereinafter collectively referred to as "the Accounting Standards for Business Enterprises" or "CAS") and the disclosure requirements in the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 - General Rules on Financial Reporting* issued by the China Securities Regulatory Commission.

##### 2. Going concern

√ Applicable □ Not Applicable

The Company has no event or condition possibly causing substantial doubt about the going concern ability of the Company within 12 months since the end of the report period.

#### V. Significant Accounting Policies and Accounting Estimates

Notes to the specific accounting policies and accounting estimates:

√ Applicable □ Not Applicable

The following disclosure contents have covered the specific accounting policies and accounting estimates made by the Group according to the actual production and operation characteristics.

##### 1. Declaration on Compliance with ASBE

The Group declares that the financial statements prepared comply with the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, which truly and fully reflect the consolidated and parent company's financial positions as at December 31, 2019 and the consolidated and parent company's operating results and cash flows in 2019.

##### 2. Accounting Period

The accounting year of the Company runs from January 1 to December 31 (according to Gregorian calendar) of each year.

**3. Business Cycle**√ Applicable ☐ Not Applicable

The Group takes 12 months as a business cycle.

**4. Recording currency**

The Company takes RMB as its recording currency.

**5. Accounting treatment method for business combination under common control and different control**√ Applicable ☐ Not Applicable

Business combination under common control: assets and liabilities received by the combining party from a business combination shall be measured based on the book value of such assets and liabilities (including the goodwill formed from the acquisition of the combined entity by the ultimate controlling party) of the combined entity on the date of the business combination in the consolidated financial statements of the ultimate controlling party. The balance between the book value of net assets acquired in business merger and paid consolidated consideration book value (or total face value of issued shares) shall be used to adjust the share capital premium in capital reserves; where the share capital premium in capital reserves cannot be charged off, retained earnings shall be adjusted.

Business combination under different control: the assets paid by the acquirer as the consideration of business merger and the liabilities occurred or borne on the purchase date shall be measured at the fair value. The difference between the fair value and the book value shall be included in current profit and loss. If the combination cost is higher than the fair value of identifiable net asset obtained from the acquiree by the Company, the difference can be recognized as goodwill; if the combination cost is lower than the fair value of identifiable net asset obtained from the acquiree by the Company, the difference, after reexamination, can be included in current profits and losses.

Relevant direct expenses for the business combination shall be calculated as the current profit and loss; transaction fees paid for issuance of equity securities or debt securities shall be calculated as initial confirmation amount of the equity or debt securities.

**6. Preparation method of consolidated financial statements**√ Applicable ☐ Not Applicable**1. Consolidation scope**

The consolidation scope of the consolidated financial statements of the Group shall be determined based on the control and all the subsidiaries (including the divisible parts of investees controlled by the Company) shall be included in the consolidated financial statements.

**2. Consolidation procedure**

The Company prepared the consolidated financial statements based on the financial statements of it and all the subsidiaries and in accordance with other relevant materials. The Company prepared the consolidated financial statements by taking the entire Group as an accounting entity in accordance with the requirements for recognition, measurement and presentation in relevant accounting standards for business enterprises, and the unified accounting policies, in the aim of reflecting the overall financial conditions, operating results and cash flows of the Group.

All subsidiaries included in the consolidated financial statements use the same accounting policies and the accounting period as those of the Company. In preparing the consolidated financial statements, where the accounting policies and the accounting period of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired through business combination under different control, their financial statements shall be adjusted based on the fair value of net identifiable assets on the acquisition date. For the subsidiaries acquired from business combination under common control, their financial statements shall be adjusted based on the book value of assets and liabilities (including the goodwill formed from the purchase of such subsidiaries by the ultimate controlling party) of such subsidiaries in the financial statements of the ultimate controlling party.

The portion of the owners' equity, current net profit and loss and current comprehensive income of a subsidiary which belongs to minority shareholders shall be presented separately under the item of "owners' equity" in the consolidated balance sheet, the item of "net profit" and the item of "total comprehensive income" in the consolidated income statement. If the loss of current period to be

assumed by the minority shareholder in the subsidiary exceeds its shares of owners' equity in the subsidiary at the beginning, the balance between shall offset against the minority interest.

(1) Increase of subsidiaries or businesses

During the report period, if subsidiaries or business are increased due to business combination under common control, the beginning balance of the consolidated balance sheet shall be adjusted and the earnings, expenses and profits from the beginning of the current period of combination of the said subsidiaries or business to the end of the report period shall be included in the consolidated income statement; the cash flow from the beginning of the current period of combination of the said subsidiaries or business to the end of the report period shall be included in the consolidated cash flow statement; at the same time, necessary adjustment shall be made to relevant items in the comparative statement and it shall be deemed that the reporting entity formed after the combination has been existed since the beginning of control by the ultimate controlling party.

If it is possible to control the investees under common control due to additional investments or some other reasons, it shall be deemed that all the parties involved in the combination have been existed in the current state since the beginning of control by the ultimate controlling party to make adjustment. The equity investment held before the acquisition of control of the combined party and the profit and loss, other comprehensive income and changes in other net assets that have been recognized during the period from the later one between the date of acquisition of the original equity and the date of common control of the combining party and the combined party to the date of combination shall offset against the beginning retained earnings or current profit and loss respectively during the period of comparative statement.

During the report period, if subsidiaries or business are increased due to business combination under different control, the beginning balance of the consolidated balance sheet shall not be adjusted and the earnings, expenses and profits from the acquisition date of the said subsidiaries or business to the end of the report period shall be included in the consolidated income statement; the cash flow from the acquisition date of the said subsidiaries or business to the end of the report period shall be included in the consolidated cash flow statement.

If it is possible to control the investees under different control due to additional investments or some other reasons, the acquiree's equity held prior to the acquisition date shall be re-measured by the Company as per its fair value at the acquisition date and the difference between the fair value and its book value shall be included in the current investment income. For acquiree's equity held prior to the purchase date involving other comprehensive income accounted for by equity method and other changes of owners' equity other than the net profit or loss, other comprehensive income and profit distribution, other comprehensive income and other changes of owners' equity related shall be transferred to current investment income on the purchase date, except for other comprehensive income generated from the changes due to re-measurement of net liabilities or net assets of the defined benefit plan by the investee.

(2) Disposal of subsidiaries or business

① General method

During the report period, the Company disposes the subsidiary and business, the revenue, expenses and profit of the subsidiary from the beginning of business to the disposal date should be included in the consolidated income statement. The cash flow of the subsidiary from the beginning of business to the disposal date should be included in the consolidated cash flow statement.

In the event the Company loses the right of control over the investee due to disposal of partial equity investment or other reasons, the remaining equity investment shall be re-measured at the fair value on the date of loss of control. The difference by using the sum of value received from disposal of equity and fair value of the residual equity to deduct the difference between the share of net assets and the sum of goodwill continually counted from the acquisition date or combination date of the original subsidiary (calculated as per original share proportion) shall be recorded into the investment income of the current period in which the control right is lost. Other comprehensive income related to the investment in equity of the original subsidiaries or other changes of owners' equity other than net profit or loss, other comprehensive income and profit distribution are transferred to investment income for the current period at the loss of control, except for other comprehensive income arising from changes due to the investees' remeasurement of net liabilities or assets of the defined benefit plan.

In case that other investors increase capital to the subsidiaries and result in loss of right of control of the Company as shareholding ratio of the Company decreases, follow the above rules for account handling.

② Disposal of subsidiaries step by step

For the various deals for step-by-step equity investment disposal that lead to the loss of control over the subsidiary, such deals should be accounted as package deals if the terms, conditions and economic influence of such deals to dispose the equity investment of subsidiaries comply with any of the following circumstances:

- i . The deals are entered into at the same time or in consideration of mutual influence;
- ii . The deals reach a complete commercial result as a whole;
- iii. The occurrence of a transaction depends on the occurrence of at least one other transaction;
- iv . A transaction alone is not economical, but it is economic when considered with other deals.

For the transactions that are package deals in disposing equity investment in subsidiaries till the loss of control, all such transactions are deemed as one transaction to dispose subsidiaries and lose control for accounting; however, prior to the loss of control, the difference between the price of each disposal and the share of net assets in the subsidiary corresponding to the investment disposed is recognized as other comprehensive income in the consolidated financial statements and will be transferred to current profit and loss at the loss of control.

If various transactions from disposal of equity investment of subsidiaries till losing the control does not belong to package deal, before loss of control, accounting treatment shall be conducted as per relevant policies for the disposal of part of equity investment in subsidiaries without loss of control; for loss of control, accounting treatment shall be conducted as per the general disposal method for subsidiaries.

**(3) Purchase of minority shares of subsidiaries**

For the difference between the newly increased long-term equity investment from the acquisition of minority equity and the share of net assets in the subsidiary calculated constantly from the acquisition date (or combination date) as per the newly increased equity ratio, the capital premium in capital reserves in the consolidated balance sheet shall be adjusted; where such capital premium is insufficient to offset the difference, the retained earnings shall be adjusted.

**(4) Disposal of partial equity investment in subsidiaries without loss of control**

For the difference between the disposal price acquired from disposal of a subsidiary's partial long-term equity investment without loss of control and the share of net assets in the subsidiary that is calculated constantly from the acquisition date or merger date and corresponding to the disposed long-term equity investment, the capital premium in capital reserves in the consolidated balance sheet shall be adjusted; where such capital premium is insufficient to offset the difference, the retained earnings shall be adjusted.

**7. Classification of joint-operation arrangement and accountant treatment method of joint operation**

☒ Applicable ☐ Not Applicable

Joint arrangement can be classified into joint operations and joint ventures.

Joint operations refer to an arrangement that the Company acts as a joint party for a joint venture arrangement and enjoys the assets related to such arrangement and bears the liabilities related to such arrangement.

The following items related to the quantum of interest in joint operation are recognized by the Company and its accounting treatment shall be processed in accordance with relevant Accounting Standards for Business Enterprises:

- (1) The Company shall recognize the assets held alone and the jointly held assets according to the Company's share;
- (2) The Company shall recognize the liabilities borne alone and the jointly borne assets according to the Company's share;
- (3) The Company shall recognize the income generated from the sale of shares in joint operation;
- (4) The Company shall recognize the income generated from the sale of joint operation output according to the Company's share;
- (5) The Company shall recognize the expenses incurred alone and the expenses incurred from joint operation according to the Company's share.

**8. Standards for recognition of cash and cash equivalents**

During the preparation of cash flow statement, cash shall refer to the cash on hand and deposits available for payment at any time of the Group. Cash equivalents should refer to the investments with short term

(due within three months since the date of purchase) and strong liquidity and are easy to be converted into known amount of cash and with insignificant risk of change in value.

## 9. Foreign currency transactions and conversion of foreign currency financial statements

√ Applicable □ Not Applicable

### 1. Foreign currency transactions

For foreign currency transactions, the foreign currency amount shall be converted into RMB amount based on the spot exchange rate at the date of the transaction.

On the balance sheet date, the balance of the foreign currency monetary items should be converted based on the spot exchange rate on that date and the conversion difference incurred therefrom should be included in current profit and loss, except that the conversion difference incurred due to the special foreign exchange borrowings related to the acquisition or construction of assets qualified for capitalization should be handled based on the principle of capitalization of borrowing costs.

### 2. Translation of foreign currency financial statements

The asset items and liability items in the balance sheet shall be translated at the exchange rate of the balance sheet date; the owner's equity items, except for "undistributed profits", shall be translated at the spot rate when incurred. Income and expenses items in the income statement are translated into RMB at the exchange rate determined using systematic and reasonable methods and similar with the spot exchange rate at the date of the transaction. The Group uses the average exchange rates at the beginning and end of the year to convert the revenue and expense items in the profit statements. The differences in financial statements of foreign currencies occurred from conversion with the method mentioned above are listed in "Other comprehensive income" under the owners' equity item in the balance sheet.

Upon the disposal of overseas businesses, the conversion differences of foreign currency financial statements related to overseas businesses should be transferred from owners' equity to the disposal of current profit and loss; upon partial disposal of overseas businesses.

## 10. Financial instruments

√ Applicable □ Not Applicable

Financial instruments include financial assets, financial liabilities and equity instruments.

### 1. Category of financial instruments

Applicable accounting policies since January 1, 2019

According to the operation mode of financial assets management and the contract cash flow characteristics of financial assets of the Group, the financial assets, at the initial recognition, are classified into: the financial assets measured at amortized costs; the financial assets at fair value through other comprehensive incomes (debt instruments); and the financial assets at fair value through current profit and loss.

If the operation mode takes the collection of contractual cash flow as the objective and the contractual cash flows are only for the payment of principal and interest based on the amount of outstanding principal, it shall be classified into the financial assets measured at amortized cost. If the operation mode takes both the collection of contractual cash flow and sale of such financial assets as the objectives, and the contractual cash flows are only for the payment of principal and interest based on the amount of outstanding principal, it shall be classified into financial assets at fair value through other comprehensive incomes (debt instrument). Other financial assets other than the above shall be classified into financial assets measured at fair value through current profits and losses.

The Group will determine at the initial recognition whether the equity instrument investments not held for trading will be designated as the financial assets at fair value through other comprehensive incomes (equity instruments).

Financial liabilities are classified into the following categories at the time of initial recognition: the financial liabilities at fair value through profit or loss, and the financial liabilities measured at amortized costs.

Applicable accounting policies prior to January 1, 2019

Financial assets and financial liabilities, at initial recognition, should be classified into financial assets or financial liabilities at fair value through current profit and loss (including financial assets or financial liabilities held for trading, and financial assets or financial liabilities directly designated to be measured

at fair value with their changes included in current profit and loss), held-to-maturity investments, receivables, available-for-sale financial assets, other financial liabilities, etc.

## 2 Recognition and measurement of financial instruments

Applicable accounting policies since January 1, 2019

### (1) Financial assets measured at amortized costs

They include the notes receivable, accounts receivable, other receivables, long-term receivables and creditor's rights investment, which shall be initially measured at fair values, and for which relevant transaction costs shall be included in the initially recognized amount; they exclude the accounts receivable that are material financing components and the accounts receivable that are financing components with a period of less than one year and are excluded according to the decision of the Group, both of which shall be initially measured at the contract transaction prices.

Interests calculated by the effective rate method for the holding period is included in the current profit and loss.

At the time of recovery or disposal, the differences between the prices obtained and the book values of the financial assets are included in the current profit and loss.

### (2) Financial assets at fair value through other comprehensive incomes (debt instruments)

They include receivables financing, other creditor's rights investment, which shall be initially measured at fair values, and for which the relevant transaction costs shall be included in the initially recognized amount. These financial assets are subsequently measured at fair value, and changes in fair value are included in other comprehensive incomes except for the interests calculated by effective rate method, impairment loss/gain and exchange gain/loss.

At the derecognition, the accumulated gains or losses previously included in other comprehensive incomes are transferred from there to the current profits or losses.

### (3) Financial assets at fair value through other comprehensive incomes (equity instruments)

They include, for example, other equity instrument investments, which shall be initially measured at fair values and for which the relevant transaction costs shall be included in the initially recognized amounts. These financial assets are subsequently measured at the fair value and the changes in the fair value are included in the other comprehensive incomes. The dividends gained are included in the current profits and losses.

At the derecognition, the accumulated profits and losses previously included in other comprehensive incomes are transferred from there to the retained earnings.

### (4) Financial assets at fair value through current profit and loss

They include, for example, the financial assets held for trading, derivative financial assets and other non-current financial assets, which shall be initially measured at fair values and for which the relevant transaction costs shall be included in the current profits and losses. These financial assets are subsequently measured at the fair value and the changes in the fair value are included in the current profits and losses.

### (5) Financial liabilities at fair value through current profit and loss

They include, for example, the financial liabilities held for trading and derivative financial liabilities, which shall be initially measured at fair value and for which the relevant transaction costs shall be included in the current profits or losses. These financial liabilities are subsequently measured at the fair value and the changes in the fair value are included in the current profits and losses.

At the derecognition, the difference between its book value and the paid consideration shall be included in the current profits and losses.

### (6) Financial liabilities measured at amortized costs

They include the short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, which shall be initially measured at fair value and for which related transaction costs shall be included in the initially recognized amounts.

Interests calculated by the effective rate method for the holding period is included in the current profit and loss.

At the derecognition, the differences between the considerations paid and the book values of the financial liabilities shall be included in the current profit and loss.

Applicable accounting policies prior to January 1, 2019

### (1) Financial assets (financial liabilities) at fair value through current profit and loss

The fair value of assets acquired (excluding accrued declared dividends or interest) shall be initially recognized, and related transaction fees included in the current profit and loss.



Interests or cash dividends obtained during the holding period shall be recognized as investment income, and changes in the fair value shall be included in current profits and losses at the end of the report period.

During the disposal, the difference between the fair value and the initial entry amount shall be recognized as investment income and meanwhile, changes in fair value profits and losses shall be adjusted.

#### (2) Held-to-maturity investment

In case of acquisition, the sum of fair value (excluding the bond interests due but not claimed) and relevant transaction expenses shall be taken as the initially recognized amount.

During the investment holding period, interest incomes shall be calculated in accordance with the actual interest rate and amortized cost, and recognized as investment income. The effective interest rate is recognized at the acquisition date, and remains unchanged during the expected period of existence or the applicable shorter period.

The difference between the price obtained and the book value of the investments is included in investment income at the time of disposal.

#### (3) Receivables

For the claims receivable of the Company arising from selling commodities or rendering labor services and the claims of other enterprises (excluding debt instruments with quotation in active market) held by the Company, including accounts receivable and other receivables, the contract or agreement price receivable from the buyer should be taken as the initially recognized amount. Those with financing nature should be recognized initially based on their present value.

At the time of recovery or disposal, the difference between the price obtained and the book value of such receivables is included in current profit and loss.

The Group invests the construction capital under the framework of the BT contract and directly participates in implementation of the construction project. The accumulated costs incurred in the construction process are presented in the scope of the long-term receivables. After completion of construction of an infrastructure project, the infrastructure is handed over to the other party to the BT contract (i.e. the owner). According to the agreements in the BT contract, the owner returns the construction capital invested in the project by the Group by repaying the project repurchase capital in installments. If the results of BT project can be reliably estimated, the construction contract income shall be measured at the fair value of the consideration to be received. Meanwhile the long-term receivables are recognized. The long-term receivables are written down after receiving of the payment from the owner.

Taking the fair value as the initial recognition amount, the Group calculates the accounts receivable arising from the project return according to the method specified in the PPP project investment contract. As the project companies, the subsidiaries of the Group are responsible for the operation of investment capital for PPP projects. Under the framework of PPP contract, the subsidiary companies first invest the construction capital allocated by the Group and list the accumulated project investment costs incurred in the construction process in the scope of long-term receivables. After completion of the project construction, according to the agreements in the PPP contract, the PPP project investment capital is recovered in the form of project repurchase capital, operating subsidies, etc. in installments. If the results of PPP project can be reliably estimated, the construction contract income shall be measured at the fair value of the consideration to be received. Meanwhile the long-term receivables are recognized. The long-term receivables are written down after recovery of the investment capital.

#### (4) Available-for-sale financial assets

On acquisition, these shall be recognized at the sum of their fair value (excluding accrued dividends or bond interest) and relevant transaction expenses.

During the holding period, any interest or cash dividends earned shall be recognized as income from investment. Such financial assets shall be recorded at fair value, and changes in fair value included in other comprehensive income at the end of the report period. However, equity instrument investments for which there is no quotation in the active market and the fair value of which cannot be measured reliably, or derivative financial asset that is linked to such equity instruments and required to be settled by delivery of such equity instruments, are measured at their cost.

At disposal, the difference between the disposal price and the book value of the financial asset shall be recognized as a profit and loss on investment; meanwhile, the accumulated changes in fair value corresponding to the disposed part which have been directly included in other comprehensive income shall be transferred out and included in current profit and loss.

### (5) Other financial liabilities

These shall initially be recognized at the sum of their fair value and relevant transaction expenses. They shall subsequently be recorded at amortized cost.

### 3. Recognition basis and measurement method for transfer of financial assets

When transfer of financial assets happens to the Company, such financial assets shall be derecognized if substantially all the risks and rewards on the ownership of the financial assets had been transferred to the transferee; such financial assets shall not be derecognized if substantially all the risks and rewards on the ownership of the financial assets had been retained.

The principle of “substance over form” shall be adopted in judging whether the transfer of financial assets meets the above-mentioned conditions for derecognition.

The Company divides the transfer of financial assets into entire transfer and partial transfer. If the entire transfer satisfies the derecognition criteria, the difference between the following amount shall be recorded in the current profits and losses:

- (1) Book value of the financial assets transferred;
- (2) Sum of the consideration received due to the transfer and the cumulative change in fair value that has been recognized directly in owner’s equity (when the financial assets subject to the transfer are classified as available-for-sale financial assets).

If the partial transfer of financial assets satisfies the derecognition conditions, the book value, between the part for derecognition and the rest, of the financial assets transferred as a whole shall be amortized at their respective fair value, and the difference between the following amount shall be included in the current profits and losses:

- (1) Book value of the derecognized portion;
- (2) Sum of the consideration received from disposal of the derecognized portion and the proportion – corresponding to the derecognized portion – of the cumulative changes in fair value that had been recognized directly in owners’ equity (when the financial assets transferred have been classified as available-for-sale financial assets).

If the financial assets transferred does not meet the conditions of derecognition, the financial assets shall continue to be recognized and the consideration received shall be recognized as a financial liability.

### 4. Derecognition conditions of financial liabilities

The financial liabilities with the corresponding current obligation being canceled wholly or partly should be derecognized wholly or partly. If the Group and the creditor have signed an agreement specifying that the existing financial liabilities are replaced by means of undertaking new financial liabilities, and if the contractual terms of the new financial liabilities and those of the existing financial liabilities are inconsistent substantially, the existing financial liabilities should be derecognized and the new financial liabilities should be recognized.

If the contractual terms and conditions of the existing financial liabilities are modified in whole or in part substantially, such existing financial liabilities or the corresponding part thereof should be derecognized, and the financial liabilities subject to such modification are recognized as a new financial liability.

Where financial liabilities are wholly or partly derecognized, the difference between the book value and the consideration paid of such derecognized financial liabilities (including the non-cash assets transferred out or the new financial liabilities undertaken) is included in the current profit and loss.

If the Group repurchases part of financial liabilities, the total book value of the financial liabilities shall be distributed as per the relative fair value of the part with recognition continued and the derecognized part on the date of repurchase. The difference between the book value distributed to the derecognized part and the consideration paid (including the non-cash assets transferred out or new financial liabilities undertaken) shall be included in the current profit and loss.

### 5. Determination methods for fair value of financial assets and financial liabilities

For a financial instrument with active market, its fair value shall be recognized based on its price in the active market. For a financial instrument without active market, its fair value shall be recognized by adopting the estimation technique. During estimation, the Group adopts the estimation technique that is currently applicable and is supported by sufficient available data and other information, and selects the input value with characteristics consistent with the assets or liabilities considered by market participants in relevant transactions of assets or liabilities. The related observable input value is preferred. The non-observable input value can be used only when it is impossible or not feasible to obtain relevant observable input value.

### 6 Test and accounting treatment methods for impairment of financial asset

#### Applicable accounting policies since January 1, 2019

In consideration of all the reasonable and well-founded information (including forward-looking information), the Group will individually or collectively assess the expected credit losses of the financial assets measured by amortized cost and of the financial assets (debt instruments) at fair value through other comprehensive incomes. The measurement of expected credit losses depends on whether credit risk significantly increases since the initial recognition of the financial assets.

If the credit risk of the financial instrument has been increased significantly since the initial recognition, the Group will measure its loss provision based on the amount of expected credit loss over the whole duration of the financial instrument; if the credit risk of the financial instrument has not been significantly increased since the initial recognition, the Group will measure its loss provision based on the amount of expected credit losses for the financial instrument in the next 12 months. The resultant increased or reversed amount of the loss provision will be included in current profits and losses as impairment loss or gain.

Normally, after 90 days overdue, unless there is conclusive evidence indicating that the credit risk of the financial instrument has not significantly increased since the initial recognition, the Group will deem that the credit risk of the financial instrument has significantly increased.

If the credit risk of the financial instrument is relatively low on the balance sheet date, the Group will deem that the credit risk of the financial instrument has not significantly increased since the initial recognition.

If there is objective evidence showing the credit impairment of any financial asset item is expected or incurred, the Group will accrue impairment provision for such assets on the basis of individual item.

As for the accounts receivable, whether or not it contains significant financing components, the Group always measures its loss provision based on the expected credit loss in the whole duration. Based on the business nature of the Group, the credit portfolios of the accounts receivable include “portfolio of architecture, contract, design, construction”, “portfolio of BT and PPP Projects”, “portfolio of financial leasing” and “other portfolio”.

For long-term receivables formed by financial leasing business, BT and PPP business, the impairment method of general financial assets is adopted, i.e. measuring the loss provision according to whether the credit risk has significantly increased since the initial confirmation, respectively according to the amount equivalent to the credit loss in the next 12 months (stage 1) or the expected credit loss in the whole duration (stage 2 and stage 3).

#### Applicable accounting policies prior to January 1, 2019

Expect for the financial assets at fair value through current profit and loss, the Group will check the book value of financial assets on the balance sheet date. If there is objective evidence showing impairment of any financial asset item, the impairment provision shall be drawn.

##### (1) Impairment provision for available-for-sale financial assets:

For equity instrument investments, the objective evidence indicating the impairment of investments in an available-for-sale equity instrument includes a severe or non-temporary decrease in the fair value of the investments in such equity instrument. The Group shall conduct a test separately on the investments in the available-for-sale equity instruments on balance sheet date. If the fair value of an equity instrument investment on balance sheet date is above 50% (included) lower than its initial investment cost or the period during which such fair value is lower than the initial investment cost is more than 1 (included) year, it indicates the impairment of such investment; if the fair value of such equity instrument investment on balance sheet date is above 20% (included) but below 50% lower than its initial investment cost, the Group will judge whether such equity instrument investment is impaired in comprehensive consideration of other relevant factors such as price volatility.

In case of impairment of financial assets measured at amortized cost, the impairment provision will be made according to the balance formed when the book value is more than the expected future cash flow (excluding the future credit loss which has not happened yet). Where objective evidences show that the value of the financial assets has been recovered and the recovery is objectively related to matters after recognition of such losses, the previously recognized impairment losses should be reversed and included in current profit and loss.

If the available-for-sale financial assets go through impairment, the accumulated loss formed out of fair value decrease originally included into shareholders' equity shall be transferred out and included into impairment loss. With regard to the debt instrument investment available-for-sale, the impairment loss of which has been recognized, if the fair value rises in the subsequent period and it is objectively related to

the matters incurred after the original impairment loss is recognized, the originally recognized impairment loss should be transferred out and recorded in current profit and loss. For available-for-sale equity instrument investment whose impairment loss has been recognized, the increased fair value in the subsequent periods shall be directly recognized as shareholders' equity.

(2) Bad debt provision of receivables

① Basis or monetary criteria for determining significant single amount: the receivables with a single amount more than RMB 100 million.

Method of withdrawal for receivables with significant single amount and withdrawal of bad debt provision on single item

Where separate impairment test has been conducted, if there is an objective evidence showing the occurrence of impairment, the provision for bad debts should be provided according to the difference between the present value of expected future cash flow and the book value, and included in the current profit and loss. Receivables without impairment tested separately shall be included in the corresponding portfolio of provision for bad debts.

② Accounts receivable with bad debt provision provided subject to portfolios of credit risk characteristics:

Method for provision for bad debts withdrawn by portfolio of credit risk features	
The customers of other companies within the Group other than Shanghai Construction Material Co., Ltd., Shanghai Installation Engineering Group Co., Ltd. and Shanghai Huadong Construction and Machinery Co., Ltd.	For the receivables without any item of large amount, the Group first conducts separate impairment testing with reference to the above receivables with item(s) of large amount to recognize, count and draw the bad debt provision. For the receivables which are not impaired after the separate testing, the accrued bad debt provision is determined based on the actual loss rate of the receivables portfolio with the same or similar credit risk characteristics in previous years and the current situation.
Customers of Shanghai Construction Material Co., Ltd.	For the receivables without any item of large amount, Shanghai Construction Material Co., Ltd. first conducts separate impairment testing with reference to the above receivables with item(s) of large amount to recognize, count and draw the bad debt provision. For the receivables which are not impaired after the separate testing, the accrued bad debt provision is determined based on the actual loss rate of the receivables portfolio with the same or similar credit risk characteristics in previous years and the current situation. The combination of credit risk characteristics is determined on the basis of the fact that whether the contract related to accounts receivable has ended as well as the corresponding account age of the contract. For the other receivables without any item of large amount, Shanghai Construction Material Co., Ltd. first conducts separate impairment testing with reference to the other above receivables with item(s) of large amount to recognize, count and draw the bad debt provision. For the other receivables which are not impaired after the separate testing, the accrued bad debt provision is determined based on the actual loss rate of the other receivables portfolio with the same or similar credit risk characteristics in previous years and the current situation.
Customers of Shanghai Installation Engineering Group Co., Ltd.	For the receivables without any item of large amount, Shanghai Installation Engineering Group Co., Ltd. first conducts separate impairment testing with reference to the above receivables with item(s) of large amount to recognize, count and draw the bad debt provision. For the receivables which are not impaired after the separate testing, the accrued bad debt provision is determined based on the actual loss rate of the receivables portfolio with the same or similar credit risk characteristics in previous years and the current situation. The combination of credit risk characteristics is determined on the basis of the fact that whether the agreed warranty period of the contract related to accounts receivable expires. For the other receivables without any item of large amount, Shanghai Installation Engineering Group Co., Ltd. first conducts separate impairment testing with reference to the other above receivables with item(s) of large amount to recognize, count and draw the bad debt provision. For the other receivables which are not impaired after the separate testing, the accrued bad debt provision is determined based on the actual loss rate of the other receivables portfolio with the same or similar credit risk characteristics in previous years and the current situation.
Customers of Shanghai Huadong Construction and Machinery Co., Ltd.	For the receivables without any item of large amount, Shanghai Huadong Construction and Machinery Co., Ltd. divides such receivables into several combinations according to the credit risk characteristics and determine the accrued bad debt provision based on the actual loss rate of the receivables portfolio with the same or similar credit risk characteristics in previous years and the current situation. The combination of credit risk characteristics is determined on the basis of the account age of the receivables. The other receivables without any item of large

amount is subject to separate impairment testing with reference to the other above receivables with item(s) of large amount to recognize, count and draw the bad debt provision. For the other receivables which are not impaired after the separate testing, the accrued bad debt provision is determined based on the actual loss rate of the other receivables portfolio with the same or similar credit risk characteristics in previous years and the current situation.

In the portfolio, accrual of bad debts provision can be made by aging analysis method:

Aging	Provision proportion of accounts receivable (%)	Provision proportion of other receivables (%)
Within 1 year	From 0 to 40	From 0 to 5
1-2 years	From 5 to 70	From 0 to 5
2-3 years	From 5 to 100	From 0 to 5
3-4 years	From 5 to 100	From 0 to 5
4-5 years	From 5 to 100	From 0 to 5
Over 5 years	From 5 to 100	From 0 to 5

In the portfolio, accrual of bad debts provision can be made by other methods:

Name of portfolio	Provision proportion of accounts receivable (%)	Provision proportion of other receivables (%)	Accrual proportion of long-term receivables (%)
Financial leasing and factoring	By risk type (Five classes)	N/A	By risk type (Five classes)
Return on investment in PPP project	By risk type (Five classes)	N/A	N/A
Investment in PPP project	N/A	N/A	By risk type (Five classes)
Tax for resale	Without provision for bad debts withdrawn	N/A	N/A
Deposit and security	N/A	Without provision for bad debts withdrawn	N/A

The risk-based method is adopted to accrue the bad debt provision according to the following risk classes: (1) Normal: the contract or agreement can be performed.

There is no adequate reason to suspect that the capital cannot be repaid in full and on time. (2) Concerned: although the capital can be repaid based on the current situation, however, there are some factors that may adversely affect the repayment. (3) Substandard: there is obvious problem in the repayment capability and it is impossible to repay the capital in full with the normal operating income; certain loss may be suffered even if the security is enforced. (4) Suspicious: the capital cannot be repaid in full, and greater loss is inevitable even if the security is enforced. (5) Loss: after all possible measures are taken or all necessary legal procedures are initiated, the assets and revenues are still not be recovered, or only a small part of them can be recovered.

Risk type	Financial leasing and factoring Proportion of provision (%)	Return on investment in PPP project Provision proportion (%)	Investment in PPP project Provision proportion (%)
Normal	1.00	1.00	0.00
Special-mention	2.00	2.00	2.00
Level	20.00	20.00	20.00
Doubtful	50.00	50.00	50.00
Loss	100.00	100.00	100.00

③ Reason for provision for bad debts drawn individually; Although the balance of the accounts receivables at the end of the period does not constitute a significant criterion, there is objective evidence showing that such balance has been impaired after the separate impairment testing.

Provision for bad-debt: The provision for bad debts is provided according to the difference between present value of the estimated future cash flows and its book value, and is included the current profits and losses.

(3) Impairment provision for held-to-maturity investments:

The impairment loss provided for held-to-maturity investments is measured with the measurement method for the impairment loss provided for receivables.

## 11. Notes Receivable

### Determination Method and Accounting Treatment of Expected Credit Losses of Notes Receivable

☐ Applicable ☒ Not Applicable

**12. Accounts receivable****Determination Method and Accounting Treatment of Expected Credit Losses of Accounts Receivable**

☐ Applicable ☒ Not Applicable

**13. Receivables financing**

☐ Applicable ☒ Not Applicable

**14. Other receivables****Determination Method and Accounting Treatment of Expected Credit Losses of Other Receivables**

☐ Applicable ☒ Not Applicable

**15. Inventories**

☒ Applicable ☐ Not Applicable

**1. Classification of inventories**

The inventories are classified as follows: in-process products, revolving materials, unsettled produced assets, main materials, structural parts, mechanical accessories, spare parts, seedlings and flowers in stock, finished products, development products, development costs, etc.

**2. Valuation method for dispatched inventories**

Except revolving materials, other inventories are priced by the weighted average method when they are allocated or distributed.

**3. Basis for recognition of net realizable value of different inventories**

After the Company completely checks the inventories at the end of the period, the provision for decline in the value of inventories shall be drawn or adjusted based on the inventory cost or the net realizable value, whichever is lower.

For goods inventories directly used for sale, such as finished products and materials for sale, during the normal production and operation process, the net realizable value shall be recognized by the estimated selling price of the inventory minus the estimated selling expenses and related taxes; for material inventories to be processed, during the normal production and operation process, the net realizable value shall be recognized by the estimated selling price of the finished products produced minus the estimated costs to be incurred upon completion, estimated sales expenses and relevant taxes. The net realizable value of the inventory held for execution of the sales contract or service contract is calculated on the basis of the contract price; if the quantity of inventory held is more than the quantity ordered in the sales contract, net realizable value for the excess of the inventory is calculated based on the general sales price.

Provision for decline in the value of inventories should be provided in accordance with the single inventory item at the end of the period; however, for inventories with large quantities and low unit price, provision for decline in the value of inventories should be provided based on the inventory type; for inventories that are related to the series produced and sold in the same area and with the same or similar end use or purpose, and are hard to be measured separately from other items, provision for decline in the value of inventories should be provided in a consolidated manner.

Provided the factors affecting write-down of the inventories value no longer exist, the write-down amount shall be recovered and reversed from the falling price provision for inventories which has been drawn, and the recovered amount shall be included into the profits and losses in current period, and the reversed amount shall be included in the current profits and losses.

The net realizable value of inventories shall be recognized at the market price on the balance sheet date, unless there is clear evidence indicating the abnormality of market price on the balance sheet date.

The net realizable value of inventories at the end of the current period shall be recognized based on the market price on the balance sheet date.

**4. Inventory Taking System**

The Company adopts perpetual inventory system.

**5. Amortization method of low value consumables and packaging materials**

(1) Low-value consumables are amortized by one-off amortization method;

(2) Packages are amortized by one-off amortization method.

**6. Development costs and development products**

(1) Contents of development costs and development products

The development products and development costs include land use rights, architecture development costs, capitalized borrowing costs and other direct and indirect development costs. In case of carry-over of the primary business cost of the development products, in the process of accounting, the actual total costs of sold and unsold developed products is allocated according to the ratios of building areas.

(2) Accounting method of land for development

For pure land development projects, their expenses constitute the cost of land development alone;

For projects developed together with the overall real estate, where the cost can be clearly identified with regard to the burden of the object, such cost is generally recorded in the developing products (developing costs) according to the actual area allocated.

(3) Accounting method of public ancillary facilities construction cost

Public supporting facilities that cannot be transferred with compensation: the standard allocation shall be determined according to the benefit ratio and included in the developing products (developing costs);

Public supporting facilities that can be transferred with compensation: the cost will be calculated with each supporting facility project as an independent cost accounting object.

7. Engineering accounting method for construction contract

The construction contract shall be presented with accumulated incurred construction cost and accumulated recognized gross profit (loss) minus the settled amount. Project construction cost is accounted according to the actual cost, including direct material fees, direct personnel fees, using of construction equipment fees, other direct fees and relevant indirect fees of engineering construction that should be distributed. If the accumulated costs incurred and accumulated recognized gross profit (loss) of a project within a single construction contract exceed the amount of the settled price (the unsettled payment after completion of works), such cost or profit (loss) is presented as inventories; If the amount of the settled price of a project within a single construction contract exceeds the accumulated incurred costs and accumulated recognized gross profit (loss), the amount of such price is presented as advances received.

## 16. Held-for-sale assets

☒ Applicable ☐ Not Applicable

The Group recognizes the non-current assets or disposal groups meeting all the following conditions as the held-for-sale assets:

(1) Based on the practice of selling such assets or disposal groups in similar transactions, those can be sold immediately under current conditions;

(2) Their sales are very likely to happen, that is, the Group has already made a resolution on a sales plan and obtained a certain purchase commitment and their sales are expected to be completed within one year. The relevant approval has been obtained from relevant authorities of the Group or regulators for those available for sale as required by the relevant regulations.

## 17. Debt investment

### (1). Determination Method and Accounting Treatment of Expected Credit Losses of Debt Investments

☐ Applicable ☒ Not Applicable

## 18. Investment in other debentures

### (1). Determination Method and Accounting Treatment of Expected Credit Losses of Other Debt Investments

☐ Applicable ☒ Not Applicable

## 19. Long-term receivables

### (1). Determination Method and Accounting Treatment of Expected Credit Losses of Long-term Receivables

☐ Applicable ☒ Not Applicable

## 20. Long-term equity investments

☒ Applicable ☐ Not Applicable

1. Judgment standard for common control and significant impact

Common control refers to the sharing of control over a certain arrangement under related agreements, while related activities of such arrangement must be recognized only with the unanimous consent of the parties involved in the sharing of control. Where the Group and other joint parties have common control over an investee and are entitled to the net assets of the investee, such investee shall be a joint venture of the Group.

Significant influence refers to the situation where a company has the power to participate in the financial and operating decisions of an enterprise, but cannot control, individually or jointly with other parties, the formulation of these policies. Where the Group is able to have material influences on an investee, such investee shall be its associates.

## 2. Recognition of initial investment cost

### (1) Long-term equity investment formed by business combination

Business combination under common control: if the Company carries out combination consideration through cash payment, transfer of non-cash assets, assumption of liabilities and issuance of equity securities, the share of book value of the owners' equity of the combined party in the consolidated financial statements of the ultimate controlling party should be recognized as the initial investment cost of long-term equity investment on the combination date. If it is possible to control an investee under common control due to additional investments or other reasons, the initial investment cost of long-term equity investment shall be recognized on the merger date based on the share of book value of the merged party's net assets to be enjoyed after the merger in the consolidated financial statements of the ultimate controlling party. For the difference between the initial investment cost of the long-term equity investment on the merger date and the sum of book value of long-term equity investment before the merger and book value of newly paid consideration for further acquired share on the merger date, the capital premium shall be adjusted; where the capital premium is insufficient to offset such difference, such difference shall be offset from retained earnings.

Business combination under different control: the Company recognizes the combination cost recognized on the acquisition date as the initial investment cost of long-term equity investment. If it is possible to control an investee under different control due to additional investments or other reasons, the sum of book value of the equity investment originally held and new investment cost shall be taken as the initial investment cost calculated by the cost method.

### (2) Long-term equity investment acquired by other methods

For long-term equity investment acquired by cash payment, the actual purchase price shall be regarded as the initial investment cost.

For the long-term equity investment obtained by issuing equity securities, the fair value of the issued equity securities shall be taken as the initial investment cost.

When non-monetary assets exchange has commercial essence and the fair values of assets received or surrendered can be measured reliably, the fair value shall be the basis of measurement. If the fair value of the assets received and surrendered can be reliably measured, for the received long-term equity investments in associates and joint ventures, the fair value of the assets surrendered and relevant taxes payable should be recognized as initial investment cost for received long-term equity investments in associates and joint ventures unless the fair value of the assets received is proved to be more reliable by concrete evidence. If the non-monetary assets exchange has no commercial essence, or the fair value of the assets received or surrendered can not be reliably measured, for the received long-term equity investments in associates and joint ventures, the book value of the assets surrendered and relevant taxes payable should be recognized as initial investment cost for received long-term equity investments in associates and joint ventures.

For long-term equity investments in the associates and joint ventures acquired through debt restructuring, the entry value shall be determined according to the fair value of the debt waived, taxes generated from such assets and other costs, and the difference between the fair value and the book value of the debt waived shall be included in the current profit and loss.

## 3. Subsequent measurement and determining method of profits or losses

### (1) Long-term equity investments accounted for using the cost method

Long-term equity investments of subsidiaries by the Company are accounted for using the cost method. Except the declared but not released cash dividends or profits which are included in actual amount or consideration paid for acquiring investments, the profit distribution or cash dividends declared by the investees are recognized as the investment income for current period.

### (2) Long-term equity investment calculated by using the equity method



Long-term equity investments in associates and joint ventures are accounted for using the equity method. Where the initial investment cost is greater than the attributable share of fair value of the identifiable net assets of the investee when invested, the initial investment cost of the long-term equity investment shall not be adjusted; otherwise, corresponding balance shall be included in current profits and losses.

The Company recognizes the investment income and other comprehensive income respectively according to its share of net profit or loss and other comprehensive income of the investee, and meanwhile adjusts the book value of long-term equity investments; the part of due share is calculated according to the profit distribution or cash dividends declared by the investee, and the book value of the long-term equity investments is reduced accordingly; for other changes of owners' equity in addition to the net profits and losses and other comprehensive income and profit distribution, the book value of long-term equity investments is adjusted and included in owners' equity.

When recognizing the share to enjoy in the investee's net profits or losses, the Company shall adjust and recognize the net profits of the investee based on the fair value of identifiable net assets of the investee when it acquires the investment, and according to the accounting policies and accounting period of the Company. Where the investees have prepared consolidated financial statements during the period in which long-term equity investments are held, the long-term equity investments are accounted for based on the net profit, other comprehensive income and the amount attributable to the investees in changes of owners' equity in the consolidated financial statements.

The unrealized profits or losses arising from the intra-company transactions amongst the Company and its associates and joint ventures are eliminated in proportion to the Company's equity interest in the associates and joint ventures, and then based on which the investment income is recognized. The internal trading losses incurred but not realized between the Company and the investees, belonging to asset impairment losses shall be recognized in full amount. For transactions of asset investment or sale incurred amongst the Company and its associates and joint ventures, where the asset forms operation, the transaction is accounted for according to relevant policies disclosed in Notes "III. (V) Accounting treatment method for business combination under common control and different control" and "III. (VI) Method of Preparing Consolidated Financial Statements".

When the Company recognizes the due share of losses incurred of the investee, the treatment shall be carried out as per the following sequence: First, the book value of the long-term equity investment shall be offset. Second, if the book value of long-term equity investment is not sufficient for offset, the investment loss shall be continued to be recognized to the extent that the book value of other long-term equities substantially form the net investment in the investee, offsetting the book value of items such as long-term receivable. Finally, after the above treatment, if the Company still has obligation to bear extra losses under the investment contract or agreement, the estimated liabilities will be recognized according to the estimated obligation and included in the investment losses in the current period.

### (3) Disposal of long-term equity investment

When disposing of long-term equity investment, the balance between the book value and actual price for acquisition shall be included into the current profits and losses.

When a long-term equity investment accounted for using the equity method is disposed, the portions previously recognized into other comprehensive income are accounted for in corresponding proportion on the same basis of the investee's direct disposal of related assets or liabilities. The owners' equity recognized due to changes of other owners' equity in addition to net profit or loss, other comprehensive income and profit distribution of the investee will be carried over into current profit and loss as per the proportion, except for other comprehensive income generated from the changes due to re-measurement of net liabilities or net assets of defined benefit plan performed by the investee.

In case that the Company loses the joint control of or the significant influence on the investee due to disposal of part of the equity investment, the residual equity after the disposal shall be calculated as per the standards for financial instrument recognition and measurement, and the balance between the fair value and the book value since the date of losing the joint control or significant influence shall be included in current profits and losses. Other comprehensive income recognized by calculating original equity investment by equity method shall go through accounting treatment on the same basis on which the investee directly disposes the relevant assets or liabilities when ceasing to use equity method. The owner's equity recognized due to changes of other owner's equity in addition to net profits or losses, other comprehensive incomes and profit distribution of the investee shall be carried over into current profits and losses when the accounting by equity method is terminated.

In case that the Company loses the control right of the investee as a result of disposal of part of the equity investment, or the decrease of the shareholding ratio of the Group in the subsidiaries resulting from other investors' capital increase in the same subsidiaries, etc., if the residual equity posterior to the disposal can implement joint control of or have significant influence on the investee, then it shall be calculated by using the equity method during the preparation of individual financial statements, and adjusted as it is calculated by the equity method since it is acquired; if the residual equity after the disposal cannot implement joint control of or have significant influence on the investee, the accounting treatment shall be carried out as per relevant provisions of standards for financial instrument recognition and measurement, and the balance between the fair value and the book value since the date of losing the control shall be included in current profits and losses.

Where the equity after the disposal is acquired through business combination due to such factors as additional investment, if the rest of equity after disposal is accounted for using the cost method or equity method in the preparation of individual financial statements, other comprehensive income and other owners' equity accounted for and recognized by using the equity method of the equity investment held before the acquisition date are carried forward in proportion. Where the rest of equity after disposal is accounted for according to standards for financial instrument recognition and measurement, other comprehensive income and other owners' equity are carried forward in full amount.

## 21. Investment properties

### (1). If measured at cost:

Depreciation or amortization method

The investment properties refer to the properties held for earning rentals or capital appreciation or both, including the land use right which has already been leased out, land use right which is held for transfer after its appreciation and buildings which have already been leased out (including buildings that have been constructed or developed for the purpose of leasing and buildings that are being constructed or developed for the purpose of leasing). The investment properties shall be initially measured as per its costs. For the follow-up expenses related to investment properties, if the related economic benefit is likely to flow into the Group and the cost can be reliably measured, they are included in the cost of investment property, otherwise, it shall be included in the current profits and losses upon occurrence.

The Company shall measure the existing investment property at cost and shall withdraw depreciation or amortization for buildings and land use right as per estimated service life and net residual rate. The estimated service life, net residual rate and annual rate of depreciation (amortization) of the investment property are as follows:

Category of Investment Property	Estimated useful lives	Estimated net residual rate (%)	Annual rate of depreciation (amortization) (%)
Buildings	30-40 years	5	From 2.4 to 3.2
Land use rights	30-40 years	0	From 2.5 to 3.3

When investment properties are converted for self-use, such properties shall be converted into fixed assets or intangible assets since the date of conversion. When properties for self-use are converted for earning rents or capital appreciation, the fixed assets or intangible assets shall be converted into investment properties since the date of conversion. When conversion occurs, the book value prior to conversion shall be the entry value after conversion.

If investment properties are disposed or withdrawn permanently from use and no economic benefit can be obtained from the disposal, the investment properties will be derecognized. The disposal income from the sale, transfer, discard or damage of the investment properties should be included in current profit and loss after deducting its book value and relevant taxes.

In case of any indication of impairment for investment properties, the recoverable amount thereof shall be estimated. If the recoverable amount is lower than the book value, corresponding impairment loss shall be recognized. Once the impairment loss of investment properties is recognized, it will never be reversed.

## 22. Fixed Assets

### (1). Determination conditions

√ Applicable □ Not Applicable

Fixed assets mean the tangible assets held for producing commodities, providing services, renting or operating management, with a service life in excess of one accounting year. Fixed assets shall be recognized when the following the conditions are met simultaneously.

- (1) Economic benefits associated with such fixed assets are likely to flow into the Company;
- (2) Cost of such fixed assets can be measured reliably.

Purchased or newly built fixed assets are initially valued according to the cost upon acquisition. The book values of the fixed assets invested by state-owned shareholders during the corporation system reform are adjusted based on their assessed values/revaluated values recognized by the state-owned asset management authorities.

For the follow-up expenses related to fixed assets, if the economic benefit to this asset is likely to flow into the Group and the cost can be reliably measured, they are included in the cost of fixed asset; the book value of the part being replaced will be derecognized. All the other follow-up expenses will be included into current profit and loss upon occurrence.

## (2). Depreciation method

√ Applicable □ Not Applicable

Category	Depreciation method	Depreciation life (year)	Residual rate (%)	Annual rate of depreciation (%)
Buildings	Straight-line method	From 5 to 40	5	From 2.4 to 19.0
Machinery equipment	Straight-line method	From 3 to 10	5	From 9.5 to 31.7
Transportation equipment	Straight-line method	From 4 to 8	5	From 11.9 to 23.8
Production equipment	Straight-line method	From 3 to 10	5	From 9.5 to 31.7
Office equipment and other equipment	Straight-line method	From 2 to 8	5	From 11.9 to 47.5
Instrument and experimental equipment	Straight-line method	From 3 to 10	5	From 9.5 to 31.7

Straight-line method or workload method is adopted for the classified counting and drawing of depreciation for the fixed assets. The rate of depreciation is determined based on the categories, estimated service life and estimated net residual rate of the fixed assets. If components of the fixed assets have different service lives or provide economic benefits to the Company in different ways, different rates of depreciation or depreciation methods shall be selected to provide the depreciation.

For fixed assets acquired under finance lease, if it can be reasonably confirmed that the ownership can be granted when the term of lease expires, the depreciation shall be checked and provided within the service life of the leased assets; otherwise, the depreciation shall be checked and provided within the lease period or the service life of the leased assets, whichever is shorter. Except special equipment and temporary facilities, the estimated service lives, net residual rate and annual depreciation rate of other fixed assets are shown in the above:

The special equipment mainly consist of shield machines with an estimated net residual rate of 5% and the depreciations accrued by workload method are included in relevant engineering costs.

Temporary facilities are averagely amortized over the expected construction years of the project. The expected service life, expected net residual rate and depreciation methods of the fixed assets shall be reviewed and adjusted appropriately at the end of each year.

## (3). Confirmation Basis, Valuation Methods and Depreciation Methods for Fixed Assets Acquired under Finance Leases

√ Applicable □ Not Applicable

If the leasing agreement signed between and by the Company and the lessor specifies one of the following conditions, the fixed assets shall be recognized as assets acquired under finance lease:

- (1) Ownership of the leased assets belongs to the Group at the expiration of the lease;
- (2) The Company has the option to buy the assets and the purchase price is far lower than the fair value of such assets when the option is exercised;
- (3) The lease term accounts for most of the service life of the leased assets;

(4) There is no great difference between the present value of the minimum lease payments at the lease commencement date and the fair value of the asset.

On the commencement date of the lease term, the fair value of the leased assets and the present value of the minimum lease payment, whichever is lower, should be deemed as the entry value of such assets, and the minimum lease payment should be deemed as the entry value of long-term payable and the difference as unrecognized financing fees.

## 23. Construction in progress

√ Applicable ☐ Not Applicable

For the construction in progress, the necessary expenditures incurred before the asset is ready for its serviceable condition will be used as the entry value of the fixed asset. If the fixed assets constructed have reached their expected serviceable state but the final settlement of account has not been performed yet, they will be converted into the fixed asset in their estimated value based on construction budget, construction cost or actual cost of construction and be depreciated by applying the Group's depreciation policies for fixed assets. After the final settlement of account is completed, original provisionally estimated value shall be adjusted as per the actual cost, but the depreciation amount which has been calculated and drawn will not be adjusted.

## 24. Borrowing expenses

√ Applicable ☐ Not Applicable

### 1. Recognition principles for capitalization of borrowing costs

Borrowing costs include borrowing interests, amortization of discount or premium, auxiliary expenses and balance of exchange incurred from foreign currency borrowings.

Borrowing costs of the Company which can be classified directly as expenses for the acquisition, construction or production activities for preparing an asset eligible for capitalization, shall be capitalized and booked into cost of capital; other borrowing costs shall be defined upon occurred as expenses on the basis of the amount and accounted to current profit and loss.

The assets meeting the capitalization conditions refer to the fixed assets, investment properties and inventories that need a substantially long period for acquisition, construction or production to be ready for their intended use or sale.

The borrowing costs shall be capitalized when all of the following conditions are satisfied:

(1) Expenditures on an asset have been incurred, and expenditures on the asset comprise payments in cash, transfer of non-cash assets or assumption of debts with interest for acquisition and construction or production of the asset qualifying for capitalization;

(2) The borrowing costs have already been incurred;

(3) Acquisition, construction or production activities necessary to bring the asset to be ready for its intended use or sale are in progress.

### 2. Capitalization period of borrowing costs

Period of capitalization refers to the period from the beginning time point of capitalization to the end time point of capitalization. The suspend period of capitalization of borrowing costs shall be excluded.

When the acquisition, construction or production of assets that meet the capitalization conditions is ready for its intended use or sale, the capitalization of borrowing costs will cease.

When some parts of the assets under acquisition, construction or production meeting the capitalization conditions are completed and ready for separate use, the capitalization of the borrowing costs for such assets will cease.

When all parts of the assets under acquisition, construction or production are completed respectively but cannot be used or sold until the overall construction is completed, the capitalization of the borrowing costs shall be ceased when the overall construction of such assets is completed.

### 3. Suspension period of capitalization

Where the acquisition, construction or production of eligible assets is interrupted abnormally and the interruption period lasts for more than 3 months, capitalization of the borrowing costs shall be suspended; if the interruption is a necessary step for making the eligible assets under acquisition, construction or production reach the expected serviceable or marketable state, the capitalization of the borrowing costs shall be continued. The borrowing costs incurred during the period of cease will be determined as current profit and loss, and the borrowing costs will continue to be capitalized after the acquisition, construction or production activities of the assets are resumed.

#### 4. Calculation methods for capitalization rate and capitalized amount of borrowing costs

As for special borrowings for the acquisition, construction or production of assets meeting the capitalization conditions, the amount of capitalization of the borrowing costs shall be determined based on the amount of actual borrowing costs incurred at current period of the special borrowings minus the interest income acquired from the unused borrowing funds as a deposit in bank or the investment income from temporary investment.

As for general borrowings for the acquisition, construction or production of assets eligible for capitalization, the amount of capitalization of the borrowing costs shall be determined by multiplying the weighted average of difference between accumulative assets expenditure and assets expenditure of specially borrowed loans by the capitalization rate of general borrowings. The capitalization rate shall be calculated and determined based on the weighted average interest rate of the general borrowings.

#### 25. Biological assets

☐ Applicable ☒ Not Applicable

#### 26. Oil and gas assets

☐ Applicable ☒ Not Applicable

#### 27. Right-of-use assets

☐ Applicable ☒ Not Applicable

#### 28. Intangible assets

##### (1). Valuation method, service life and impairment test

☒ Applicable ☐ Not Applicable

##### 1. Valuation method for intangible assets

The intangible assets of the Group include land use rights (excluding the land already developed by real estate enterprises), overseas land ownership, underground parking lot use rights, stadium box use rights, mineral resources exploitation rights, engineering construction license(s) issued by Hong Kong Government, non-operating passenger car license, supermarket brand franchise, computer software, etc.

(1) Initial measurement is conducted as per the cost when the Company obtains the intangible assets;

Costs of purchased intangible assets include purchase price, related taxes as well as other expenditures directly attributable to making such assets ready for intended use. Where the payment of the acquisition price for intangible assets is delayed beyond the normal credit terms, for those with financing nature, the cost of intangible assets is determined at the present value of the acquisition price.

For intangible assets obtained from debt restructuring and used by the debtor to pay a debt, the entry value shall be determined according to the fair value of the debt waived and taxes and costs attributable to making such assets ready for intended use, and the difference between the fair value and the book value of the debt waived shall be included in the current profit and loss.

When non-monetary assets exchange has commercial essence and the fair values of assets received or surrendered can be measured reliably, the fair value shall be the basis of measurement. If the fair value of the assets received and surrendered can be reliably measured, for the received intangible assets, the fair value of the assets surrendered and relevant taxes payable shall be recognized as initial investment cost for intangible assets received unless the fair value of the assets received is proved to be more reliable by concrete evidence. If the non-monetary assets exchange has no commercial essence, or the fair value of the assets received or surrendered can not be reliably measured, for the intangible assets received, the book value of the assets surrendered and relevant taxes payable should be recognized as initial investment cost for the intangible assets received.

The entry value of intangible assets acquired through business merger under common control shall be determined in accordance with the book value of the merged party; the entry value of intangible assets acquired through the merger and acquisition under different control shall be determined in accordance with their fair value.

The costs of intangible assets developed internally include: materials, service costs and registration fees consumed in the development of the intangible assets, amortization of other patents and franchise used in the development process, interest costs that meet the capitalization conditions, as well as other direct costs incurred before the achievement of intended use of intangible asset.

The book values of the intangible assets invested by state-owned shareholders during the corporation system reform are adjusted based on their assessed values/revaluated values recognized by the state-owned asset management authorities. The intangible assets invested by other state-owned shareholders are measured based on the values approved by the authorized entities operating the state-owned assets.

The relevant amount paid for purchased land and buildings shall be apportioned between land use rights and buildings. If it is hard to apportion properly, the total amount shall be deemed as fixed assets or investment properties.

(2) Subsequent measurement

When an intangible asset is acquired, its service life shall be analyzed and judged.

An intangible asset with a finite service life shall be amortized on a straight-line basis over the period when economic benefits of the intangible asset flow into the Company; where it is impossible to forecast the period in which economic benefits of the intangible asset flow into the Company, the intangible asset shall be considered tangible asset with an uncertain service life and shall not be amortized.

2. Service life estimation for intangible assets with limited service life:

(1) Land use rights are averagely amortized over the service life.  
(2) The underground parking lot use right is averagely amortized over the remaining years of the right at the time of obtaining such right.

(3) The stadium box use right is averagely amortized over the expected service life of 30 ~ 50 years.

(4) The mineral resources exploitation right is amortized according to the proportion of actual exploitation quantity to the total exploitable quantity of the mineral resources.

(5) The computer software is averagely amortized over the expected service life.

(6) The patent right and special license are averagely amortized over the expected service life.

(7) The public house use right is averagely amortized over the expected service life.

(8) License of operating lease vehicles is averagely amortized over the expected service life.

(9) The supermarket franchise is averagely amortized over the expected service life.

At the end of each year, the service life and the amortization method of intangible assets with limited service life shall be rechecked.

According to the review, the useful life and amortization method of the intangible asset at the end of the year are the same as those estimated previously.

3. Judgment basis for intangible assets with uncertain service life and procedure for review of their service life

Intangible assets	Criteria for determination of intangible assets with uncertain service life	Procedures for re-checking service life
Overseas land ownership	According to local laws, there is no time limit of the land ownership	At the end of each period, the fact that whether the provisions of relevant laws in terms of land ownership have changed is confirmed
Engineering construction licenses issued by Hong Kong Government	There is no time limit of such licenses	At the end of each period, the fact that whether the service life of these construction licenses has changed is confirmed

**(2). Accounting policies of expenditures on internal research and development projects**

☐ Applicable ☒ Not Applicable

**29. Long-term impairment of assets**

☒ Applicable ☐ Not Applicable

The long-term assets such as long-term equity investment, investment properties measured by cost model, fixed assets, construction in progress and intangible assets with limited service life shall be subject to the impairment test in case of any indication of impairment on the balance sheet date. If the impairment test result shows that the recoverable amount of the assets is less than the book value, the provision for impairment shall be provided as per their difference and included in impairment loss. The recoverable amount is the net amount of the fair value of the assets after deducting the disposal expenses

or the present value of the expected future cash flow of the assets, whichever is higher. Asset impairment provision shall be calculated and recognized on a single asset basis. If it is difficult to estimate the recoverable value of the single assets, the recoverable value shall be recognized as per the asset portfolio to which the single asset belongs. An asset portfolio is the smallest portfolio of assets that is able to generate independent cash inflows.

The intangible assets with uncertain goodwill and service life shall be subject to impairment test at end of each period.

The Group conducts goodwill impairment test. The book value of goodwill due to a business combination is amortized to a related asset group using a reasonable method at the acquisition date; where it is not possible for the book value of goodwill to be amortized to related asset groups, the book value thereof is amortized to related portfolio of asset groups. In amortization to related asset groups or combination of asset groups, the book value of goodwill is amortized in the proportion of fair value of asset groups or portfolio of asset groups to the total fair value of related asset groups or portfolio of asset groups. If the fair value is difficult to be measured reliably, it shall be apportioned in accordance with the proportion of the book value of each asset group or portfolio of asset groups to the total book value of the related asset group or portfolio of asset groups.

When conducting impairment tests on the related asset portfolio or portfolio of asset groups that contain(s) goodwill, if there are indications of impairment, test the asset groups or groups of asset groups that do(es) not contain goodwill firstly and calculate the recoverable amount, and compare it with the related book value to confirm the corresponding impairment loss. Then, the asset groups portfolio or portfolio of asset groups including goodwill are tested for impairment. Comparing the book value (including the book value of goodwill amortized) of the related asset groups or groups of asset groups and their recoverable amounts, where the recoverable amount of an asset group or groups of asset groups is lower than its book value, an impairment loss is recognized for goodwill. Once recognized, the above impairment loss of assets will not be reversed in future accounting periods.

### **30. Long-term deferred expenses**

√ Applicable ☐ Not Applicable

The long-term deferred expenses shall include all the expenses on the improvement of the fixed assets under operating lease and the expenses with the amortization period over one year that have already occurred and should be amortized over this accounting period and subsequent accounting period.

#### **1. Amortization method**

Long-term deferred expenses shall be subject to average amortization within the benefit period.

#### **2. Amortization period**

Expenditure on improvement of fixed assets under operating lease: the improved leased assets with shorter remaining lease term and the remaining service life;

Other long-term deferred expenses: such expenses are amortized over 3 ~ 5 years according to the benefit period.

### **31. Employee compensation**

#### **(1). Accounting treatment methods for short-term compensation**

√ Applicable ☐ Not Applicable

During the accounting period when the employees work for the Group, the actual short-term compensation is recognized as liabilities, and included in the profit or loss for the current period or relevant asset costs.

The Group shall pay the social insurance charges and housing funds for the employees and withdraw labor union expenditure and expenditures for employee education in accordance with the provisions. During the accounting period when the employees provide services for the Group, corresponding amount of employee compensation shall be calculated and determined according to the withdrawing basis and proportion specified.

Where the employee welfare is non-monetary and can be reliably measured, the welfare is measured at fair value.

#### **(2). Accounting treatment methods for post-employment welfare**

√ Applicable ☐ Not Applicable

##### **(1) Defined contribution plan**

The basic pension insurance and unemployment insurance which are paid by the Group for the employees according to relevant provisions of local government, during the accounting period when the employees provide services for the Group, shall be recognized as liabilities based on the amount payable calculated as per the locally specified base and proportion of payment, and shall be included in current profits and losses or relevant asset cost.

Besides the basic pension insurance, the Group also established the payment system of enterprise annuity (supplementary pension insurance)/corporation pension plan according to relevant policies of national occupational pension system. The Group shall pay relevant fee/the pension plan fee to local social security institution as per the certain proportion of the total wages of employees, and corresponding expenditure shall be included in current profits and losses or relevant asset cost.

**(2) Defined benefit plan**

The Group shall attribute benefit obligations under a defined benefit plan to periods of service provided by employees according to the formula determined by projected unit credit method, and include them in current profits and losses or the related cost of assets.

The deficit or surplus formed by the present value of obligations under defined benefit plan minus the fair value of assets under defined benefit plan shall be recognized as a net liability or a net asset under defined benefit plan. In case that the defined benefit plan has surplus, the Group measures the net asset under defined benefit plan as per the surplus under defined benefit plan and the upper asset limit, whichever is lower.

For all obligations under the defined benefit plan, including the obligation to pay within 12 months after the annual report period in which the employees provide services, the discount shall be made at the balance sheet date based on the market return on the national bonds matching with the obligations under the defined benefit plan in terms of the term and currency or based on the high-quality corporate bonds in the active market.

The service cost arising from the defined benefit plan and the net amount of interest of the net liability or net asset of the defined benefit plan shall be included in current profits and losses or relevant asset cost; the changes arising from re-measurement of the net liability or net asset of the defined benefit plan shall be included in other comprehensive incomes and shall never be reversed back to profits or losses in subsequent accounting periods. When the original defined benefit plan terminates, the part intended to be included in other comprehensive incomes within the interest range shall be included into undistributed profit.

For settlement of the defined benefit plan, the settlement profit or loss shall be recognized as per the difference between the present value of the defined benefit plan obligation and the settlement price determined at the settlement date.

**(3). Accounting treatment methods for dismissal benefits**

☒ Applicable ☐ Not Applicable

Liabilities for employee compensations arising from dismissal welfare are recognized and included in current profits and losses when the Group cannot unilaterally withdraw the dismissal welfare provided for the labor relationship termination plan or an offer for voluntary layoff or when the Company recognizes costs or expenses related to the restructuring involving in dismissal welfare (whichever is earlier).

**(4). Accounting treatment methods for other long-term employee benefits**

☒ Applicable ☐ Not Applicable

The Group provides long-term compensated absence benefits for qualified personnel who have established labor relations with the Group, including existing internal retired personnel and off-the-job disabled personnel. The accounting treatment method is the same as the Note "III/(29) /2/(2) Defined benefit plans", however, the resultant service cost, net interest on the net liabilities or net assets of other long-term employee benefits and the change due to re-measurement of the net liabilities or net assets of other long-term employee benefits are all included in the current profits and losses or related asset costs.

**32. Lease liabilities**

☐ Applicable ☒ Not Applicable

**33. Estimated liabilities**

☒ Applicable ☐ Not Applicable



### 1. Recognition criteria for estimated liabilities

The obligations related to such contingencies as lawsuit, debt guarantee, onerous contract and reorganization shall be recognized as estimated liabilities by the Group, when the following conditions are met simultaneously:

- (1) The obligation is the current obligation of the Group;
- (2) Performance of this obligation will probably cause outflow of economic interest of the Group;
- (3) The amount of such obligation can be measured reliably.

### 2. Measurement for estimated liabilities

Estimated liabilities of the Group shall be measured initially pursuant to the optimal estimate of expenditure required to perform relevant current obligations.

When determining the optimal estimate, the Group shall comprehensively consider such factors as relevant risks and uncertainties related to contingencies and the time value of currency. If there is significant effect on time value of money, the best estimate is determined by discounting the relevant future cash outflow.

The best estimates are treated separately in the following situations:

If the required expenditure has a continuous range (or scope) and all the outcomes within this range are equally likely to occur, the best estimate is determined in accordance with the middle estimate of the range, that is, the average of the lower and upper limits.

When the required expenditure does not have a continuous range (or scope) or all the outcomes within this range are not equally likely to occur although there is a continuous range, or the contingency is related to an individual item, the best estimate is determined in accordance with the most likely amount; where the contingency involves several items, the best estimate is determined as per all possible outcomes and their associated probabilities.

If all or part of expenditures, which are necessary for clearing off the estimated liabilities by the Group, are expected to be compensated by a third party, the compensation amount shall be recognized as assets separately when it is virtually confirmed the amount can be obtained, but the compensation amount recognized shall not exceed the book value of the estimated liabilities.

## 34. Share-based Payment

☐ Applicable ☒ Not Applicable

## 35. Other Financial Instruments as Preferred Shares and Perpetual Bond

☒ Applicable ☐ Not Applicable

The Group shall classify financial instruments as financial assets, financial liabilities or equity instruments at the initial recognition according to the contract term of issued preferred shares and perpetual bonds and the reflected economic nature, rather than only in legal form.

If the financial instruments such as perpetual bonds/preferred shares issued by the Group meet one of the following conditions, such instruments as a whole or their compositions shall be classified as financial liabilities:

- (1) There are contractual obligations for the performance of which the Group cannot unconditionally avoid delivering cash or other financial assets;
- (2) There are contractual obligations of settlement by delivering a variable quantity of its equity instruments;
- (3) There are derivative instruments (e.g. swap etc.) which will not be settled by the use of the its own equity instrument to exchange fixed amount of cash or other financial assets;
- (4) There are contract terms that form contractual obligations indirectly.
- (5) The perpetual bonds enjoy the same repayment priority as that of the common bonds and other debts issued by the issuer during the liquidation of the issuer.

If the financial instruments such as perpetual bonds/preferred shares do not meet any one of the above conditions, such instruments as a whole or their compositions shall be classified as equity instruments.

## 36. Revenue

☒ Applicable ☐ Not Applicable

The amount of the revenue of the Group is determined based on the fair value of the contract or agreement price received or receivable when the Group implements construction contracts, provides labor services, sells commodities and develops products in the process of daily business activities. If the

economic benefits related to the transaction are likely to flow into the Group, and when relevant income can be reliably measured, meeting the specific revenue recognition criteria for each of the following operating activities, the relevant revenue shall be recognized:

1. Revenue of construction contracts

When the outcome of a construction contract can be estimated reliably, the Group shall recognize the construction contract revenue and expenses on the balance sheet date via percentage of completion method. The completed workload is recognized according to the output value statistics provided by the engineering management department, and the progress of contract implementation is determined according to the proportion of the completed workload to the estimated total workload. The outcome of construction contracts can be estimated reliably when the following conditions are met simultaneously:

- (1) The contract revenue can be measured reliably;
- (2) Economic benefit of the contract likely flow into the Group;
- (3) The contract completion progress and cost to be generated for completion of the contract can be determined reliably at the balance sheet date;
- (4) The contract cost incurred for completion of the contract can be clearly distinguished and reliably measured, so that the cost incurred actually may be compared with the predicated cost.

If the outcome of construction contract cannot be measured reliably, the revenue from construction contract is recognized based on the contract cost to be actually recovered, and the contract cost shall be recognized as expenses in the current period of occurrence that can be recognized. If the total contract cost estimated of construction contract exceeds the total revenue, the estimated loss is recognized as current expense.

2. Incomes from labor services recognized by completion percentage method

When the outcome of the Group's transaction involving rendering of labor services can be estimated reliably on the balance sheet date, the labor service revenue will be recognized by using percentage-of-completion method. The stage of the completion of a transaction involving the rendering of services is determined based on the proportion of services performed.

The total revenue from rendering of services is determined at the contract or agreement price received or receivable, except for the unfair contract or agreement price received or receivable. At the balance sheet date, the amount calculated by using total revenue from rendering of services multiplying completion schedule and then deducting the revenue from rendering of services accumulated and recognized in previous accounting period is recognized as revenue from rendering of services for the current period; the amount calculated by using total estimated service cost multiplying completion schedule and then deducting the cost of services accumulated and recognized in previous accounting period is carried forward to cost of services for the current period.

When the outcome of a transaction cannot be estimated reliably at the balance sheet date, the income associated with the transaction will be recognized as follows:

① Where it is expected that the cost incurred to date can be compensated, the amount of cost incurred to date is recognized in revenue from rendering of services, and the same amount is carried forward to cost of services.

② Where it is expected that the cost incurred to date cannot be compensated, the cost incurred to date is included in current profit and loss, and revenue from rendering of services is not recognized.

3. Revenue from commodity sales

The revenue from commodity sales is recognized by the Group under the following conditions: major risks and rewards concerning the ownership of commodity have been transferred to the buyer; neither continuous management right usually related to the ownership is retained nor effective control over sold goods is effected; the amount of the revenue can be measured reliably; relevant economic benefits may flow to the Group; and relevant costs incurred or to be incurred can be measured reliably.

Domestic sales: the Company delivers the goods, the finance department issues a sales invoice to the customer, and the Company recognizes the realization of the sales revenue after receiving the customer's receipt which confirms that the goods have been received.

Export sales: the sales revenue is recognized after the relevant goods get through the procedures of customs clearance and shipment.

4. Incomes from sales of development products

Revenue from the sale of development products of the Group shall be recognized when the development products are completed and accepted, with a legally binding sales contract signed, and the major risks and compensations of the development product ownership transferred to the buyer; and when the Group does not retain the continuation of management normally associated with the ownership or the

right for the effective control over the commodities that have been sold, as well as other conditions for revenue recognition of the above products.

The Group presents the payment received for pre-sale of development products before revenue recognition under the items of advances from customers in the balance sheet.

#### 5. Revenues from abalienating the right to use asset

When economic benefits related to transaction may flow to the Group and the revenue amount can be measured in a reliable way, the revenue from abalienation of the right to use asset shall be recognized according to conditions below:

(1) Interest income shall be calculated and recognized in accordance with the length of time for which the enterprise's cash at bank and on hand is used by others and the effective interest rate;

(2) Revenues from operating leases shall be recognized with straight-line method within the lease term.

#### 6. Incomes from BT and PPP projects

During construction of the project, the Group recognizes the relevant revenues and costs of the construction services provided in accordance with the construction contract standards. If the results can be reliably estimated, the construction contract income shall be measured at the fair value of the consideration to be received. Meanwhile the "long-term receivables" are recognized. The long-term receivables are written down after receiving of the payment from the owner.

### 37. Government subsidies

√ Applicable □ Not Applicable

#### 1. Types

Governmental subsidies refer to monetary and non-monetary assets acquired by the Group from the government for free. It is divided into government subsidies related to assets and those related to income.

Asset-related governmental subsidies refer to the governmental subsidies that are obtained by the Group and used for constructing long-term assets, or forming the long-term assets in other ways. The government subsidies related to income refer to other government subsidies other than those related to assets.

If the governmental subsidy documents specify the amounts of the subsidies for purchase and construction of fixed assets, intangible assets and other long-term assets, such subsidies related to the assets are recognized in accordance with the provisions of the documents; if such subsidies are not specified in the documents, such subsidies are recognized based on the actual situation. All the government subsidies except the asset related ones are classified as the revenue related government subsidies.

#### 2. Accounting treatment and recognition timing

Government subsidies related to assets shall be used to offset the book value of the related assets or recognized as deferred incomes. Where a subsidy is recognized as deferred income, it will be reasonably and systematically included, by stages, in the current profit and loss (or in miscellaneous income where it is related to the day-to-day activities of the Group, or in non-operating income where it is irrelevant to the day-to-day activities of the Group) during the service life of relevant asset;

The revenue-related government subsidies used to compensate for the related costs or losses in the subsequent periods shall be recognized as deferred income and included in the current profit and loss (or in miscellaneous income where it is related to the day-to-day activities of the Group, or in non-operating income where it is irrelevant to the day-to-day activities of the Group) or used to offset the relevant costs or losses while those used to compensate for the related costs or losses incurred shall be included in the current profit and loss (or in miscellaneous income where it is related to the day-to-day activities of the Group, or in non-operating revenue where it is irrelevant to the day-to-day activities of the Group) or used to offset relevant costs or losses.

The policy-based preferential loan discount obtained by the Group will be accounted according to the following two conditions:

(1) Where the finance allocates the discount fund to the lending bank and the lending bank provides a loan at the policy-based preferential interest rate for the Group, the Group includes the actually received loan amount as the entry value of the loan and counts relevant loan expenses based on loan principal and the policy-based preferential interest rate.

(2) Where the finance directly allocates the discount fund to the Group, the Group uses the corresponding discount to offset relevant loan expenses.

**38. Deferred income tax assets/deferred income tax liabilities**√ Applicable ☐ Not Applicable

The deductible temporary differences shall be recognized as deferred income tax assets, within the limit of taxable income which are likely to be obtained for offsetting the deductible temporary differences in the future periods. As for any deductible loss and tax deduction which can be carried forward to the next year, the corresponding deferred income tax assets are recognized to the extent the taxable income which is likely to be obtained for offsetting the deductible loss and tax deduction.

The taxable temporary differences, except for special conditions, are recognized as deferred income tax liabilities.

Special occasions on which the deferred income tax assets or deferred income tax liabilities are not recognized include initial recognition of goodwill and other transactions or events which affect neither the accounting profit nor the taxable income (or deductible loss) except for business combination.

The current income tax assets and liabilities shall be presented as the net amount after being offset when the Company has the legal right to carry out net settlement, and intends to carry out net settlement or when the assets are acquired at the same time when liabilities are paid off.

The deferred income tax assets and deferred income tax liabilities of the Company are presented as the net amount after being offset when the Company has the legal right to carry out the net settlement for the current tax assets and current tax liabilities, and the deferred income tax assets and deferred income tax liabilities are related to the taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities which intend either to carry out the net settlement for the current tax assets and current tax liabilities, or to acquire the assets while the liabilities are paid off, in each future period of reversal of significant deferred income tax assets and deferred income tax liabilities.

**39 Lease****(1). Accounting Treatment Method of Operating Leases**√ Applicable ☐ Not Applicable

(1) The rent paid for renting the assets by the Group shall be amortized based on the straight-line method and included in current expenses during the whole lease period including the rent-free period. The initial direct expenses related to the lease transaction paid by the Group shall be included in current expenses.

If the lessor of the assets bears expenses related to lease that should be borne by the Group, the Group shall deduct such expenses from the total rental amount, and rental expenses after deduction shall be amortized during the lease period and included in current expenses.

(2) The rent charged by the Group for leasing assets shall be amortized based on the straight-line method and recognized as lease income during the whole lease period including the rent-free period. The initial direct expenses related to lease transactions paid by the Group shall be included in current expenses; if the amount is huge, such expenses shall be capitalized and included in current profit within the whole lease period on the same basis as the recognition of lease income.

Where the Group bears expenses related to the lease which shall be borne by the lessee, the Group shall deduct such expenses from the total amount of rental income, and the expenses after deduction shall be allocated over the lease period.

**(2). Accounting Treatment of Finance Leases**√ Applicable ☐ Not Applicable

(1) Financing lease assets: on the commencement date of the lease term, the Company recognizes the fair value of leasing assets or the present value of minimum lease payment (whichever is lower) as the entry value of the leasing assets, and recognizes the minimum lease payment as the entry value of long-term payables and the difference between the entry values as the unrecognized financing charges. The unrecognized finance charge shall be amortized by the Company by the effective interest method during the asset lease period and included in financial expenses. The initial direct costs incurred in the Company shall be included in value of leased assets.

(2) Assets leased out by finance lease: the Company shall recognize the finance lease receivables, the difference between sum of unguaranteed residual values and the present value as unrealized financing income on the inception of the lease and recognizes them as lease income during the periods of receiving rent. The initial direct expenses related to the lease transaction incurred by the Company

shall be included in initial measurement of the finance lease receivables, and the amount of income recognized in the lease period shall be reduced.

### (3). Determination Method and Accounting Treatment of Lease under New Lease Standards

☐ Applicable ☒ Not Applicable

### 40. Other Significant Accounting Policies and Accounting Estimates

☒ Applicable ☐ Not Applicable

#### 1. Expenditure on exploration and development

The incurred exploration and development expenditures are swept by the independently identifiable benefited areas in a single exploration area. The exploration expenditures are capitalized or temporarily capitalized only when the following conditions are met: the exploration right of the benefited area is valid and the cost can be recovered through successful development, commercial utilization or sale of the benefited area; or the benefited area is not developed to the extent that it can judge whether there are recoverable reserves, and meanwhile the works important to exploration are still in progress.

The expenditures of each benefited areas are audited on a regular basis to determine the appropriateness of continuing to capitalize such expenditures. The accumulated expenditures of abandoned areas are fully written off when it is decided to abandon such areas. If there is evidence or circumstances showing that the book value of the asset may exceed the recoverable amount, it is necessary to evaluate whether the book value of exploration and development expenditures is impaired.

After start of production, the accumulated expenditures of the relevant areas are amortized over the years of the service lives of the areas according to the consumption rate of the economically recoverable reserves.

The exploration and development assets acquired due to business combination are recognized at their fair values at the date of acquisition. They are presented as construction in progress or intangible assets according to the natures of such assets.

#### 2 Defined benefit plan

The Group conducts actuarial valuation of the defined post-employment benefit and other long-term benefit plans on the balance sheet date to determine the cost of providing such benefits by the expected cumulative benefit unit method.

The Group engaged independent actuaries to conduct actuarial evaluation of the liabilities and expenses of the following defined post-employment benefits and other long-term benefits:

(1) Supplementary post-employment benefits for eligible retirees and the personnel without labor relations such as family dependents of deceased employees;

(2) The off-duty compensation continuance benefits for the personnel with current labor relation such as eligible internal retired personnel and off-the-job disabled personnel;

(3) During actuarial evaluation, the Group determines the discount rate with reference to the yield of treasury bonds over the same period, determines the normal retirement age according to the lawful retirement age in China, and shifted the ages indicated in the *China Life Insurance Mortality Table (2010-2013) - CL5/CL6 up2* to determine the mortality rate.

#### 3. Significant accounting estimates and key assumptions

The Group continuously evaluates the significant accounting estimates and key judgments adopted based on historical experience and other factors, including reasonable expectations for future events.

The following significant accounting estimates and key assumptions have important risks that can cause major adjustments in the book value of assets and liabilities in the next fiscal year:

##### (1) Construction contract

The income and expenses of the construction and service contracts shall be recognized based on the percentage of completion method, which requires the Group to make relevant judgments. If it is expected that the construction and service contracts will have losses, such losses should be recognized as current expenses. The Group estimates the possible losses according to the budgets of the construction and service contracts. Depending on the characteristics of the businesses in the scopes of the construction and service contract, the dates of signing contracts and the dates of completing projects are often respectively included in different accounting periods. In the progress of contract implementation, the Group continues to re-check and revise the costs and expenses in the contract budget and to re-check the contract progress.

##### (2) Real estate development costs

During recognition of the development costs, the Group needs to make significant estimation and judgment according to the budget cost and development progress of the development project. If the final settled cost of a real estate development project is inconsistent with the budget cost, their difference will affect the corresponding development products, development costs and primary business cost.

(3) Deferred income tax assets and deferred income tax liabilities

The deferred income tax assets and deferred income tax liabilities are measured according to the applicable tax rate when the deferred income tax assets are expected to be recovered or the deferred income tax liabilities are expected to be settled. Deferred income tax assets shall be recognized to the extent of the amount of taxable income to be offset by the deductible temporary difference and the deductible loss or tax deduction to be likely acquired by the Group.

The Group has recognized the deferred income tax assets according to the tax laws which have been promulgated or have actually got through the legislative procedures and the best estimate of the Group's profitability in the future period in which the deferred income tax assets are expected to be reversed. However, the estimation of future profits or future taxable revenue requires a lot of judgment and estimation in combination with tax planning strategies. Different judgments and estimates will affect the recognized amount of deferred income tax assets. The Group will conduct revaluation of the profit forecast and other estimates made on each balance sheet date.

(4) Taxes involved in real estate development

Multiple taxes need to be paid for real estate development business. During the normal business activities, final tax treatment for many transactions and events has uncertainties. The Group needs to make important estimates when counting and drawing the taxes such as land value-added tax and revenue tax. If there is a difference between finally recognized outcome for these taxes and initially received amount, it will have an impact on the above-mentioned taxes drawn in the final recognition period.

(5) Bad debt provision for receivables

According to the accounting policies provided in the Note "III/(X)/6 Test and accounting treatment methods for impairment of financial assets", the Group tests whether receivables are impaired annually and accordingly revises the estimated bad debt provision. Different estimates may affect the amount of the impairment provision for receivables and current profits and losses.

4. Judgment on the impact of financial securities on sales

Under normal business environment, the Group signs house sales contracts with customers. If the house buyer needs to obtain a mortgage loan from the bank to pay the house payment, the Group will reach a tripartite secured mortgage loan agreement with the buyer and the bank. Under the agreement, the buyer are required to pay at least 20% - 30% of the total purchase price as the down payment, and the Group will provide periodic joint and several liability securities for the mortgage loans lent by the bank to the buyer with a guarantee period generally ranging from 6 months to 2 years. This phased joint liability guarantees will be released after the purchaser completes the building ownership certificate and completes the property mortgage registration formalities.

Under the Tripartite Mortgage Loan Guarantee Agreement, the Group only needs to provide guarantees to the bank for the portion of the mortgage loan that the house buyer has not repaid within the guarantee period. Banks will only seek recourse from the Group if the house buyer breaches the contract and does not repay the mortgage loan.

Based on the Group's former experiences in sales of similar development products, the Group believes that during the period of phased joint liability guarantee, the ratio of the Group's guarantee obligation to the bank due to the inability of the house buyer to repay the mortgage loan is very low and the Group can pass recourse to house buyers for payment of advances paid for assuring the guarantee responsibility for the phased joint liability responsibilities. In the event that the buyers do not repay the mortgage, the Group can avoid losses by preferentially disposing of the relevant real estate in accordance with the relevant purchase contract. Therefore, the Group believes that the financial guarantee has no impact on the recognition of sales revenue for the development of products.

#### 41. Changes in significant accounting policies and accounting estimates

##### (1). Changes in significant accounting policies

√ Applicable □ Not Applicable

Contents and reasons of changes in the accounting policies	Procedure for review	Remarks (name and amount of the significantly affected report items)
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	and approval	
The item "Notes receivable and accounts receivable" in the balance sheets is split into items "Notes receivable" and "Accounts receivable" and the item "Notes payable and accounts payable" is split into items "Notes payable" and "Accounts payable"; the comparative data are adjusted accordingly.		The item "Notes receivable and accounts receivable" is split into items "Notes receivable" and "Accounts receivable", and the closing balance of "Notes receivable" of previous year is RMB 4,774,249,529.99 and the closing balance of "Accounts receivable" of previous year is RMB 25,425,371,772.43. The item "Notes payable and accounts payable" is split into items "Notes payable" and "Accounts payable", and the closing balance of "Notes payable" of previous year is RMB 7,826,360,066.30 and the closing balance of "Accounts payable" of previous year is RMB 55,259,870,894.87.
Add the item "Including: Gains on derecognition of financial assets at amortized cost" under the investment income in the income statements. Data for comparison is not adjusted.		No impact
Due to the changes of statement items, the "financial assets (liabilities) at fair value through profit and loss" are transferred to "trading financial assets (liabilities)"		Financial assets at fair value through profit and loss: decreased by RMB 107,123,975.43. Trading financial assets: increased by RMB 107,123,975.43.
The available-for-sale equity instrument investments are transferred to "financial assets at fair value through current profit and loss".		Trading financial assets: increase RMB 2,164,158,408.43; Available-for-sale financial assets: decreased by RMB 3,588,253,253.30; Other non-current financial assets: increased by RMB 1,456,176,318.89; Other comprehensive income: increased by RMB 560,283,577.27; Retained earnings: increased by RMB 585,517,781.19; Deferred income tax liabilities: increased by RMB 6,847,270.10
The non-trading available-for-sale equity instrument investments are designated as the "financial assets at fair value through other comprehensive incomes".		Available-for-sale financial assets: decreased by RMB 641,665,356.68; Other equity instrument investments: increase RMB 614,477,158.64; Other comprehensive income: increased by RMB 20,518,148.54; Deferred income tax liabilities; decreased by RMB 6,670,049.50.
The available-for-sale debt instrument investments are transferred to the "financial assets measured at amortized cost".		Available-for-sale financial assets: decreased by RMB 620,000,000.00; Equity investments: increased by RMB 620,000,000.00.
Part of the "account receivable" are transferred to the "financial assets (debt instruments) measured at fair value through other comprehensive incomes"		Notes receivable: decreased by RMB 4,374,414,524.81 Receivables financing: increased by RMB 4,176,855,658.77; Other comprehensive income: decreased by RMB 197,558,866.04.
For "financial assets measured by amortized cost" and "financial assets (debt instruments) measured at fair value through other comprehensive income, the provision for expected credit losses is withdrawn.		Retained earnings: decreased by RMB 318,603,175.22; Minority equity: decreased by RMB 17,496,009.21; Notes receivable: decreased by RMB 19,819,250.26 Accounts receivable: decreased by RMB 162,311,608.04; Other receivables: decreased by RMB 17,542,418.57; Current portion of non-current assets: decreased by RMB 776,328.55; Long-term receivables: decreased by RMB 23,210,971.08; Deferred income tax assets: increased by RMB 85,120,258.11; Other comprehensive income: increased by RMB 197,558,866.04.
For "financial assets measured by amortized cost" and "financial assets (debt instruments) measured at fair value through other comprehensive income, the investees adopting		Long-term equity investment: decreased by RMB 6,034,840.68; Retained earnings: decreased by RMB 6,034,840.68.

equity method accrue provisions for expected credit loss.		
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#### Other notes

(1) Implement the *Notice on Revising and Issuing the Format of Financial Statements for General Enterprises in 2019* and the *Notice on Revising and Issuing the Format of Consolidated Financial Statements (Version 2019)* issued by the Ministry of Finance.

The Ministry of Finance issued the *Notice on Revising and Issuing the Format of Financial Statements for General Enterprises in 2019* (CK [2019] No.6) on April 30, 2019, and issued the *Notice on Revising and Issuing the Format of Consolidated Financial Statements (Version 2019)* (CK [2019] No.16) on September 19, 2019, revising the formats of financial statements for general enterprises.

(2) Implement the *ASBE 22 - Confirmation and Measurement of Financial Instruments*, *ASBE 23 - Transfer of Financial Assets*, *ASBE 24 - Hedge Accounting* and *ASBE 37 - Presentation of Financial Instruments (Version 2017)*.

In 2017, the Ministry of Finance has revised *ASBE 22 - Confirmation and Measurement of Financial Instruments*, *ASBE 23 - Transfer of Financial Assets*, *ASBE 24 - Hedge Accounting* and *ASBE 37 - Presentation of Financial Instruments*. According to the provisions of revised standards, for the financial instruments that have not been derecognized on the first implementation date, if the previous recognition and measurement are inconsistent with the requirements of the revised standards, they shall be adjusted retroactively. In case of any discrepancy between the data of the comparative financial statements in the previous period and the requirements of the revised standards, there's no need to make any adjustment. The Group adjusts the retained earnings at the beginning of the year and other comprehensive income due to the cumulative effect of retroactive adjustments.

Based on the closing balance of the previous year after adjustment according to the provisions of CK [2019] No.6 and CK [2019] No.16.

Based on the closing balance of the previous year after adjustment according to the provisions of CK [2019] No.6 and CK [2019] No.16, all items of financial assets and financial liabilities are classified and measured in accordance with the standards for recognition and measurement of financial instruments before and after revision, and the results comparison is as follows:

Original financial instrument standards			New financial instrument standards		
Item presented	Category measured	Book value	Item presented	Category measured	Book value
Cash at bank and on hand	Amortized cost	54,589,600,864.84	Cash at bank and on hand	Amortized cost	54,589,600,864.84
Financial assets at fair value through current profit and loss	At fair value through current profit and loss	107,123,975.43	Financial assets held for trading	At fair value through current profit and loss	107,123,975.43
Derivative financial assets	At fair value through current profit and loss		Derivative financial assets	At fair value through current profit and loss	
Notes receivable	Amortized cost	4,774,249,529.99	Notes receivable	Amortized cost	380,015,754.92
			Receivables financing	At fair value through other comprehensive incomes	4,176,855,658.77
Accounts receivable	Amortized cost	25,425,371,772.43	Accounts receivable	Amortized cost	25,263,060,164.39
			Receivables financing	At fair value through other comprehensive incomes	
Other receivables	Amortized cost	6,581,256,873.73	Other receivables	Amortized cost	6,563,714,455.16
Other current assets	Amortized cost	775,285,900.00	Other current assets	Amortized cost	775,285,900.00
Current portion of non-current assets	Amortized cost	776,834,172.52	Current portion of non-current assets	Amortized cost	776,057,843.97
Available-for-sale financial assets	Measured by cost (debt instrument)	620,000,000.00	Debt investment (Including other current assets)	Amortized cost	620,000,000.00
			Investment in other debentures (Including other current assets)	At fair value through other comprehensive incomes	
	At fair value through other comprehensive incomes (equity instruments)	2,164,158,408.43	Financial assets held for trading	At fair value through current profit and loss	2,164,158,408.43
			Other non-current financial assets		
			Other equity instrument investments	At fair value through other comprehensive incomes	
	Measured at cost	2,065,760,201.55	Financial assets held	At fair value through	



Original financial instrument standards			New financial instrument standards		
	(equity instruments)		for trading	current profit and loss	
			Other non-current financial assets		1,456,176,318.89
			Other equity instrument investments	At fair value through other comprehensive incomes	614,477,158.64
Long-term receivables	Amortized cost	18,785,749,368.43	Long-term receivables	Amortized cost	18,762,538,397.35

(3) As per *ASBE No. 7 – Exchange of Non-monetary Assets* (2019 Revision)

The Ministry of Finance issued the *ASBE No. 7-Exchange of Non-monetary Assets* (2019 Revision) (CK [2019] No.8) on May 9, 2019. The revised standards came into force on June 10, 2019. The exchange of non-monetary assets between January 1, 2019 and the implementation date of the Standards should be adjusted according to the Standards. For the exchange of non-monetary assets before January 1, 2019, retrospective adjustment is not required in accordance with the provisions of the standard. The Group's implementation of the above standard has no significant impact during the report period.

(4) As per *ASBE No. 12 – Debt Restructuring* (2019 Revision)

The Ministry of Finance issued the *ASBE No. 12-Debt Restructuring* (2019 Revision) (CK [2019] No.9) on May 16, 2019. The revised standards came into force on June 17, 2019. The debt restructuring between January 1, 2019 and the implementation date of the Standards shall be adjusted according to the Standards. For the debt restructuring before January 1, 2019, retrospective adjustment is not required in accordance with the provisions of the standard. The Group's implementation of the above standard has no significant impact during the report period.

**(2). Changes in significant accounting estimates**

☐ Applicable ☒ Not Applicable

**(3). From 2019, the relevant items in the financial statements at the beginning of the year will be adjusted and implemented upon the implementation of the new financial instrument standards, new income standards or new lease standards.**

☒ Applicable ☐ Not Applicable

Consolidated Balance Sheet

Unit: RMB Currency: RMB

Item	December 31, 2018	January 01, 2019	Adjusted amount
<b>Current assets:</b>			
Cash at bank and on hand	54,589,600,864.84	54,589,600,864.84	
Settlement reserve			
Loans to banks and other financial institutions			
Financial assets held for trading	N/A	2,271,282,383.86	2,271,282,383.86
Financial assets at fair value through current profit and loss	107,123,975.43	N/A	-107,123,975.43
Derivative financial assets			
Notes receivable	4,774,249,529.99	380,015,754.92	-4,394,233,775.07
Accounts receivable	25,425,371,772.43	25,263,060,164.39	-162,311,608.04
Receivables financing	N/A	4,176,855,658.77	4,176,855,658.77
Advances to suppliers	2,757,063,258.96	2,757,063,258.96	
Premiums receivable			
Reinsurance premium receivable			
Reinsurance contract reserve receivable			
Other receivables	6,581,256,873.73	6,563,714,455.16	-17,542,418.57
Including: interest receivable	98,299,019.32	98,299,019.32	
Dividends receivable	4,542,089.33	4,542,089.33	
Financial assets purchased under agreements to resell			
Inventories	75,530,929,253.22	75,530,929,253.22	
Held-for-sale assets			
Current portion of non-current assets	776,834,172.52	776,057,843.97	-776,328.55
Other current assets	2,630,766,291.85	2,630,766,291.85	
Total current assets	173,173,195,992.97	174,939,345,929.94	1,766,149,936.97

<b>Non-current assets:</b>			
Loans and advances			
Debt investment	N/A	620,000,000.00	620,000,000.00
Available-for-sale financial assets	4,849,918,609.98	N/A	-4,849,918,609.98
Investment in other debentures	N/A		
Held-to-maturity investments		N/A	
Long-term receivables	18,785,749,368.43	18,762,538,397.35	-23,210,971.08
Long-term equity investments	2,558,170,018.25	2,552,135,177.57	-6,034,840.68
Other equity instrument investments	N/A	614,477,158.64	614,477,158.64
Other non-current financial assets	N/A	1,456,176,318.89	1,456,176,318.89
Investment properties	4,225,930,232.90	4,225,930,232.90	
Fixed assets	8,095,445,233.69	8,095,445,233.69	
Construction in progress	527,887,251.10	527,887,251.10	
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	2,167,518,331.74	2,167,518,331.74	
Development costs			
Goodwill	116,008,057.24	116,008,057.24	
Long-term deferred expenses	120,334,843.75	120,334,843.75	
Deferred income tax assets	717,635,859.15	802,756,117.26	85,120,258.11
Other non-current assets	579,870,129.39	579,870,129.39	
Total non-current assets	42,744,467,935.62	40,641,077,249.52	-2,103,390,686.10
Total assets	215,917,663,928.59	215,580,423,179.46	-337,240,749.13
<b>Current liabilities:</b>			
Short-term borrowings	4,935,485,552.49	4,935,485,552.49	
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading	N/A		
Financial liabilities at fair value through current profit and loss		N/A	
Derivative financial liabilities			
Notes payable	7,826,360,066.30	7,826,360,066.30	
Accounts payable	55,259,870,894.87	55,259,870,894.87	
Advances from customers	56,433,011,032.15	56,433,011,032.15	
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Customer brokerage deposits			
Acting underwriting securities			
Employee compensation payable	689,612,800.06	689,612,800.06	
Taxes payable	3,639,152,177.66	3,639,152,177.66	
Other payables	10,378,442,747.16	10,378,442,747.16	
Including: interest payable	150,360,217.96	150,360,217.96	
Dividends payable	10,584,275.86	10,584,275.86	
Fees and commissions payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Current portion of non-current liabilities	5,128,077,952.10	5,128,077,952.10	
Other current liabilities	139,684,659.97	139,684,659.97	
Total current liabilities	144,429,697,882.76	144,429,697,882.76	
<b>Non-current liabilities:</b>			
Insurance contract reserves			
Long-term borrowings	29,598,014,199.55	29,598,014,199.55	
Bonds payable	4,388,461,165.76	4,388,461,165.76	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	1,044,012,410.79	1,044,012,410.79	

Long-term employee compensation payable	320,615,876.00	320,615,876.00	
Estimated liabilities	4,593,416.66	4,593,416.66	
Deferred income	191,139,945.82	191,139,945.82	
Deferred income tax liabilities	582,055,206.50	582,232,427.10	177,220.60
Other non-current liabilities	52,836,070.67	52,836,070.67	
Total non-current liabilities	36,181,728,291.75	36,181,905,512.35	177,220.60
Total liabilities	180,611,426,174.51	180,611,603,395.11	177,220.60
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	8,904,397,728.00	8,904,397,728.00	
Other equity instruments	6,500,000,000.00	6,500,000,000.00	
Including: Preferred shares			
Perpetual bonds	6,500,000,000.00	6,500,000,000.00	
Capital reserves	2,200,870,974.75	2,200,870,974.75	
Less: Treasury shares			
Other comprehensive income	561,192,568.47	-19,609,157.34	-580,801,725.81
Special reserves			
Surplus reserves	1,242,612,943.31	1,304,508,959.56	61,896,016.25
General risk provision			
Undistributed profits	11,667,743,645.90	11,866,727,394.94	198,983,749.04
Total equities attributable to the owners (shareholders) of parent company	31,076,817,860.43	30,756,895,899.91	-319,921,960.52
Minority equity	4,229,419,893.65	4,211,923,884.44	-17,496,009.21
Total owners' equity (or shareholders' equity)	35,306,237,754.08	34,968,819,784.35	-337,417,969.73
Total liabilities and owners' equity (or shareholders' equity)	215,917,663,928.59	215,580,423,179.46	-337,240,749.13

Description of adjustment of each item □ Applicable √ Not Applicable

### Parent Company Balance Sheet

Unit: RMB Currency: RMB

Item	December 31, 2018	January 01, 2019	Adjusted amount
<b>Current assets:</b>			
Cash at bank and on hand	11,605,587,086.37	11,605,587,086.37	
Financial assets held for trading	N/A	1,064,178,373.76	1,064,178,373.76
Financial assets at fair value through current profit and loss		N/A	
Derivative financial assets			
Notes receivable	774,786,988.76		-774,786,988.76
Accounts receivable	3,242,362,964.36	3,242,362,964.36	
Receivables financing	N/A	759,725,869.45	759,725,869.45
Advances to suppliers	158,180,417.49	158,180,417.49	
Other receivables	8,285,395,143.04	8,285,395,143.04	
Including: interest receivable	10,569,775.45	10,569,775.45	
Dividends receivable	218,052,839.50	218,052,839.50	
Inventories	7,347,293,737.24	7,347,293,737.24	
Held-for-sale assets			
Current portion of non-current assets			
Other current assets	152,533,760.49	152,533,760.49	
Total current assets	31,566,140,097.75	32,615,257,352.20	1,049,117,254.45
<b>Non-current assets:</b>			
Debt investment	N/A		
Available-for-sale financial assets	2,392,458,180.24	N/A	-2,392,458,180.24
Investment in other debentures	N/A		
Held-to-maturity investments		N/A	
Long-term receivables			
Long-term equity investments	19,399,560,349.07	19,399,186,205.12	-374,143.95
Other equity instrument investments	N/A	901,544,118.64	901,544,118.64
Other non-current financial assets	N/A	475,254,057.30	475,254,057.30

Investment properties	42,676,609.75	42,676,609.75	
Fixed assets	964,145,670.97	964,145,670.97	
Construction in progress	8,823,246.90	8,823,246.90	
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	26,958,912.58	26,958,912.58	
Development costs			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets		3,765,279.83	3,765,279.83
Other non-current assets	44,145.32	44,145.32	
Total non-current assets	22,834,667,114.83	21,822,398,246.41	-1,012,268,868.42
Total assets	54,400,807,212.58	54,437,655,598.61	36,848,386.03
<b>Current liabilities:</b>			
Short-term borrowings	2,495,543,861.62	2,495,543,861.62	
Financial liabilities held for trading	N/A		
Financial liabilities at fair value through current profit and loss		N/A	
Derivative financial liabilities			
Notes payable			
Accounts payable	10,273,596,985.24	10,273,596,985.24	
Advances from customers	9,313,571,256.24	9,313,571,256.24	
Employee compensation payable	11,392,390.03	11,392,390.03	
Taxes payable	100,898,281.11	100,898,281.11	
Other payables	6,880,349,281.60	6,880,349,281.60	
Including: interest payable	34,625,570.62	34,625,570.62	
Dividends payable			
Held-for-sale liabilities			
Current portion of non-current liabilities			
Other current liabilities	4,035,898.15	4,035,898.15	
Total current liabilities	29,079,387,953.99	29,079,387,953.99	
<b>Non-current liabilities:</b>			
Long-term borrowings			
Bonds payable	1,500,000,000.00	1,500,000,000.00	
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	195,186,336.16	195,186,336.16	
Long-term employee compensation payable			
Estimated liabilities			
Deferred income	16,574,008.40	16,574,008.40	
Deferred income tax liabilities	150,710,179.75	162,839,772.13	12,129,592.38
Other non-current liabilities			
Total non-current liabilities	1,862,470,524.31	1,874,600,116.69	12,129,592.38
Total liabilities	30,941,858,478.30	30,953,988,070.68	12,129,592.38
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	8,904,397,728.00	8,904,397,728.00	
Other equity instruments	6,500,000,000.00	6,500,000,000.00	
Including: Preferred shares			
Perpetual bonds	6,500,000,000.00	6,500,000,000.00	
Capital reserves	3,695,151,297.49	3,695,151,297.49	
Less: Treasury shares			
Other comprehensive income	611,689,603.01	17,448,234.11	-594,241,368.90
Special reserves			
Surplus reserves	1,231,132,182.74	1,293,028,198.99	61,896,016.25
Undistributed profits	2,516,577,923.04	3,073,642,069.34	557,064,146.30
Total owners' equity (or shareholders' equity)	23,458,948,734.28	23,483,667,527.93	24,718,793.65
Total liabilities and owners' equity (or shareholders' equity)	54,400,807,212.58	54,437,655,598.61	36,848,386.03

Description of adjustment of each item: ☐ Applicable ☒ Not Applicable

**(4). Instructions on the implementation of new financial instrument standards or new lease standards from 2019 to retroactively adjust the preliminary comparative data**

☐ Applicable ☒ Not Applicable

**42. Others**

☐ Applicable ☒ Not Applicable

**VI. Taxation**

**1. Main taxes and tax rates**

About main taxes and tax rates

☒ Applicable ☐ Not Applicable

Tax type	Tax basis	Tax rate
VAT	Taxable value added amount is the difference of VAT output calculated based on the revenue from sales of goods and rendering of taxable services in accordance with tax laws less deductible VAT input of current period	3%, 6%, 9%, 10%, 13%, 16%
Consumption tax		
Business tax		
City maintenance and construction tax	Levied based on VAT and consumption tax actually paid	1%, 5%, 7%
Enterprise income tax	Levied based on taxable income	15%, 20%, 25%
Educational surcharge	Levied based on VAT actually paid	5%
Land appreciation tax	Perform calculation and make payments by the value added of the transferred real estate and the prescribed tax rate	Progressive system of four-level excesses: 30% ~ 60%
Mineral resources taxes	Assessment based on sales volume of taxable ore products	RMB 2 per ton

Where there are taxation subjects with different enterprise income tax rates for tax payment, the disclosure is as follows:

☒ Applicable ☐ Not Applicable

Name of taxpayer	Income tax rate (%)
The Company	25%
Shanghai Construction Group No.1 (Group) Co., Ltd ("No.1 Group")	15%
Shanghai Construction No.2 (Group) Co., Ltd ("No.2 Group")	15%
Shanghai Construction No.4 (Group) Co., Ltd ("No.4 Group")	15%
Shanghai Construction No.5 (Group) Co., Ltd ("No.5 Group")	15%
Shanghai Construction No.7 (Group) Co., Ltd ("No.7 Group")	15%
Shanghai Building Decoration Engineering Group Co., Ltd. ("Decoration Group")	15%
SCG Design & Research Institute Co., Ltd. ("SCG Institute")	15%
Shanghai Construction Material Co., Ltd. ("Material Company")	15%
Shanghai Installation Engineering Group Co., Ltd. ("Installation Group")	15%
Shanghai Mechanized Construction Group Co., Ltd. ("Mechanized Construction Group")	15%
Shanghai Foundation Engineering Group Co., Ltd. ("Foundation Group")	15%
Shanghai Municipal Engineering Design Institute (Group) Co., Ltd. ("Municipal Engineering Design Institute")	15%
Shanghai SINKO Air Conditioning Equipment Co., Ltd. ("SINKO Air Conditioning Company")	15%
SCG Wuxi Co., Ltd. ("SCG Wuxi Company")	25%
SCG Changzhou Wujin Zhongwu Avenue Construction Co., Ltd. ("SCG Wujin Zhongwu Avenue Company")	25%
SCG Changzhou Wujin Overhead Construction Co., Ltd. ("SCG Wujin Overhead Company")	25%
Shanghai Construction Group Dalian Construction Engineering Co., Ltd. ("SCG Dalian Company")	25%
Shanghai Construction Group Wuxi Yanghu Road Construction Management Co., Ltd. ("SCG Wuxi Yanghu Road Company")	25%
SCG Kunshan Zhonghuan Construction Co., Ltd. ("SCG Kunshan Zhonghuan")	25%

Construction Company")	
Shanghai Gardens Group Co., Ltd. ("Garden Group")	15%
Shanghai Construction Group Wuxi Beizhong Road Construction Management Co., Ltd. ("SCG Wuxi Beizhong Road Company")	25%
Shanghai Construction Group Jiangxi Jiulonghu Municipal Construction Co., Ltd. ("SCG Jiangxi Jiulonghu Company")	25%
Shanghai Construction Group Taizhou Tian-Xu Line Construction Co., Ltd. ("SCG Taizhou Tian-Xu Line Company")	25%
Shanghai Construction Group Nanchang Qianhu Construction Co., Ltd. ("SCG Nanchang Qianhu Company")	25%
SCG Changzhou Wujin Jinwu Road Construction Co., Ltd. ("Wujin Jinwu Road Company")	25%
Shanghai International Tourist Resort Engineering Construction Co., Ltd. ("Resort Engineering Company")	25%
Zhuhai Shenhai Construction Engineering Co., Ltd. ("Zhuhai Shenhai Company")	25%
Shanghai Huadong Construction and Machinery Co., Ltd. ("Huadong Construction")	25%
Shanghai Construction Real Estate Co., Ltd. ("SCG Real Estate")	25%
SFECO Group Holdings Co., Ltd. ("SFECO Holdings")	25%
Shanghai Construction Group Yibin Daxikou Construction Co., Ltd. ("SCG Yibin Construction Company")	25%
Shanghai Construction Group Chengdu Construction Engineering Co., Ltd. ("SCG Chengdu Construction Company")	25%
Shanghai Construction Group Wenzhou Qidu Bridge Construction Co., Ltd. ("SCG Qidu Bridge Company")	25%
Shanghai Construction Group Wenzhou Oujiangkou Construction Co., Ltd. ("SCG Wenzhou Oujiangkou Company")	25%
Shanghai Construction Group Investment Co., Ltd. ("SCG Investment Company")	25%
SCG Electronic Commerce Co., Ltd. ("SCG Electronic Commerce Company")	25%
Sihui Huijian Road Reconstruction and Development Co., Ltd. ("Sihui Huijian Company")	25%
Zhaoqing Huijian Railway Station Complex Construction and Development Co., Ltd. ("Huijian Railway Station Company")	25%
Shanghai Construction Group Meishan Construction Engineering Co., Ltd. ("SCG Meishan Company")	25%
Changzhou Jintan District Maoshan Tourism Avenue Construction Co., Ltd. ("Maoshan Tourism Avenue Company")	25%
Shanghai Construction Group Wenzhou Oujiangkou Traffic Engineering Construction Co., Ltd. ("Oujiangkou Traffic Company")	25%
Zhuhai Jinwan District Jianjin Ecological City Construction Co., Ltd. ("Zhuhai Jinwan Company")	25%
Huzhou Zhili Cultural and Sports Center Construction and Development Co., Ltd. ("Huzhou Zhili Company")	25%
Shanghai Heyu Intellectual Property Agency Co., Ltd. ("Heyu Company")	20%
Jining Fenghuangtai Construction Co., Ltd. ("Jining Fenghuangtai Company")	25%
SCG Equipment Engineering Co., Ltd. ("SCG Equipment Company")	20%
SCG (Zhejiang) Water Conservancy & Hydropower Construction Co., Ltd. ("Zhejiang Hydropower Company")	25%
Nanjing Qiaoyuan Construction Management Co., Ltd. ("Nanjing Qiaoyuan Company")	25%
SCG Yiyun Technology Co., Ltd. ("Xingshun Information Company")	25%

The Group's secondary overseas subsidiaries, including SCG Overseas (Holdings) Co., Ltd., SCG (Caribbean) Co., Ltd., SCG (Canada) Co., Ltd., SCG (America) Co., Ltd. and SCG (Cambodia) Co., Ltd. are subject to local revenue tax rates.

## 2. Tax preference

☒ Applicable ☐ Not Applicable

The No.1 Group obtained the "High-tech Enterprise Certificate" (certificate number: GR201931004532) jointly issued by the Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2019. The period of validity of the certificate is three years. According to

the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% from January 1, 2019.

The No. 2 Group obtained the "High-tech Enterprise Certificate" (certificate number: GR201831003571) jointly issued by Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2018. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% from January 1, 2018.

The No. 4 Group obtained the "High-tech Enterprise Certificate" (certificate number: GR201831003553) jointly issued by Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2018. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% from January 1, 2018.

The No.5 Group obtained the "High-tech Enterprise Certificate" (certificate number: GR201931001866) jointly issued by the Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2019. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% from January 1, 2019.

The No. 7 Group obtained the "High-tech Enterprise Certificate" (certificate number: GR201831001140) jointly issued by Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2018. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% within three years from January 1, 2018.

The Decoration Group obtained the "High-tech Enterprise Certificate" (certificate number: GR201831001184) jointly issued by Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2018. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% within three years from January 1, 2018.

The SCG Institute obtained the *High-tech Enterprise Certificate* (certificate number: GR201731000724) issued by the Shanghai High-tech Enterprise Accreditation Office in 2017. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% from January 01, 2017.

The Material Company obtained the "High-tech Enterprise Certificate" (certificate number: GR201931001493) jointly issued by the Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2019. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% within three years from January 1, 2019.

The National Office of the Leading Group for the Accreditation and Management of High-tech Enterprises issued document (GKHZ (2020) No. 45) to confirm that the Installation Group is filed as the High-tech Enterprise, with the certificate number being GR201931004718, and the issuing date on December 6, 2019. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax shall be paid at the rate of 15% within three years from December 6, 2019.

The Mechanized Construction Group obtained the "High-tech Enterprise Certificate" (certificate number: GR201831000585) jointly issued by Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2018. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% within three years from January 1, 2018.

The Foundation Group obtained the "High-tech Enterprise Certificate" (certificate number: GR201831002082) jointly issued by Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2018. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% within three years from January 1, 2018.

The Municipal Design Institute obtained the "High-tech Enterprise Certificate" (certificate number: GR201731001725) jointly issued by Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2017. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% within three years from January 01, 2017.

The SINKO Air Conditioning Company obtained the "High-tech Enterprise Certificate" (certificate number: GR201731003234) jointly issued by Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2017. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% within three years from January 01, 2017.

The Garden Group obtained the "High-tech Enterprise Certificate" (certificate number: GR201731000172) jointly issued by Science and Technology Commission Shanghai Municipality, Shanghai Municipal Finance Bureau, Shanghai State Administration of Taxation and Shanghai Local Administration of Taxation in 2017. The period of validity of the certificate is three years. According to the relevant provisions of Article XXVIII of the *Law of the People's Republic of China on Enterprise Income Tax*, the enterprise income tax is paid at the rate of 15% within three years from January 01, 2017.

According to the Announcement No. 2 from the State Administration of Taxation in 2019, the indicators such as total assets, number of employees and annual taxable income of Heyu Company in 2019 are in line with the requirements for small enterprise with low profits. For the enterprise with an annual taxable income of not more than RMB 1 million, the amount of taxable income shall be reduced by 25%, and the enterprise income tax shall be paid at a tax rate of 20%. For the enterprise with an annual taxable income of more than RMB 1 million but less than RMB 3 million, the amount of taxable income shall be reduced by 50%, and the enterprise income tax shall be paid at a tax rate of 20%.

According to the Announcement No. 2 from the State Administration of Taxation in 2019, the indicators such as total assets, number of employees and annual taxable income of SCG Equipment Company in 2019 are in line with the requirements for small enterprise with low profits. For the enterprise with an annual taxable income of not more than RMB 1 million, the amount of taxable income shall be reduced by 25%, and the enterprise income tax shall be paid at a tax rate of 20%. For the enterprise with an annual taxable income of more than RMB 1 million but less than RMB 3 million, the amount of taxable income shall be reduced by 50%, and the enterprise income tax shall be paid at a tax rate of 20%.

### 3. Others

☐ Applicable ☒ Not Applicable

## VII. Notes to Consolidated Financial Statements

### 1. Cash at bank and on hand

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Cash on hand	7,902,893.92	11,675,927.90
Cash at bank	65,169,001,607.58	53,927,350,150.41
Other cash at bank and on hand	916,884,307.30	650,574,786.53
Total	66,093,788,808.80	54,589,600,864.84
Including: total amount deposited abroad	1,191,199,601.94	1,430,547,336.00



## Other notes

Among which, the cash at bank and on hand with limited usage due to mortgage, pledge, or freezing, being deposited overseas, or subject to limitation in repatriation are detailed as follows:

Item	Ending balance	Closing balance of the previous year
L/C guarantee deposits	20,684,936.98	17,724,329.04
Pledge of borrowings	3,778,425.86	3,767,111.10
Bank guarantee and security deposit for notes	621,491,867.62	464,945,102.45
Performance security	99,002,737.39	117,436,956.07
Freezing of asset for preservation (note)	137,403,720.69	33,282,940.89
Security deposit for business qualification		9,968,969.33
Monetary capital for real estate projects	67,777,001.12	67,914,900.43
Supervision account of owner		23,392,700.40
Others	446,135.11	261,096.35
<b>Total</b>	<b>950,584,824.77</b>	<b>738,694,106.06</b>

Note: The freeze for asset protection refers to the freeze of bank deposits of the Group due to litigation matters. Details are as follows:

Name of Secondary Company	Ending balance
The Company	14,454,402.11
No. 1 Group	2,000,000.00
No. 2 Group	3,838,253.00
No. 4 Group	20,770,272.82
No. 5 Group	38,404,732.91
No. 7 Group	9,526,942.60
Installation Group	6,009,117.25
Mechanized Construction Group	30,400,000.00
Garden Group	12,000,000.00
<b>Total</b>	<b>137,403,720.69</b>

## 2. Financial assets held for trading

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Financial assets at fair value through current profit and loss	3,152,499,005.64	2,271,282,383.86
Where:		
Equity instrument investment	2,950,916,813.86	2,271,282,383.86
Derivative financial assets	201,582,191.78	
Financial assets at fair value through current profit and loss designated		
Where:		
<b>Total</b>	<b>3,152,499,005.64</b>	<b>2,271,282,383.86</b>

Other notes:

√Applicable □ Not Applicable

Equity instrument investment

Name of investee	Nature of equity	Number of shares at the end of the period	Ending fair value
SPD Bank	Tradable shares of listed companies	8,913,521	110,260,254.77
Bank of Communications	Tradable shares of listed companies	6,082,626	34,245,184.38
Chengtou Holding	Tradable shares of listed companies	1,351,974	7,733,291.28
Shanghai Oriental Pearl (Group) Co., Ltd.	Tradable shares of listed companies	29,788	278,815.68

Name of investee	Nature of equity	Number of shares at the end of the period	Ending fair value
Orient Securities Co., Ltd.	Tradable shares of listed companies	133,523,008	1,436,707,566.08
PowerChina (Note 1)	Tradable shares of listed companies	51,480,051	223,338,414.74
Zhangjiajie (Note 2)	Tradable shares of listed companies	11,930,164	62,362,795.07
SDIC Capital (Note 3)	Tradable shares of listed companies	39,973,351	605,517,252.33
New Harmony Union (Note 4)	Tradable shares of listed companies	7,172,400	166,408,137.97
Taiji Group (Note 5)	Tradable shares of listed companies	6,510,416	74,101,893.24
Kangni Mechanical and Electrical (Note 6)	Tradable shares of listed companies	7,249,126	38,365,152.30
GEM (Note 7)	Tradable shares of listed companies	9,157,509	44,547,871.97
Pujiang International (Note 8)	Tradable shares of listed companies	11,362,000	43,239,505.25
Jinmao Hotel	Tradable shares of listed companies	28,971,500	103,810,678.80
Total			2,950,916,813.86

Note 1: it is obtained through the investment in the asset management plan for specific customers of Nuode Asset Qianjin No. 139.

Note 2: it is obtained through the investment in the asset management plan for specific customers of Nuode Asset Qianjin No. 152.

Note 3: it is obtained through the investment in the asset management plan for specific customers of Nuode Asset Qianjin No. 169.

Note 4: It is obtained through the investment in the asset management plan of Caitong Fund-Shangong No.1.

Note 5: It is obtained through the investment in the asset management plan of Caitong Fund-Shangong No.2.

Note 6: it is obtained through the investment in the asset management plan for specific customers of Nuode Asset Qianjin No. 180.

Note 7: It is obtained through the investment in the asset management plan of Caitong Fund-Shangong No.3.

Note 8: It is obtained through the QDII single fund trust of Shanghai Civil Engineering Co., Ltd. of CREC.

### 3. Derivative financial assets

☐ Applicable ☒ Not Applicable

### 4. Notes receivable

#### (1). Presentation of notes receivable by types

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Bank acceptance bills	5,244,180.00	380,015,754.92
Commercial acceptance bills	987,401,110.83	
Total	992,645,290.83	380,015,754.92

#### (2). Notes receivable pledged by the Company at the end of the current period

☐ Applicable ☒ Not Applicable

#### (3). Notes receivable which have been endorsed or discounted by the Company at the end of the period but not yet due on the balance sheet date

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending derecognized amount	Ending non-derecognized amount
Bank acceptance bills		
Commercial acceptance bills		294,499.20
Total		294,499.20

#### (4). Notes transferred to accounts receivable due to failure of performance by the issuers

☐ Applicable ☒ Not Applicable

#### (5). Disclosure by bad debt accrual method

☐ Applicable ☒ Not Applicable

Bad debt provision made individually: ☐ Applicable ☒ Not Applicable

Bad debt provision made as per portfolio:

☐ Applicable ☒ Not Applicable

If bad debt provision is accrued according to the general model of expected credit loss, please refer to disclosure of other receivables: ☐ Applicable ☒ Not Applicable

#### (6). Provision for bad debts

☐ Applicable ☒ Not Applicable

#### (7). Notes receivable actually written-off in current period

☐ Applicable ☒ Not Applicable

Other notes

☐ Applicable ☒ Not Applicable

### 5. Accounts receivable

#### (1). Disclosure by aging

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: within 1 year (itemize)	
Subtotal within 1 year	32,204,675,249.55
1-2 years	3,948,775,000.47
2-3 years	1,382,218,622.48
Over 3 years	
3-4 years	661,030,275.30
4-5 years	365,317,959.21
Over 5 years	603,131,485.41
Provision for bad debts	-2,782,440,117.63
Total	36,382,708,474.79

#### (2). Disclosure by bad debt accrual method

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book Value	Book balance		Provision for bad debts		Book Value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Bad debt provision made individually	1,012,936,559.89	2.59	426,488,224.81	42.10	586,448,335.08	949,271,134.13	3.48	345,925,867.44	36.44	603,345,266.69
Where:										
Bad debt provision made as per portfolio	38,152,212,032.53	97.41	2,355,951,892.82	6.18	35,796,260,139.71	26,338,452,156.71	96.52	1,678,737,259.01	5.76	24,659,714,897.70
Where:										
Total	39,165,148,592.42	/	2,782,440,117.63	/	36,382,708,474.79	27,287,723,290.84	/	2,024,663,126.45	/	25,263,060,164.39

Bad debt provision made individually: ☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Name	Ending balance			
	Book balance	Provision for bad debts	Proportion of provision (%)	Reasons for provision
Dujiangyan Shixing Investment Co., Ltd.	322,404,148.40	6,448,082.97	2.00	Overdue credit impairment

Shanghai Chengkai Group Longcheng Property Co., Ltd.	134,138,113.00	20,120,716.95	15.00	Refer to Note XIII/(III)/(4) for details.
Other insignificant items	556,394,298.49	399,919,424.89	71.88	Occurrence of credit impairment
Total	1,012,936,559.89	426,488,224.81	42.10	/

Description of bad debt provision made individually: ☐ Applicable ☒ Not Applicable

Bad debt provision made as per portfolio:

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Name	Ending balance		
	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Architecture, contract, design, construction	25,729,960,452.87	1,728,647,526.90	6.72
BT and PPP projects	1,248,544,262.28	12,485,442.59	1.00
Financial leasing	154,343,896.24	1,543,438.96	1.00
Others	11,019,363,421.14	613,275,484.37	5.57
Total	38,152,212,032.53	2,355,951,892.82	

Confirmation standards and notes for bad debt provision by portfolio: ☐ Applicable ☒ Not Applicable

If bad debt provision is accrued according to the general model of expected credit loss, please refer to disclosure of other receivables: ☐ Applicable ☒ Not Applicable

### (3). Provision for bad debts

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Category	Beginning balance	Change of current period				Ending balance
		Provision	Accounts recovered or transferred back	Amounts charged or written off	Other changes	
Bad debt provision of accounts receivable	2,024,663,126.45	764,959,362.29		8,092,291.47	909,920.36	2,782,440,117.63
Total	2,024,663,126.45	764,959,362.29		8,092,291.47	909,920.36	2,782,440,117.63

Important accounts receivable recovered or reversed among above accounts receivable:

☐ Applicable ☒ Not Applicable

### (4). Accounts receivable actually written-off in current period

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Amount written-off
Accounts receivable actually written-off	8,092,291.47

Important accounts receivable written off among above receivables:

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Company name	Nature of accounts receivable	Amount written-off	Reasons for written-off	Written-off procedures performed	Is the payment caused by related party transaction?
Zhongshi Weiyang New Energy Technology Development (Shanghai) Co., Ltd.	Project funds	315,109.00	Without executable assets	Approval by the board of directors of the Company	No
Shanghai Shangjing Industry Co., Ltd.	Payment for goods	5,107,719.27	Suspension of business license by industrial and commercial bureau	Approval by the board of directors of the Company	No
Shanghai Kehai Automobile Sales Co., Ltd.	Payment for goods	95,800.00	Suspension of business license by industrial and commercial bureau	Approval by the board of directors of the Company	No
Shanghai Jing'an District Authority Guest House	Project funds	2,573,663.20	Without executable assets	Approval by the board of directors of the Company	No
Total	/	8,092,291.47	/	/	/

Description of accounts receivable written off ☐ Applicable ☒ Not Applicable

**(5). Accounts receivable from top five borrowers classified based on the ending balance**

☒ Applicable ☐ Not Applicable

Company name	Ending balance		
	Accounts receivable	Proportion in total accounts receivable (%)	Provision for bad debts
Wenzhou Oujiangkou Industrial Agglomerations Land Reserve Center	449,228,723.05	1.15	4,492,287.23
Meishan Transport Bureau	431,752,759.63	1.10	4,317,527.59
Dujiangyan Xingshi Group Companies Co., Ltd.	322,404,148.40	0.82	6,448,082.97
China Construction Eighth Engineering Bureau Co., Ltd.	273,337,276.11	0.70	14,736,186.21
Greenland (Wujiang) Real Estate Co., Ltd.	251,473,122.21	0.64	12,573,656.11
Total	1,728,196,029.40	4.41	42,567,740.11

**(6). Accounts receivable which are finally confirmed due to financial capital transfer**

☐ Applicable ☒ Not Applicable

**(7). Assets and liabilities formed by accounts receivable transfer and continuous involvement**

☐ Applicable ☒ Not Applicable

Other notes:

☐ Applicable ☒ Not Applicable

**6. Receivables financing**

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Notes receivable	5,116,834,432.35	4,176,855,658.77
Total	5,116,834,432.35	4,176,855,658.77

Increase and decrease of accounts receivable financing in current period and fair value changes: ☐ Applicable ☒ Not Applicable

If bad debt provision is accrued according to the general model of expected credit loss, please refer to disclosure of other receivables: ☐ Applicable ☒ Not Applicable

Other notes: ☒ Applicable ☐ Not Applicable

## 1. Presentation of notes receivable by types

Item	Ending balance
Bank acceptance bill	837,058,217.21
Trade acceptance bill	4,509,096,518.07
Total	5,346,154,735.28

## 2. Notes receivable pledged by the Company at the end of the current period

## 3. Notes receivable which have been endorsed or discounted by the Company at the end of the period but not yet due on the balance sheet date

Item	Ending derecognized amount	Ending non-derecognized amount
Bank acceptance bill	992,983,931.43	
Trade acceptance bill		1,418,648,022.41
Total	992,983,931.43	1,418,648,022.41

## 4. Notes transferred to accounts receivable due to failure of performance by the issuers

Item	Amount converted to accounts receivable at the ending period
Trade acceptance bill	11,938,018.30

## 7. Advances to suppliers

## (1). Presentation of advances to suppliers by aging

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	2,227,316,979.38	85.34	2,457,122,942.29	89.12
1-2 years	256,191,073.46	9.82	192,659,132.17	6.99
2-3 years	42,930,379.78	1.64	43,795,417.08	1.59
Over 3 years	83,547,526.08	3.20	63,485,767.42	2.30
Total	2,609,985,958.70	100.00	2,757,063,258.96	100.00

About the reason for no settlement of significant advances to suppliers with the aging over 1 year:  
There are 9 prepayments with an aging of more than one year, an amount of more than RMB 10 million and a total amount of RMB 214,074,239.17. They are mainly the advance for projects and goods procurement that are not due for settlement.

## (2). Advances to suppliers with top five ending balances collected as per the suppliers

☒ Applicable ☐ Not Applicable

Prepaid party	Ending balance	Proportion in total ending balance of advances to suppliers
TRANSAMINE TRADING S.A.	154,793,060.55	5.93
IXM (Shanghai) Corporate Management Company Limited	132,021,884.32	5.06
Kelafu PV Technology (Shanghai) Co., Ltd.	111,233,905.50	4.26
Jiangsu Sierbang Petrochemical Co., Ltd.	71,077,500.00	2.72
Construction Materials Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	58,099,654.00	2.23
Total	527,226,004.37	20.20

Other notes

☐ Applicable ☒ Not Applicable

**8. Other receivables****Item presentation**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Interests receivable	87,185,010.47	98,299,019.32
Dividends receivable	10,286,720.03	4,542,089.33
Other receivables	5,004,899,461.16	6,460,873,346.51
Total	5,102,371,191.66	6,563,714,455.16

Other notes: □ Applicable √Not Applicable

**Interests receivable****(1). Classification of interest receivable**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Fixed time deposit	72,012,256.78	79,142,601.43
Entrusted loans		1,894,444.45
Bond investments		
Financial lease interest receivable	14,073,099.22	16,672,628.71
Factoring fee receivable	1,099,654.47	589,344.73
Total	87,185,010.47	98,299,019.32

**(2). Important overdue interest**

□ Applicable √Not Applicable

**(3). Provision for bad debt**

□ Applicable √Not Applicable

Other notes: □ Applicable √Not Applicable

**Dividends receivable****(4). Dividends receivable**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item (or the investee)	Ending balance	Beginning balance
Shanghai Qinqing Flower Market Operation and Management Co., Ltd.		520,000.00
Shanghai Real Estate and Garden Development Co., Ltd.	1,616,035.10	4,022,089.33
Shanghai Hongke Investment Management Partnership (Limited Partnership)	8,670,684.93	
Total	10,286,720.03	4,542,089.33

**(5). Significant dividends receivable with aging of more than 1 year**

□ Applicable √Not Applicable

**(6). Provision for bad debt**

□ Applicable √Not Applicable

Other notes: □ Applicable √Not Applicable

**Other receivables****(7). Disclosure by aging**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: within 1 year (itemize)	
Subtotal within 1 year	3,017,156,272.53
1-2 years	1,408,373,870.30
2-3 years	464,535,302.81
Over 3 years	
3-4 years	262,253,372.06
4-5 years	68,529,250.84
Over 5 years	97,676,758.73
Provision for bad debts	-313,625,366.11
Total	5,004,899,461.16

**(8). Classification of items as per natures**

√ Applicable □ Not Applicable

Unit: RMB Currency:

RMB

Payment nature	Ending book balance	Beginning book balance
Bad debt provision made individually	73,900,864.63	334,589,292.38
Bad debt provision made as per portfolio	5,244,623,962.64	6,402,030,752.51
Total	5,318,524,827.27	6,736,620,044.89

**Bad debt provision made individually:**

Name	Ending balance			
	Book balance	Provision for bad debts	Proportion of provision (%)	Reasons for provision
Suzhou Xindu Real Estate Co., Ltd.	16,208,958.25	16,208,958.25	100.00	Occurrence of credit impairment
Shanghai Industrial Investment Water Treatment Company	7,000,000.00	7,000,000.00	100.00	Occurrence of credit impairment
CSCEC Shanghai Import & Export Co., Ltd.	6,468,664.89	6,468,664.89	100.00	Occurrence of credit impairment
Other insignificant items	44,223,241.49	44,183,427.32	99.91	Occurrence of credit impairment
Total	73,900,864.63	73,861,050.46		

**Bad debt provision made as per portfolio:**

Name	Ending balance		
	Other receivables	Provision for bad debts	Proportion of provision (%)
Aging portfolio	4,199,053,118.82	231,768,606.57	5.52
Portfolio of cash pledge and guarantee deposit	1,045,570,843.82	7,995,709.08	0.76
Total	5,244,545,962.64	239,764,315.65	

**(9). Provision for bad debt**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the future 12 months	Expected credit loss within whole duration (no credit impairment occur)	Expected credit loss within whole duration (credit impairment has occurred)	



Balance on January 1, 2019	232,289,220.91	6,733,168.82	36,724,308.65	275,746,698.38
The balance on January 1, 2019 is in the current period				
--Be transferred to Stage 2	-20,687,886.40	20,687,886.40		
--Be transferred to Stage 3				
--Be transferred back to Stage 2				
--Be transferred back to Stage 1				
Provision in current period	28,162,981.14	7,912,500.00	1,818,767.39	37,894,248.53
Reversals in the current period				
Write-off in current period				
Canceled after verification in the current period			15,580.80	15,580.80
Other changes				
Balance on December 31, 2019	239,764,315.65	35,333,555.22	38,527,495.24	313,625,366.11

Description of significant changes in the book balance of other receivables changed due to loss reserve in the current period: ☐ Applicable ☒ Not Applicable

The amount of provision for bad debts in the current period and the basis for assessing if the credit risk of financial instruments increases significantly: ☐ Applicable ☒ Not Applicable

#### (10). Provision for bad debts

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Category	Beginning balance	Change of current period				Ending balance
		Provision	Accounts recovered or transferred back	Amounts charged or written off	Other changes	
Bad debt provision of other receivables	275,746,698.38	37,894,248.53		15,580.80		313,625,366.11
Total	275,746,698.38	37,894,248.53		15,580.80		313,625,366.11

Significant accounts receivable recovered or reversed among above accounts receivable: ☐ Applicable ☒ Not Applicable

#### (11). Other receivables actually written-off in the current period

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Amount written-off
Other receivables actually written off	15,580.80

Other significant receivables written off among above receivables: ☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Company name	Nature of other accounts receivable	Amount written-off	Reasons for written-off	Written-off procedures performed	Is the payment caused by related party transaction?
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Zhongshi Weiyong New Energy Technology Development (Shanghai) Co., Ltd.	Arbitration fees	15,580.80	Without executable assets	Approval by the board of directors of the Company	No
Total	/	15,580.80	/	/	/

Description of other receivables written off: ☐ Applicable ☒ Not Applicable

**(12). Other receivables from top five borrowers classified based on the ending balance**

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB					
Company name	Nature of payment	Ending balance	Aging	Proportion in total ending balance of other accounts receivable (%)	Provision for bad debts Ending balance
Bureau of Planning and Natural Resources	Deposit of tenders and bids	505,340,000.00	Within 1 year	9.50	
Shenzhen Lianxin Investment Management Co., Ltd.	Transaction payments	433,421,052.63	1-4 years	8.15	21,671,052.63
Shanghai Poly Jianjin Real Estate Co., Ltd	Transaction payments	264,910,000.00	0-3 years	4.98	13,245,500.00
Nanjing Bozhixin Investment Management Co., Ltd.	Transaction payments	200,400,000.00	0-4 years	3.77	10,020,000.00
Greenland Real Estate Group Co., Ltd.	Transaction payments	161,925,000.00	1-3 years	3.04	8,096,250.00
Total	/	1,565,996,052.63	/	29.44	53,032,802.63

**(13). Accounts receivable involving government subsidies**

☐ Applicable ☒ Not Applicable

**(14). Other receivables derecognized due to transfer of financial assets**

☐ Applicable ☒ Not Applicable

**(15). Assets and liabilities formed by other receivables transfer and continuous involvement**

☐ Applicable ☒ Not Applicable

Other notes: ☒ Applicable ☐ Not Applicable

Classification of items as per natures

Payment nature	Ending book balance	Book value at the end of last year
Transaction payments of related parties	280,350,962.78	210,208,369.05
Transaction payments of third party	1,369,119,496.53	3,355,946,491.72
Money on call	14,700,319.43	186,365,497.76
Guarantee deposit, security deposit	2,830,980,038.63	1,798,381,018.64
Advance money for another	225,387,253.63	266,080,051.91
Petty cash	41,092,821.04	32,186,916.53
Temporary Payment	14,108,454.56	57,576,294.46
To be settled	255,587,711.02	258,685,736.10
Others	287,197,769.65	571,189,668.72
Total	5,318,524,827.27	6,736,620,044.89

**9. Inventories**

**(1). Classification of inventories**

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB		
Item	Ending balance	Beginning balance

	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Raw materials						
Work in process	992,898,513.54		992,898,513.54	700,920,686.88		700,920,686.88
Inventory goods						
Turnover materials	664,504,721.37		664,504,721.37	499,240,161.95		499,240,161.95
Consumptive biological assets						
Completed but unsettled assets formed by construction contract	44,584,658,091.77		44,584,658,091.77	34,627,085,483.63		34,627,085,483.63
Finished goods	2,484,298,026.84	16,497,818.57	2,467,800,208.27	2,605,288,601.67	16,497,818.57	2,588,790,783.10
Development cost	33,767,528,177.05		33,767,528,177.05	26,018,324,923.76		26,018,324,923.76
Products development	3,735,958,233.52	1,861,671.08	3,734,096,562.44	9,354,545,841.59	1,861,671.08	9,352,684,170.51
Main material	1,398,289,768.73	179,865.26	1,398,109,903.47	1,279,888,966.14	809,375.41	1,279,079,590.73
Structural member	274,017,558.41		274,017,558.41	304,737,868.55		304,737,868.55
Machine parts	14,293,829.74		14,293,829.74	16,132,514.17		16,132,514.17
Spare parts	9,879,894.06		9,879,894.06	2,663,073.67		2,663,073.67
Stock seedlings and flowers	135,114,002.83		135,114,002.83	141,269,996.27		141,269,996.27
Total	88,061,440,817.86	18,539,354.91	88,042,901,462.95	75,550,098,118.28	19,168,865.06	75,530,929,253.22

Including real estate business

Item	Ending balance			Closing balance of the previous year		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Development cost	33,767,528,177.05		33,767,528,177.05	26,018,324,923.76		26,018,324,923.76
Products development	3,735,958,233.52	1,861,671.08	3,734,096,562.44	9,354,545,841.59	1,861,671.08	9,352,684,170.51
Total	37,503,486,410.57	1,861,671.08	37,501,624,739.49	35,372,870,765.35	1,861,671.08	35,371,009,094.27

## (1) Development costs

Item name	Commencement Time	Expected Completion Date	Planned total investment	Ending balance	Closing balance of the previous year
Nanjing Plot G68	June 2017	August 2019	RMB 11,470,710,000	7,989,434,690.15	7,526,145,395.23
Suzhou Plot 2016-WG-26	August 2017	December 2021	RMB 9,278,820,000	6,713,336,180.45	6,209,012,758.33
Xuanqiao Project Plot 05-02	August 2018	August 2020	RMB 6,350,000,000	4,490,542,080.32	3,875,571,807.90

Item name	Commencement Time	Expected Completion Date	Planned total investment	Ending balance	Closing balance of the previous year
Nanjing Plot G45	July 2018	July 2020	RMB 4,200,000,000	2,912,982,347.97	2,676,767,711.72
Plot No. 04-05 and 04-06 Commerical Housing Project, Fengjing town, Jinshan District	April 2018	April 2021	RMB 2,464,310,000	1,673,616,851.11	1,267,079,959.66
BROADWAY ELITE	May 2015	December 2020	1,818,210,000	1,634,727,128.10	917,574,279.31
Plot 25-01, east side of Xinfeng Road, Huaxin Town, Qingpu District	TBD	TBD	TBD	1,487,639,961.02	
Tianjin Haiyuemingdi	December 2019	June 2023	2,468,000,000	1,227,743,381.62	
Pujiang Kunting	October 2010	TBD	5,643,190,000	984,007,839.27	1,287,900,510.20
Nanchang DAK2017002 Plot Project	March 2018	September 2020	RMB 1,400,000,000	917,270,137.08	805,515,265.74
Nanchang Wanli Haiyuemingdi	January 2017	January 2020	RMB 1,380,000,000	889,747,059.06	616,984,664.97
Plot 14-11A-02A Indemnificatory Housing	July 2018	October 2020	RMB 1,005,290,000	587,581,844.31	265,800,042.01
Xuzhou Tunlinan	June 2016	May 2019	RMB 1,100,000,000	507,071,238.63	382,788,349.35
Plot 12-23A-04A Indemnificatory Housing Project	July 2018	October 2020	RMB 623,290,000	377,226,143.48	178,246,212.87
Villages in the city of Huinan Station	June 2016	December 2020	RMB 5,000,000,000	1,362,739,061.57	2,132,234.94
Plot 1#7# of Xinchang City, Shanghai Beach	September 2015	TBD	RMB 6,800,000,000	7,405,731.53	6,805,731.53
Kangqiao plot	TBD	TBD	TBD	4,456,501.38	
Total				33,767,528,177.05	26,018,324,923.76

The capitalization amount of borrowing costs contained in the ending balance of development costs is RMB 1,809,531,381.64.

(2) Development of products

Item name	Completion Time	Closing balance of the previous year	Amount increased in the current period	Amount decreased in the current period	Ending balance
SCG MIMA ONE LLC	July 2018	1,329,980,810.52	20,206,546.53	244,160,551.78	1,106,026,805.27
Suzhou Commercial Plot B-42	March 2017	568,520,646.58		15,592,624.05	552,928,022.53
Songjiang Sheshan North Relocation Project	January 2018	478,705,212.68	51,979,856.28		530,685,068.96
Zhujiatao Plot A3	December 2015	535,634,663.66		147,454,490.30	388,180,173.36
04-02 Indemnificatory Housing Project of Xuanqiao Project	December 2016	371,228,851.21	10,293,817.41		381,522,668.62
Zhujiatao Plot B1B2	November 2017	111,769,686.55	162,173,069.23	78,278,660.74	195,664,095.04
Zhaoxiang (Jinlu, western suburb)	August 2018	3,214,415,544.97		3,048,525,070.48	165,890,474.49
Nanjing Aohe Plot B-3 (Haiyemingdu)	October 2018	2,293,249,991.15		2,132,356,395.08	160,893,596.07
Xuzhou Hanyuan International Licheng	December 2013	66,907,998.59	414,149.55	15,409,310.88	51,912,837.26
Pujiang Yicheng (128-2) Shangyuan	October 2013	64,194,399.03	2,597,871.59	23,649,932.04	43,142,338.58
Nanjing Plot G52 Xihuafu	October 2018	76,991,197.41		47,336,734.00	29,654,463.41
Haiyun Mingting	December 2015	23,102,097.54		1,281,073.30	21,821,024.24
Haishang Juyuan	December 2005	22,573,853.41		930,431.35	21,643,422.06
Pujiang Yicheng (128-3) Jingyu	May 2014	17,652,257.50	1,385,410.93	1,870,118.68	17,167,549.75
Haishang Yiyuan	January 2007	17,535,673.40		3,355,521.12	14,180,152.28
Huihao Square (No.51,	June 2015	38,699,733.42	325,145.33	26,781,824.84	12,243,053.91

Item name	Completion Time	Closing balance of the previous year	Amount increased in the current period	Amount decreased in the current period	Ending balance
Wuzhong Road)					
Datang International Apartment - Datang phase III	November 2007	12,052,082.32	87,969.58	2,468,564.56	9,671,487.34
Xuzhou Hanyuan International Huacheng	December 2011	27,386,748.49	338,556.87	19,141,319.41	8,583,985.95
Haishang Leyuan	August 2010	6,089,592.74			6,089,592.74
Xinhang base plot	October 2014	4,719,885.36		370,767.87	4,349,117.49
Nanjing Plot G52 Yonghefu Project	July 2017	12,280,906.92		8,988,677.81	3,292,229.11
Haishang Jiayuan	December 2010	2,175,143.79			2,175,143.79
Plot 1#7# of Xinchang City, Shanghai Beach	August 2006	2,355,106.54		256,580.53	2,098,526.01
HuiFu Home	July 2013	50,702,362.77	1,023,173.77	51,002,215.41	723,321.13
Jialong Garden	April 2007	159,280.19			159,280.19
Longzhaoyuan Parking (Property Right)	January 2003	63,280.17			63,280.17
Pujiang Kunting	December 2017		716,472,000.00	716,472,000.00	
Other minor property resource		5,398,834.68		202,310.91	5,196,523.77
Total		9,354,545,841.59	967,297,567.07	6,585,885,175.14	3,735,958,233.52

**(2). Inventory falling price reserves**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Amount increased in the current period		Amount decreased in the current period		Ending balance
		Provision	Others	Reverse or resales	Others	
Raw materials						
Work in process						
Inventory goods						
Turnover materials						
Consumptive biological assets						

Completed but unsettled assets formed by construction contract						
Finished goods	16,497,818.57					16,497,818.57
Products development	1,861,671.08					1,861,671.08
Main material	809,375.41	49,089.85		678,600.00		179,865.26
Total	19,168,865.06	49,089.85		678,600.00		18,539,354.91

**(3). About ending balance of inventories containing capitalization amount of borrowing costs**
☐ Applicable ☒ Not Applicable
**(4). Completed but unsettled assets formed by construction contract at the end of the period**
☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Balance
Accumulated incurred cost	358,035,404,328.48
Recognized gross profit	3,826,625,594.44
Less: Anticipated loss	
Settled amount	317,277,371,831.15
Completed but unsettled assets formed by construction contract	44,584,658,091.77

Other notes

☐ Applicable ☒ Not Applicable
**10. Held-for-sale assets**
☐ Applicable ☒ Not Applicable
**11. Current portion of non-current assets**
☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Current portion of debt investment		
Current portion of other creditors investment		
Current portion of long-term receivables	1,069,584,919.54	776,057,843.97
Total	1,069,584,919.54	776,057,843.97

Significant debt investment and other debt investment at the end of the period: ☐ Applicable ☒ Not Applicable**12. Other current assets**
☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
VAT payable	681,199,563.41	522,321,374.63
Input VAT deduction	626,909,662.23	322,065,773.83
Input VAT to be verified	238,615,509.60	245,773,804.89
Prepaid tax	1,125,286,033.24	765,319,438.50
Entrusted borrowings		775,000,000.00
Bank financial products		285,900.00
Total	2,672,010,768.48	2,630,766,291.85

**13. Debt investment****(1). Debt investment**
☐ Applicable ☒ Not Applicable

**(2). Significant debt investment at the end of the period**

□ Applicable √Not Applicable

**(3). Provision for impairment**

□ Applicable √Not Applicable

The amount of provision for impairment in the current period and the basis for assessing if the credit risk of financial instruments increases significantly.

□ Applicable √Not Applicable

Other notes

□ Applicable √Not Applicable

**14. Investment in other debentures****(1). Other debt investment**

□ Applicable √Not Applicable

**(2). Other significant debt investment at the end of the period**

□ Applicable √Not Applicable

**(3). Provision for impairment**

□ Applicable √Not Applicable

The amount of provision for impairment in the current period and the basis for assessing if the credit risk of financial instruments increases significantly.

□ Applicable √Not Applicable

Other notes: □ Applicable √Not Applicable

**15. Long-term receivables****(1). Long-term receivables**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance			Beginning balance			Discount rate range
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value	
Receivables from finance leases	2,317,625,162.49	113,360,794.91	2,204,264,367.58	2,464,599,033.30	54,502,288.46	2,410,096,744.84	
Including: unrealized financing incomes	297,701,184.05		297,701,184.05	320,495,978.75		320,495,978.75	
Goods sales by installments							
Rendering of service on installments							
BT and PPP projects	19,730,242,213.42	54,999,707.62	19,675,242,505.80	16,392,872,931.90	63,847,229.55	16,329,025,702.35	
Zhouzhuang Town Zhoudong Sewage Treatment Plant (Note 1)	38,121,280.48		38,121,280.48	23,415,950.16		23,415,950.16	
Total	22,085,988,656.39	168,360,502.53	21,917,628,153.86	18,880,887,915.36	118,349,518.01	18,762,538,397.35	/

Note 1: On August 17, 2009, Yatong Environmental Protection Co. Ltd., a subsidiary of the foreign economic group under the Group, and Zhouzhuang Town People's Government in Jiangyin City, Jiangsu Province (hereinafter referred to as "Zhouzhuang Government") signed the "Franchise Agreement for Zhoudong Sewage Treatment Plant Project in



Zhouzhuang Town, Jiangyin City, Jiangsu Province" (hereinafter referred to as "the Agreement"). According to the Agreement, the Zhouzhuang Government has granted Yatong Environmental Protection Co., Ltd. the franchise right for sewage treatment of Zhoudong sewage treatment plant, which is valid for 30 years. Meanwhile, Zhouzhuang Government promised to compensate the price difference to Yatong Environmental Protection Co., Ltd. in the case that the operation service charged by Yatong Environmental Protection Co., Ltd. is lower than a certain limited amount. Therefore, Yatong Environmental Protection Co., Ltd. recognized the project price paid and other construction costs incurred in the construction process as financial assets and recorded as long-term receivables. On December 31, 2019, the long-term receivables recognized by Yatong Environmental Protection Co., Ltd. were RMB 39,197,300.03 (on December 31, 2018: RMB 23,921,574.34), including RMB 1,076,019.55 due within one year (on December 31, 2018: RMB 505,624.18). In 2019, the interest income recognized as per the actual interest rate was RMB 1,795,675.35 (the year of 2018: RMB 1,610,128.97), which was included in the current profits and losses.

Note 2: It is the financing lease receivable of Shanghai Zhongcheng Financial Leasing Co., Ltd., a subsidiary of an investment company under the Group. As of December 31, 2019, the financing lease receivable was RMB 2,697,231,670.46, the tax on the pending expenses was RMB 81,905,323.92, the unrealized financing income was RMB 297,701,184.05, and the provision for bad debts was RMB 113,360,794.91, the net amount of long-term receivables at the end of the period is RMB 2,204,264,367.58.

## (2). Provision for bad debt

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the future 12 months	Expected credit loss within whole duration (no credit impairment occur)	Expected credit loss within whole duration (credit impairment has occurred)	
Balance on January 1, 2019	20,185,520.81	20,938,184.65	13,378,583.00	54,502,288.46
The balance on January 1, 2019 is in the current period				
--Be transferred to Stage 2	-3,396,773.30	3,396,773.30		
--Be transferred to Stage 3	-274,850.54	-12,646,121.07	12,920,971.61	
--Be transferred back to Stage 2				
--Be transferred back to Stage 1				
Provision in current period	-2,434,474.101	18,508,732.70	42,784,247.85	58,858,506.45
Reversals in the current period				
Write-off in current period				
Canceled after verification in the current period				
Other changes				
Balance on December 31, 2019	14,079,422.86	30,197,569.58	69,083,802.47	113,360,794.91

Description of significant changes in the book balance of long-term receivables changed due to loss reserve in the current period: ☐ Applicable ☒ Not Applicable

The amount of provision for bad debts in the current period and the basis for assessing if the credit risk of financial instruments increases significantly.

☐ Applicable ☒ Not Applicable

## (3). Long-term receivables derecognized due to transfer of financial assets

☐ Applicable ☒ Not Applicable

## (4). Assets and liabilities formed by long-term receivables transfer and continuous involvement

☐ Applicable ☒ Not Applicable

## Other notes

√ Applicable □ Not Applicable

## Details of BT and PPP projects

Item	Ending balance			
	Long-term receivables	Including: Current portion of long-term receivables	Provision for bad debts	Including: Provision for bad debts of current portion of long-term receivables
Changzhou Wujin Overpass Project	1,200,760,172.75	38,977,782.73	1,200,760.17	38,977.78
Changzhou Wujin Zhongwu Avenue Project	29,156,393.32	29,156,393.32	29,156.39	29,156.39
Yanghu Road Project	3,173,112.89		3,173.11	
Jiulonghu Municipal Construction Project	128,562,995.27		12,856,299.52	
Taizhou Tianxu Highway Construction Project	261,050,402.17	202,359,546.87	261,050.40	202,359.55
Changzhou Wujin Jinwu Road Project	185,608,835.54	74,243,935.00	185,608.84	74,243.94
Nanchang Qianhu Project	1,184,062,709.52	316,939,397.00	21,866,741.14	5,800,599.56
Daxikou Project	138,678,078.92		138,678.08	
Nanchang Qingshanhu Government Housing	53,504,028.55		53,504.03	
Nanchang Qingshanhu Government Housing (Phase II)	5,384,496.07		5,384.50	
BT Project in West Hubin Road, Nanchang	50,492,033.41		50,492.03	
Nanchang Jiulong Lake Bottom Project	36,541,456.87		36,541.46	
Wenzhou Oujiangkou Project	3,948,741,703.73		3,948,741.71	
Chengdu Wuhou Project	293,270,556.20	114,305,849.22	293,270.56	114,305.85
Duijiangyan Project	2,709,128,315.00	300,000,000.00	10,966,200.00	1,214,361.08
Anji Project	1,296,061,756.11		1,296,061.75	
Fengqi Lake Project	249,496,365.94		249,496.37	
Qidu Bridge Project	920,442,718.00		920,442.72	
Sihui Huijian Avenue Project	289,286,490.43		289,286.49	
Zhaoqing Railway Station Project	965,508,047.95		965,508.05	
Meishan Project	3,407,596,839.31		3,407,596.84	
Maoshan Project	1,620,847,788.29		1,620,847.79	
Jining Fenghuangtai Project	346,502,708.95		346,502.70	
G228 Project	448,846,507.27		448,846.51	
Cuiping Project	675,463,157.45		675,463.16	
Rizhao Project	7,865,463.20		7,865.46	
Minchuan Project	24,683,085.49		24,683.09	
Zhuhai Jinwan Project	191,935,551.46		191,935.55	
Zhili Culture & Sports Center Project	133,573,347.50		133,573.35	
Subtotal	20,806,225,117.56	1,075,982,904.14	62,473,711.77	7,474,004.15
Less: current portion of long-term receivables	1,075,982,904.14		7,474,004.15	
Total	19,730,242,213.42		54,999,707.62	

## Accrual of BT and PPP projects

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the future 12 months	Expected credit loss within whole duration (no credit impairment occur)	Expected credit loss within whole duration (credit impairment has occurred)	
Opening balance	32,810,630.51	31,812,927.59		64,623,558.10

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the future 12 months	Expected credit loss within whole duration (no credit impairment occur)	Expected credit loss within whole duration (credit impairment has occurred)	
Beginning balance in the current period				
--Be transferred to Stage 2	-2,600,488.35	2,600,488.35		
--Be transferred to Stage 3				
--Be transferred back to Stage 2				
--Be transferred back to Stage 1				
Provision in current period	-1,744,620.45	-1,069,928.03		-2,814,548.48
Reversals in the current period				
Write-off in current period				
Canceled after verification in the current period				
Other Changes (Note)	664,702.15			664,702.15
Ending balance	29,130,223.86	33,343,487.91		62,473,711.77

Note: The Company acquired the SCG Yibin Cuiping Construction Co., Ltd. under different control with an increase in the bad debt provision of RMB 664,702.15.

**16. Long-term equity investments**

√Applicable □Not Applicable

Unit: RMB Currency: RMB

Investee	Beginning Balance	Increase or decrease in the current period								End of the period Balance	Ending balance of impairment provision
		Additional investment	Reduced investment	Investment profit or loss recognized under equity method	Adjustment to other comprehensive incomes	Changes in other equities	Cash dividends or profits declared to pay	Making for impairment provision	Others		
I. Joint ventures											
Wuxi Jian'an Building Component Products Co., Ltd. (Note 1)	21,922,289.94			6,990,456.36			-5,000,000.00		-1,582,679.63	22,330,066.67	
Suzhou Jianjia Building Component Products Co., Ltd. (Note 1)	21,794,863.50			-3,906,006.27					-1,364,960.21	16,523,897.02	
Xingyi Construction Co., Ltd. (Note 2)	19,159.24			-2,306.35					380.53	17,233.42	
Subtotal	43,736,312.68			3,082,143.74			-5,000,000.00		-2,947,259.31	38,871,197.11	
II. Associates											
Shanghai Shendi Garden Investment and Construction Co. Ltd.	42,295,083.89			12,905,934.46						55,201,018.35	
Shanghai Real Estate and Garden Development Co., Ltd.	16,573,880.40			1,795,326.50			-1,616,035.10			16,753,171.80	
SCG Nanhang Premixed Concrete Co., Ltd. (Note 1)	12,253,161.18			59,328.60			-2,029,850.75		-2,334,114.25	7,948,524.78	
Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	17,637,358.39			1,487,412.43						19,124,770.82	
Shanghai ASK Architectural Decoration Engineering Co., Ltd.	2,166,631.77			-1,412,636.76						753,995.01	
Nanchang Shengheng Building Component Products Co., Ltd. (Note 1)	15,914,336.28			-4,138,053.76					-378,942.64	11,397,339.88	
Shanghai Lianhe Pawn Liability Co., Ltd.	10,397,992.30			100,286.82			-210,000.00			10,288,279.12	
Shanghai Qinqing Flower Market Operation and Management Co., Ltd.	1,218,694.01			285,119.29			-65,000.00			1,438,813.30	
Fulton SCG Development LLC（Note 3）	455,295,753.62	71,876,200.00		61,078,910.02					12,856,987.94	601,107,851.58	
SCG Yibin Cuiping Construction Co., Ltd. (Note	4,933,786.81			-12,425.36			-1,428,663.20		-3,492,698.25		

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4)											
Diaoyutai Decoration Engineering Co., Ltd.	18,160,407.78			-1,764,030.70						16,396,377.08	
Shanghai Metro Shield Engineering Co., Ltd.	153,258,731.58			4,976,766.73						158,235,498.31	
Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	88,778,946.10	166,500,000.00		242,433.91						255,521,380.01	
Ningbo Center Construction & Development Co., Ltd.	204,270,339.66	40,000,000.00		1,118,175.41						245,388,515.07	
Shanghai East Bund Construction Real Estate Development Co., Ltd.	2,246,620.28	222,750,000.00		-1,385,455.35						223,611,164.93	
Three Fulton Square LLC (Note 5)	569,724,520.90			-2,295,022.02					9,361,560.33	576,791,059.21	
Suzhou Dongjianyihe Venture Capital Center L.P.	60,802,410.62	4,000,000.00		-1,395,083.24						63,407,327.38	
SCG Angong Equity Investment Funds Partnership (Limited Partnership)	653,236,650.00			3,735,400.27						656,972,050.27	
SCG Anhao Equity Investment Funds Management Co., Ltd.	5,499,900.00			1,283,294.24						6,783,194.24	
Shanghai SEARI Intelligent System Co., Ltd.	179,768,500.00	44,920,000.00		14,442,154.87						239,130,654.87	
Ganzhou Ecological Environment Co., Ltd.		5,000,000.00		4,883.71						5,004,883.71	
Shanghai Hedi Investment Center (L.P.)		150,000,000.00		-1,500,171.16						148,499,828.84	
Hangzhou Hujian Urban Development Construction Co., Ltd.		1,079,802,900.00		-1,231,057.94						1,078,571,842.06	
Fulton SCG Development Phase II LLC (Note 6)		103,795,500.00		-6,605,569.42					793,564.90	97,983,495.48	
Subtotal	2,514,433,705.57	1,888,644,600.00		81,775,921.55			-5,349,549.05		16,806,358.03	4,496,311,036.10	
Total	2,558,170,018.25	1,888,644,600.00		84,858,065.29			-10,349,549.05		13,859,098.72	4,535,182,233.21	

## Other notes

Note 1: Other changes are caused by retained earnings as a result of the investee company's adoption of new standards.

Note 2: Shanghai Construction Group (Macao) Co., Ltd., an overseas subsidiary, invests in Xingyi Construction Co., Ltd., with 50.00% equity participation rate, which is accounted by equity method. The "other" increases and decreases in this year are the translation difference of foreign currency statements.

Note 3: Shanghai Construction Group Plaza Engineering Co., Ltd., an overseas subsidiary, invests in Fulton SCG Development LLC, with 49.99% equity participation rate, which is accounted by equity method. The "other" increases or decreases in this year are RMB -4,999,864.35, which is the unrealized profits from internal transactions, while the other is translation differences of foreign currency statements.

Note 4: The acquisition of 70% equity held by other shareholders of the company this year is included in the scope of the merger, as shown in Note VI(I).

Note 5: Shanghai Construction Group Plaza Engineering Co., Ltd., an overseas subsidiary, invests in Three Fulton Square LLC, with 49.99% equity participation rate, which is accounted by equity method. The "other" increases or decreases in this year are the translation differences of foreign currency statements.

Note 6: Shanghai Construction Group Plaza Engineering Co., Ltd., an overseas subsidiary, invests in Fulton SCG Development Phase II LLC, with 49.99% equity participation rate as accounted by equity method. The "other" increases or decreases in this year are the translation differences of foreign currency statements.

**17. Other equity instrument investments****(1). Other equity instrument investments**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Non-trading equity instruments	764,007,075.93	614,477,158.64
Total	764,007,075.93	614,477,158.64

**(2). Non-trading equity instrument investments**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Dividend income recognized in the current period	Accrued gains	Accrued losses	Amount transferred from other comprehensive income to retained earnings	Reasons for being designated as being measured at fair value and the variance being included in other comprehensive income	Reasons for transfer of other comprehensive income to retained earnings
Shanghai Tower Construction & Development Co., Ltd.			121,730,000.00		Equity instruments held not for trading purposes	
CCBI Chengtuo (Shanghai) Environmental Equity Investment Co., Ltd.		19,443,059.53			Equity instruments held not for trading purposes	
CDB Jingcheng (Beijing) Investment Fund Co., Ltd.	11,563,543.31	7,469,791.40			Equity instruments held not for trading purposes	
Shanghai Pudong BOC Fullerton Community Bank Co., Ltd. (former "Shanghai Pudong Jianxin Rural Bank Co., Ltd.")		11,330,000.00			Equity instruments held not for trading purposes	
Shanghai National Engineering Research Center of Urban Water Resources Co., Ltd., Shanghai			3,900,000.00		Equity instruments held not for trading purposes	
Shanghai Baisui Building Materials Industrial Co., Ltd.			56,236.68		Equity instruments held not for trading purposes	
Shenzhen Construction Real Estate Development Co., Ltd.			1,360,000.00		Equity instruments held not for trading purposes	
Tianjin Jinjing Glass Bulb Co. Ltd.			56,000.00		Equity instruments held not for trading purposes	
Zhongzhao United Information Co., Ltd.			70,000.00		Equity instruments held not for trading purposes	
Chizhou Water Environment Investment and Construction Co., Ltd.			194,330.00		Equity instruments held not for trading purposes	
Shouchuang Ecological Environment (Fuzhou) Co., Ltd.		0.60			Equity instruments held not for trading purposes	
Shenzhen Shenshui Bright Water Environment Co., Ltd.			140,000.00		Equity instruments held not for trading purposes	
Putian Zhongjian Mulan Construction Development Co., Ltd.			56,812.60		Equity instruments held not for trading purposes	
Beikong (Hangzhou) Environmental Engineering Co., Ltd.					Equity instruments held not for trading purposes	
Wuhu Three Gorges Water Environment Comprehensive Treatment First Limited Liability Company			98,372.10		Equity instruments held not for trading purposes	
Ningbo Chengjian Zhizao Technology Co., Ltd.		3,078.00			Equity instruments held not for trading purposes	
Xuzhou Traffic Holding Chengyi Bridge Industrialization Co., Ltd.			0.52		Equity instruments held not for trading purposes	
Shanghai Lingang Holdings Corporation Limited			5,800,000.00		Equity instruments held not for trading purposes	

Other notes: □ Applicable √Not Applicable

**18. Other non-current financial assets**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Financial assets at fair value through current profit and loss	1,857,439,448.52	1,456,176,318.89
<b>Total</b>	<b>1,857,439,448.52</b>	<b>1,456,176,318.89</b>
<b>Item</b>	<b>Ending balance</b>	
Equity instruments:		
Shanghai Lingang Dongfang Junhe Equity Investment Management Co., Ltd.	6,829,827.77	
Others:		
Shanghai Chengchuang Urban Renewal Equity Investment Fund Partnership (L.P.)	90,948,699.99	
Shanghai Lingang Dongfang Junhe Kechuang Industry Equity Investment Fund Partnership (L.P.)	614,378,194.63	
Shanghai Guohe Phase II Modern Service Industry Equity Investment Fund Partnership (L.P.)	144,976,777.06	
Shanghai Guofang Mother Fund Phase I Equity Investment Partnership (L.P.)	261,139,453.15	
Shanghai Guohe Haiyao Pan-entertainment Growth Equity Investment Fund Partnership (L.P.)	14,446,748.36	
Shanghai Shenchuang Equity Investment Management Center (L.P.)	3,092,226.92	
Shanghai Shenchuang Equity Investment Fund Partnership (Limited Partnership)	255,953,374.36	
Shanghai Hongke Investment Management Partnership (Limited Partnership)	203,336,760.00	
Wuxi Chengding Smart City Venture Equity Investment Partnership (L.P.)	29,450,233.82	
Ningbo Puhong Investment Management Partnership (Limited Partnership)	212,795,717.00	
Shanghai Lingang Xinyefang Shangchuang Equity Investment Fund Partnership (Limited Partnership)	20,091,435.46	
Subtotal	1,850,609,620.75	
<b>Total</b>	<b>1,857,439,448.52</b>	

Other notes: ☐ Applicable ☒ Not Applicable

## 19. Investment properties

Measurement model of investment properties

### (1). Investment properties measured at cost

Unit: RMB Currency: RMB

Item	Buildings	Land use rights	Construction in progress	Total
I. Original book value				
1.Beginning balance	4,763,220,268.70	33,823,289.00		4,797,043,557.70
2.Increase in current period	927,282,419.06			927,282,419.06
(1) Outsourcing				
(2) Transferred from inventory / fixed assets / construction in progress	922,901,930.84			922,901,930.84
(3) Increase due to business combination				
(4) Exchange differences arising from foreign currency transactions	4,380,488.22			4,380,488.22
3.Decrease in current period	3,658,454.61			3,658,454.61
(1) Disposal	2,217,733.73			2,217,733.73
(2) Other transfer out	1,440,720.88			1,440,720.88
4. Ending balance	5,686,844,233.15	33,823,289.00		5,720,667,522.15
II. Accumulated depreciation and accumulated amortization				
1. Beginning balance	497,191,972.48	10,344,288.80		507,536,261.28
2. Increase in current period	180,094,405.71	838,535.64		180,932,941.35
(1) Provision or amortization	158,995,817.43	838,535.64		159,834,353.07
(2) Transfer-in of fixed assets/intangible assets	20,999,170.43			20,999,170.43
(3) Exchange differences arising from foreign currency transactions	99,417.85			99,417.85

3. Decrease in current period	722,705.23			722,705.23
(1) Disposal	644,166.46			644,166.46
(2) Other transfer out				
(3) Transferred to inventory \ fixed assets \ construction in progress \ intangible assets	78,538.77			78,538.77
4. Ending balance	676,563,672.96	11,182,824.44		687,746,497.40
III. Impairment provision				
1. Beginning balance	63,577,063.52			63,577,063.52
2. Increase in current period				
(1) Provision				
3. Decrease in current period				
(1) Disposal				
(2) Other transfer out				
4. Ending balance	63,577,063.52			63,577,063.52
IV. Book value				
1. Ending book value	4,946,703,496.67	22,640,464.56		4,969,343,961.23
2. Beginning book value	4,202,451,232.70	23,479,000.20		4,225,930,232.90

**(2). Investment properties whose property certificates are not obtained**

☐ Applicable ☒ Not Applicable

Other notes

☐ Applicable ☒ Not Applicable

**20. Fixed assets****Item presentation**

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Fixed assets	7,734,039,382.43	8,095,445,233.69
Fixed assets pending for disposal		
Total	7,734,039,382.43	8,095,445,233.69

Other notes: ☐ Applicable ☒ Not Applicable



**Fixed assets****(1). Fixed assets**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Buildings	Machinery equipment	Transportation vehicles	Production equipment	Office equipment and other equipment	Temporary facility	Special equipment	Instrument and experimental equipment	Total
I. Original book value:									
1. Beginning balance	7,764,785,451.98	2,696,723,687.36	383,271,765.91	544,600,859.02	964,223,191.93	2,597,349,084.47	416,884,647.79	136,658,040.78	15,504,496,729.24
2. Increase in current period	137,940,376.14	426,034,872.44	46,417,126.63	69,966,964.22	126,512,382.29	1,275,574,893.39	4,170,199.18	22,526,796.43	2,109,143,610.72
(1) Purchase	42,093,629.89	217,076,468.21	31,671,626.34	23,098,309.97	93,229,864.80	1,275,407,736.18	1,622,895.67	12,874,454.56	1,697,074,985.62
(2) Transferred from construction in progress	57,535,382.32	195,533,979.51	13,725,685.56	45,960,667.31	30,043,163.68		2,546,795.01	5,136,818.90	350,482,492.29
(3) Increase due to business combination	14,620,264.53	414,006.50	13,000.00	939,008.06				4,490,309.00	20,476,588.09
(4) Exchange differences arising from foreign currency transactions	23,691,099.40	12,835,418.22	1,006,814.73	85,578.88	3,128,710.36	167,157.21	508.50	69,920.87	40,985,208.17
(5) Reclassification		175,000.00		-116,600.00	-13,693.10			-44,706.90	
(6) Inventory transfer-in					124,336.55				124,336.55
3. Decrease in current period	641,282,680.00	134,550,091.10	50,720,127.34	12,085,153.99	48,564,474.42	292,852,846.25	37,610.00	3,770,690.64	1,183,863,673.74
(1) Disposal or scrapping	27,618,290.32	98,650,091.10	35,641,127.34	8,768,540.88	48,564,474.42	292,852,846.25	37,610.00	3,770,690.64	515,903,670.95
(2) Disposal of subsidiaries									
(3) Transferred to investment property	613,664,389.68								613,664,389.68
(4) Transferred to construction in progress		35,900,000.00	15,079,000.00	3,316,613.11					54,295,613.11
4. Ending balance	7,261,443,148.12	2,988,208,468.70	378,968,765.20	602,482,669.25	1,042,171,099.80	3,580,071,131.61	421,017,236.97	155,414,146.57	16,429,776,666.22
II. Accumulated depreciation									
1. Beginning balance	1,936,539,478.35	1,557,638,811.84	258,745,915.38	307,521,297.79	618,389,234.36	2,247,033,815.34	386,088,055.97	97,094,886.52	7,409,051,495.55
2. Increase in current period	288,858,838.86	225,301,185.72	34,019,719.14	38,779,599.87	117,760,825.77	1,102,251,072.33	4,491,205.32	13,472,528.86	1,824,934,975.87
(1) Provision	283,731,414.26	220,225,202.81	33,221,027.19	37,920,487.75	116,207,539.42	1,102,130,872.27	4,490,845.13	10,225,845.00	1,808,153,233.83
(2) Increase due to business combination	2,217,430.53	364,737.20	11,544.00	631,823.06				3,635,344.00	6,860,878.79
(3) Exchange differences arising from foreign currency transactions	2,909,994.07	4,684,521.71	757,157.51	44,750.65	1,347,079.65	120,200.06	360.19	56,799.41	9,920,863.25
(4) Reclassification		26,724.00	29,990.44	182,538.41	206,206.70			-445,459.55	
3. Decrease in current period	26,282,205.06	125,379,778.64	40,673,821.49	9,981,745.39	42,297,683.82	290,239,504.91	26,724.84	3,367,723.48	538,249,187.63
(1) Disposal or scrapping	5,283,034.63	91,274,778.64	26,348,771.49	7,713,215.60	42,297,683.82	290,239,504.91	26,724.84	3,367,723.48	466,551,437.41
(2) Disposal of subsidiaries									
(3) Transferred to investment property	20,999,170.43								20,999,170.43
(4) Transferred to construction in progress		34,105,000.00	14,325,050.00	2,268,529.79					50,698,579.79
4. Ending balance	2,199,116,112.15	1,657,560,218.92	252,091,813.03	336,319,152.27	693,852,376.31	3,059,045,382.76	390,552,536.45	107,199,691.90	8,695,737,283.79
III. Impairment provision									
1. Beginning balance									
2. Increase in current period									
(1) Provision									
3. Decrease in current period									
(1) Disposal or scrapping									
4. Ending balance									
IV. Book value									

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1. Ending book value	5,062,327,035.97	1,330,648,249.78	126,876,952.17	266,163,516.98	348,318,723.49	521,025,748.85	30,464,700.52	48,214,454.67	7,734,039,382.43
2. Beginning book value	5,828,245,973.63	1,139,084,875.52	124,525,850.53	237,079,561.23	345,833,957.57	350,315,269.13	30,796,591.82	39,563,154.26	8,095,445,233.69

Note: As of December 31, 2019, the subsidiary Installation Group had limited fixed assets of RMB 37,734,523.80 due to the property preservation guarantee of pending litigation.

**(2). Temporarily idle fixed assets**

□ Applicable √Not Applicable

**(3). Fixed assets rented in by financial leasing**

□ Applicable √Not Applicable

**(4). Fixed assets leased out by operating lease**

□ Applicable √Not Applicable

**(5). Details of fixed assets whose certificate of titles are not settled**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Book value	Reason for the certificate of title not completed
Shenzhen Nanshan Jiangong Village Project	13,154,840.26	In progress
No. 2800, Jungong Road	29,935,936.59	Relevant registrations are being handled.
House for debt paying	26,400,570.74	In progress
Laboratory	10,959,787.34	In progress
Yuanlin Building	150,223,188.75	In progress

Other notes: □ Applicable √Not Applicable

**Fixed assets pending for disposal**

□ Applicable √Not Applicable

**21. Construction in progress****Item presentation**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Construction in progress	484,838,908.75	527,887,251.10
Construction materials		
Total	484,838,908.75	527,887,251.10

Other notes: □ Applicable √Not Applicable

**Construction in progress****(1). Construction in progress**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction in progress	484,838,908.75		484,838,908.75	527,887,251.10		527,887,251.10
Total	484,838,908.75		484,838,908.75	527,887,251.10		527,887,251.10

**(2). Changes of important construction in progress in current period**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item name	Budget amount	Beginning Balance	Amount increased in the current period	Amount transferred into fixed assets in current period	Other decrease in current period	End of the period Balance	Ratio of accumulative investment to budget (%)	Project progress	Accumulated amount of capitalization of interest	Including: amount of capitalized interest in the current period	Capitalization rate of interest in the current period (%)	Source of fund
INVESTEL RESORT MGT	3,687,190,000.00	107,862,498.56	81,872,191.62			189,734,690.18	5.15%	5.15%	7,184,664.15	5,470,018.08	6.00%	Self-raised and borrowing
Nanxiang Base of Mechanized Construction Group	60,037,814.71	42,941,452.59				42,941,452.59	71.52%	71.52%				Self-raised
Material Company's Technological Transformation Project	49,593,670.00		27,714,452.34		1,138,000.00	26,576,452.34	55.88%	55.88%				Self-raised
Workshop Reconstruction of Huajian Co., Ltd.	25,320,000.00	25,278,201.49	3,415,773.26	3,489,760.96		25,204,213.79	99.54%	99.54%				Self-raised
Sanmen Road New Construction Project of Shanghai Installation Engineering Group	69,956,000.00	11,234,174.27	41,093,849.61		32,553,499.13	19,774,524.75	99.54%	99.54%				Self-raised
PC Project of Shanghai Construction Material Co., Ltd.	48,531,783.00	14,754,408.43	2,984,649.61	2,094,827.58	154,645.45	15,489,585.01	98.87%	98.87%				Self-raised
No. 4 Group's Equipment-to-be-installed	N/A	2,243,281.12	20,707,853.00	11,041,881.22		11,909,252.90	N/A	N/A				Self-raised
Material Company's Infrastructure Project	20,206,943.63		10,999,583.08		536,150.00	10,463,433.08	54.43%	54.43%				Self-raised
Production Equipment of Shanghai Construction Material Co., Ltd.	35,773,800.00	13,238,320.92	8,765,808.53	2,609,506.74	8,934,322.48	10,460,300.23	83.65%	83.65%				Self-raised
Mechanized Construction Group's No.8 Machine Renovation	9,800,000.00		9,513,950.27			9,513,950.27	97.08%	97.08%				Self-raised
Caribbean Company's Office Housing Temporary Facilities Project	N/A	754,290.42	8,258,186.47			9,012,476.89	N/A	N/A				Self-raised
Material Company's Overhaul Project	58,694,351.46	7,153,382.14	46,433,985.32	31,561,642.99	13,338,891.55	8,686,832.92	91.30%	91.30%				Self-raised
Formwork system for lifting the whole steel platform	10,707,458.87	8,507,090.11	903,593.09	2,016,175.54		7,394,507.66	87.89%	87.89%				Self-raised
Total	4,075,811,821.67	233,967,100.05	262,663,876.20	52,813,795.03	56,655,508.61	387,161,672.61	/	/	7,184,664.15	5,470,018.08	/	/

**(3). Provision for impairment of construction in progress in current period**

☐ Applicable ☒ Not Applicable

Other notes

☐ Applicable ☒ Not Applicable

**Construction materials**

**(4). Construction materials**

☐ Applicable ☒ Not Applicable

**22. Bearer biological assets**

**(1). Productive biological assets measured at cost**

☐ Applicable ☒ Not Applicable

**(2). Bearer biological assets measured at fair value**

☐ Applicable ☒ Not Applicable

Other notes

☐ Applicable ☒ Not Applicable

**23. Oil and gas assets**

☐ Applicable ☒ Not Applicable

**24. Right-of-use assets**

☐ Applicable ☒ Not Applicable

**25. Intangible assets****(1). Intangible assets**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Land use rights	Patent rights	Non-patents	Right to use stadium balcony	Right to mine mineral resources	Right to use underground garage parking lot	Engineering construction licenses issued by Hong Kong Government	Computer software	Right to use public housing	Operational Lease of Vehicle License	Supermarket Brand Franchising	Overseas land ownership	Total
I. Original book value													
1. Beginning balance	1,157,909,142.77	30,132,600.00		6,500,000.00	1,248,360,851.27	890,000.00	26,286,000.00	78,553,396.90	3,236,747.00			488,131,237.82	3,039,999,975.76
2. Increase in current period	73,117,084.50	284,518.86			69,916,994.06		588,000.00	8,962,371.22		13,362,900.00	141,509.43	8,371,467.19	174,744,845.26
(1) Purchase	60,960,000.00	284,518.86						8,962,371.22		981,260.00	141,509.43		71,329,659.51
(2) Internal R&D													
(3) Increase due to business combination	12,157,084.50												12,157,084.50
(4) Exchange differences arising from foreign currency transactions					69,916,994.06		588,000.00					8,371,467.19	78,876,461.25
(5) Reclassification										12,381,640.00			12,381,640.00
3. Decrease in current period						195,000.00							195,000.00
(1) Disposal						195,000.00							195,000.00
4. Ending balance	1,231,026,227.27	30,417,118.86		6,500,000.00	1,318,277,845.33	695,000.00	26,874,000.00	87,515,768.12	3,236,747.00	13,362,900.00	141,509.43	496,502,705.01	3,214,549,821.02
II. Accumulated amortization													
1. Beginning balance	211,074,554.83	21,586,907.65		2,800,000.00	376,804,570.03	169,472.16		56,922,174.90	1,481,223.22				670,838,902.79
2. Increase in current period	24,292,382.58	432,245.27		150,000.00	172,229,653.82	15,805.88		7,729,918.94	219,440.48	1,369,320.51	9,759.27		206,448,526.75
(1) Provision	23,659,798.08	432,245.27		150,000.00	115,614,030.14	15,805.88		7,729,918.94	219,440.48	659,966.76	9,759.27		148,490,964.82
(2) Increase due to business combination	632,584.50												632,584.50
(3) Exchange differences arising from foreign currency transactions					56,615,623.68								56,615,623.68
(4) Reclassification										709,353.75			709,353.75
3. Decrease in current period						36,400.00							36,400.00
(1) Disposal						36,400.00							36,400.00
4. Ending balance	235,366,937.41	22,019,152.92		2,950,000.00	549,034,223.85	148,878.04		64,652,093.84	1,700,663.70	1,369,320.51	9,759.27		877,251,029.54
III. Impairment provision													
1. Beginning balance					197,524,601.23		4,118,140.00						201,642,741.23
2. Increase in current period					3,252,168.08		92,120.00						3,344,288.08

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(1) Provision													
(2) Exchange differences arising from foreign currency transactions					3,252,168.08		92,120.00						3,344,288.08
3. Decrease in current period													
(1) Disposal													
4. Ending balance					200,776,769.31		4,210,260.00						204,987,029.31
IV. Book value													
1. Ending book value	995,659,289.86	8,397,965.94		3,550,000.00	568,466,852.17	546,121.96	22,663,740.00	22,863,674.28	1,536,083.30	11,993,579.49	131,750.16	496,502,705.01	2,132,311,762.17
2. Beginning book value	946,834,587.94	8,545,692.35		3,700,000.00	674,031,680.01	720,527.84	22,167,860.00	21,631,222.00	1,755,523.78			488,131,237.82	2,167,518,331.74

Ratio of intangible assets formed through internal R&D to the balance of intangible assets at the end of the current period: 0

**(2). Conditions of land use rights whose property certificates are not obtained**

□ Applicable √Not Applicable

Other notes: □ Applicable √Not Applicable

**26. Development costs**

□ Applicable √Not Applicable

**27. Goodwill****(1). Original book value of goodwill**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Name of the investee or event from which the goodwill arises	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Increase due to business combination	Exchange differences arising from foreign currency transactions	Disposal	Other decreases	
Goodwill formed by acquiring Zara Mining	181,438,010.72		2,987,308.42			184,425,319.14
Goodwill formed by acquiring Shanghai Shengtang Real Estate Co., Ltd.	89,656,668.00					89,656,668.00
Goodwill formed by acquiring Shanghai Dahao Real Estate Co., Ltd.	39,674,807.00					39,674,807.00
Goodwill formed by acquiring SCG Jian'an Chemical Design Co., Ltd.	4,787,441.29					4,787,441.29
Goodwill formed by acquiring Shanghai SINKO Refrigeration Machinery Co., Ltd.	2,225,201.61					2,225,201.61
Goodwill formed by acquiring Shanghai Huayi Construction Co., Ltd.	4,736,653.92					4,736,653.92
Goodwill formed by acquiring Shanghai Urban Transportation Design Institute Co., Ltd.	854,541.32					854,541.32
Goodwill formed by acquiring Shanghai Construction Steel Structure (Jiangsu) Co., Ltd.	33,186,974.18					33,186,974.18
Goodwill formed by acquiring Shanghai Zhengji Architectural Design Co., Ltd.	1,239,963.57					1,239,963.57
Goodwill formed by acquiring SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	100,524,405.10					100,524,405.10
Total	458,324,666.71		2,987,308.42			461,311,975.13

**(2). Provision for impairment of goodwill**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Name of the investee or event from which the goodwill arises	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision	Exchange differences arising from foreign currency transactions	Disposal	Other decreases	
Goodwill formed by acquiring Zara Mining (Note 1)	181,438,010.72		2,987,308.42			184,425,319.14
Goodwill formed by acquiring Shanghai Shengtang Real Estate Co., Ltd. (Note 2)	74,621,644.11	451,676.84				75,073,320.95
Goodwill formed by acquiring Shanghai Dahao Real Estate Co., Ltd. (Note 3)	22,578,673.75	1,422,928.32				24,001,602.07
Goodwill formed by acquiring SCG Jian'an Chemical Design Co., Ltd.						



Goodwill formed by acquiring Shanghai SINKO Refrigeration Machinery Co., Ltd.	2,225,201.61					2,225,201.61
Goodwill formed by acquiring Shanghai Huayi Construction Co., Ltd.						
Goodwill formed by acquiring Shanghai Urban Transportation Design Institute Co., Ltd.						
Goodwill formed by acquiring Shanghai Construction Steel Structure (Jiangsu) Co., Ltd.	33,186,974.18					33,186,974.18
Goodwill formed by acquiring Shanghai Zhengji Architectural Design Co., Ltd.						
Goodwill formed by acquiring SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	28,266,105.10					28,266,105.10
Total	342,316,609.47	1,874,605.16	2,987,308.42			347,178,523.05

## Description of Goodwill:

Note 1: Due to the acquisition of 60% equity of Zara Mining in the State of Eritrea through the subsidiary's foreign holding, the provision for impairment was fully accrued on December 31, 2017, and only the translation difference of foreign currency statements is adjusted this year.

Note 2: The goodwill formed by acquiring Shanghai Shengtang Real Estate Co., Ltd. has been gradually transferred out with the sale of property assets as Shanghai Shengtang Real Estate Co., Ltd. has property assets on sale. In company's impairment test, the construction area of the saleable property is computed by apportionment.

Note 3: The goodwill formed by acquiring Shanghai Dahao Real Estate Co., Ltd. has been gradually transferred out with the sale of property assets as Shanghai Dahao Real Estate Co., Ltd. has property assets on sale and lease. In company's impairment test, the construction area of the saleable property is computed by apportionment.

**(3). Information about the asset group or combination of asset groups where goodwill is located**

√ Applicable □ Not Applicable

Name of the investee or event from which the goodwill arises	Goodwill amount	Information about the asset group or combination of asset groups where goodwill is located
Goodwill formed by acquiring Shanghai Shengtang Real Estate Co., Ltd. (Note)	14,583,347.05	The goodwill formed by acquiring Shanghai Shengtang Real Estate Co., Ltd. is actually formed through acquiring 100% equity of Shanghai Shengtang Real Estate Co., Ltd. by Shanghai Construction Real Estate Co., Ltd., a wholly-owned subsidiary of the Company. The asset group is consistent with the asset group determined at the date of purchase and the goodwill impairment test in previous years.
Goodwill formed by acquiring Shanghai Dahao Real Estate Co., Ltd. (Note)	15,673,204.93	The goodwill formed by acquiring Shanghai Dahao Real Estate Co., Ltd. is actually formed through acquiring 80% equity of Shanghai Dahao Real Estate Co., Ltd. in 2008 by Shanghai Construction Real Estate Co., Ltd., a wholly-owned subsidiary of the Company. The asset group is consistent with the asset group determined at the date of purchase and the goodwill impairment test in previous years.
Goodwill formed by acquiring SCG Jian'an Chemical Design Co., Ltd.	4,787,441.29	The goodwill formed by acquiring SCG Jian'an Chemical Design Co., Ltd. is actually formed through acquiring 100% equity of SCG Jian'an Chemical Design Co., Ltd. in 2011 by Shanghai Installation Engineering Group Co., Ltd., a wholly-owned subsidiary of the Company. The asset group is consistent with the asset group determined at the date of purchase and the goodwill impairment test in previous years.
Goodwill formed by acquiring Shanghai Huayi Construction Co., Ltd.	4,736,653.92	The goodwill formed by acquiring Shanghai Huayi Construction Co., Ltd. is actually formed through acquiring 60% equity of Shanghai Huayi Construction Co., Ltd. In March 2012 by Shanghai Installation Engineering Group Co., Ltd., a wholly-owned subsidiary of the Company. The asset group is consistent with the asset group determined at the date of purchase and the goodwill impairment test in previous years.
Goodwill formed by acquiring Shanghai Urban Transportation Design Institute Co., Ltd.	854,541.32	The goodwill formed by acquiring Shanghai Urban Transportation Design Institute Co., Ltd. is actually formed through acquiring 70% equity of Shanghai Urban Transportation Design Institute Co., Ltd. in 2014 by Shanghai Municipal Engineering Design Institute (Group) Co., Ltd., a wholly-owned subsidiary of the Company. The asset group is consistent with the asset group determined at the date of purchase and the goodwill impairment test in previous years.
Goodwill formed by acquiring Shanghai Zhengji Architectural Design Co., Ltd.	1,239,963.57	The goodwill formed by acquiring Shanghai Zhengji Architectural Design Co., Ltd. is actually formed through acquiring 100% equity of Shanghai Zhengji Architectural Design Co., Ltd. in June 2016 by Shanghai Municipal Engineering Design Institute (Group) Co., Ltd., a

Name of the investee or event from which the goodwill arises	Goodwill amount	Information about the asset group or combination of asset groups where goodwill is located
		wholly-owned subsidiary of the Company. The asset group is consistent with the asset group determined at the date of purchase and the goodwill impairment test in previous years.
Goodwill formed by acquiring SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	72,258,300.00	The goodwill formed by acquiring SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd. is actually formed through acquiring 100% equity of SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd. in April 2018 by Shanghai Municipal Construction Co., Ltd., a wholly-owned subsidiary of the Company. The asset group is consistent with the asset group determined at the date of purchase and the goodwill impairment test in previous years.
Total	114,133,452.08	

Note: The goodwill formed by acquiring Shanghai Shengtang Real Estate Co., Ltd. and the goodwill formed by acquiring Shanghai Dahao Real Estate Co., Ltd. have been gradually transferred out with the sale of property assets. In this impairment test, the goodwill is subject to impairment test after apportionment computation of the building area of the saleable property.

**(4). Specify the goodwill impairment test process, key parameters (such as the growth rate in the forecast period, the growth rate in the stable period, the profit rate, the discount rate and the forecast period, if applicable, when the present value of future cash flow is evaluated) and the recognition method for goodwill impairment loss**

√ Applicable □ Not Applicable

**(1) Test method**

The Company employs valuation experts to carry out impairment test on asset groups or asset group combinations that do not contain goodwill and contain goodwill, calculate the recoverable amount, and compare it with the book value of relevant asset groups or asset group combinations. If the recoverable amount of relevant asset groups or asset group combinations is higher than their book value, the goodwill is not impaired. The recoverable amount is the net amount of an asset portfolio's fair value less costs of disposal and the present value of the expected future cash flow of the asset portfolio, whichever is higher.

**(2) Important assumptions**

- ① All assets assessed for recoverable amount of relevant asset groups are based on the actual stock on the assessment base date, and the current market price of relevant assets is based on the effective price on the assessment base date;
- ② It is assumed that the external economic environment will not undergo major unpredictable changes after the assessment base date and that major changes won't take place in credit interest rate, exchange rate, tax benchmark and tax rate, and policy-based collection fees;
- ③ It is assumed that the appraisal object trades in the open market, and both the buyer and the seller have the necessary market information and will not raise or lower the real value of the appraised object for any benefit;
- ④ It is assumed that the business of the company where the asset group is located is legal, and there will be no unforeseen factors that will prevent it from going concern, and the current application of the appraised assets will remain unchanged and will continue to be used in place;
- ⑤ It is assumed that the relevant basic data and financial data provided by the client and the company where the asset group is located are true, accurate and complete;
- ⑥ In addition to the special instructions, the impact of the equity of the unit where the asset group is located or the mortgage and guarantee matters that may be undertaken by the relevant assets on the appraisal conclusion is not considered, nor is the impact of changes in the national macroeconomic policy and natural forces and other force majeure on the asset price considered;
- ⑦ It is assumed that the income, cost and expense of the asset group are generated evenly in the year, with stable income obtained, and the overall revenue of each period after the forecast period remains unchanged by comparing with the last period of the forecast period.

**(3) Key parameters**

Name of the investee or event from which the goodwill arises	Growth rate of income (%)	Pre-tax discount rate (%)	Forecast period
Goodwill formed by acquiring SCG Jian'an	6.60	15.18	5 years

Name of the investee or event from which the goodwill arises	Growth rate of income (%)	Pre-tax discount rate (%)	Forecast period
Chemical Design Co., Ltd.			
Goodwill formed by acquiring Shanghai Huayi Construction Co., Ltd.	8.28	16.75	5 years
Goodwill formed by acquiring Shanghai Urban Transportation Design Institute Co., Ltd.	6.67	15.92	4 years
Goodwill formed by acquiring Shanghai Zhengji Architectural Design Co., Ltd.	3.98	15.92	3 years
Goodwill formed by acquiring SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	7.95	16.75	5 years

Note: For the goodwill formed by acquiring Shanghai Shengtang Real Estate Co., Ltd. and the goodwill formed by acquiring Shanghai Dahao Real Estate Co., Ltd., consider the main assets involved in the asset group are the self-developed but not yet sold real estate, after analysis, the fair value minus disposal costs is used to assess the recoverable amount on the impairment test day.

(4) Test conclusion

Name of the investee or event from which the goodwill arises	Goodwill impairment amount
Goodwill formed by acquiring Shanghai Shengtang Real Estate Co., Ltd.	0.00
Goodwill formed by acquiring Shanghai Dahao Real Estate Co., Ltd.	0.00
Goodwill formed by acquiring SCG Jian'an Chemical Design Co., Ltd.	0.00
Goodwill formed by acquiring Shanghai Huayi Construction Co., Ltd.	0.00
Goodwill formed by acquiring Shanghai Urban Transportation Design Institute Co., Ltd.	0.00
Goodwill formed by acquiring Shanghai Zhengji Architectural Design Co., Ltd.	0.00
Goodwill formed by acquiring SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	0.00
Total	0.00

(5). Impact of goodwill impairment test

☐ Applicable ☒ Not Applicable

Other notes

☐ Applicable ☒ Not Applicable

28. Long-term deferred expenses

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amortization in current period	Other decrease amount	Ending balance
Improvement of fixed assets under operating lease.	107,880,435.21	261,766,162.71	44,125,199.06	25,182.63	325,496,216.23
Rental fee and site facilities	10,198,011.95	301,400.00	3,368,309.56		7,131,102.39
Others	2,256,396.59	7,565,025.72	3,191,182.05	1,197,442.44	5,432,797.82
Total	120,334,843.75	269,632,588.43	50,684,690.67	1,222,625.07	338,060,116.44

29. Deferred income tax assets/deferred income tax liabilities

(1). Deferred income tax assets that are not offset

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary	Deferred income taxes	Deductible temporary	Deferred income taxes

	difference	Assets:	difference	Assets:
Provision for impairment of assets	3,116,256,130.81	585,476,489.19	2,276,622,542.57	461,936,369.15
Unrealized profit of internal transaction	785,225,725.32	193,819,999.53	807,460,700.49	199,594,003.94
Deductible loss	115,936,030.66	17,390,404.60	157,531,083.09	25,340,085.72
Depreciation of fixed assets	9,597,337.56	2,399,334.39	9,305,503.36	2,326,358.75
Amortization of intangible assets	211,181.35	41,463.51	333,373.39	64,234.86
Welfare payables for employee severance and post-employment	222,693,709.00	38,586,653.50	241,215,047.31	43,722,686.90
Accrued expenses	214,529,938.04	32,647,895.66	203,145,266.91	30,931,624.30
Changes in the fair value of available-for-sale financial assets			224,174,963.49	56,043,740.88
Deferred income	3,452,849.40	863,212.35	4,669,159.46	1,167,289.86
Fair value change of financial instruments at fair value and with their variance recorded into current profits and losses	248,763,889.63	62,190,972.41		
Fair value change of financial instruments at fair value and with their variance recorded into other comprehensive incomes	127,600,000.00	31,900,000.00		
Total	4,844,266,791.77	965,316,425.14	3,924,457,640.07	821,126,394.36

**(2). Deferred income tax liabilities not offset**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income taxes Liability:	Taxable temporary difference	Deferred income taxes Liability:
Asset evaluation increment from business combination under different control	450,592,972.35	136,378,092.89	1,348,867,966.94	370,619,067.69
Changes in fair value of other debt investments				
Changes in fair value of investment by other equity instruments				
Changes in the fair value of available-for-sale financial assets			971,531,096.31	242,794,938.81
Assets assessment appreciation	224,274,634.16	49,269,162.78	241,334,925.11	52,045,477.36
Fair value change of financial instruments at fair value and with their variance recorded into current profits and losses	1,487,292,127.35	371,823,031.83		
Fair value change of financial instruments at fair value and with their variance recorded into other comprehensive incomes	32,354,177.63	8,224,544.41		
Others	53,643,709.92	20,384,609.77	52,858,573.29	20,086,257.85
Total	2,248,157,621.41	586,079,441.68	2,614,592,561.65	685,545,741.71

**(3). Deferred income tax assets or liabilities presented in net amount after being offset**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount of mutual offset between deferred income tax assets and liabilities at the end of period	Ending balance of deferred income tax assets and liabilities after offset	Amount of mutual offset between deferred income tax assets and liabilities at the beginning of period	Beginning balance of deferred income tax assets and liabilities after offset
Deferred income tax assets	156,316,192.00	809,000,233.14	103,490,535.21	717,635,859.15
Deferred income tax liabilities	156,316,192.00	429,763,249.68	103,490,535.21	582,055,206.50

**(4). Details of unrecognized deferred income tax assets**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Deductible temporary difference	404,395,001.53	423,204,234.44
Deductible loss	3,899,907,608.97	2,579,822,781.32
Total	4,304,302,610.50	3,003,027,015.76

**(5). Deductible loss of the unrecognized deferred income tax assets will be due in the following years**√Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Year	Ending amount	Beginning amount	Remarks
2019		74,010,182.35	
2020	169,163,896.95	241,490,217.65	
2021	438,574,081.94	461,846,999.52	
2022	429,925,751.55	453,722,500.13	
2023	1,134,032,237.13	1,348,752,881.67	
2024	1,728,211,641.40		
Total	3,899,907,608.97	2,579,822,781.32	/

Other notes: ☐ Applicable √Not Applicable**30. Other non-current assets**√Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Prepayment for acquisition of equity	252,467,559.67	351,347,559.67
Prepayments for equipment fund	2,288,083.19	16,024,848.90
Project Reserve	134,538,730.88	211,937,489.79
Others	287,093.86	560,231.03
Total	389,581,467.60	579,870,129.39

**31. Short-term borrowings****(1). Classification of short-term borrowings**√Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Pledge borrowings	193,642,535.13	126,864,169.74
Mortgage borrowing	10,000,000.00	20,000,000.00
Guaranteed borrowings	1,084,781,970.96	995,940,000.00
Credit borrowings	1,445,837,309.88	1,446,364,094.64
Discount of trade acceptance bill	132,979,616.28	202,640,026.01
Loan entrusted by affiliate party	1,820,000,000.00	1,690,000,000.00
Loan entrusted by non-affiliate party	738,000,000.00	21,280,500.00
Domestic L/C discount	396,562,583.96	432,396,762.10
Total	5,821,804,016.21	4,935,485,552.49

**(2). Short-term borrowings that are due but unpaid**☐ Applicable √Not ApplicableSignificant short-term borrowings that are due but unpaid: ☐ Applicable √Not Applicable

Other notes

☐ Applicable √Not Applicable

**32. Financial liabilities held for trading**

□ Applicable √ Not Applicable

**33. Derivative financial liabilities**

□ Applicable √ Not Applicable

**34. Notes payable****(1). Presentation of notes payable**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Category	Ending balance	Beginning balance
Trade acceptance bill	6,830,620,109.29	5,269,556,656.65
Bank acceptance bill	3,424,597,227.03	2,556,803,409.65
Irrevocable domestic letter of credit	875,989,257.59	
Total	11,131,206,593.91	7,826,360,066.30

The notes payable due but unpaid at the end of current period is RMB 0.

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

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Third party accounts payable	74,956,429,279.43	54,125,745,158.55
Payables to related parties	1,585,255,607.85	1,134,125,736.32
Total	76,541,684,887.28	55,259,870,894.87

**(2). Significant accounts payable aged over 1 year**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Reasons for nonpayment or non-carrying-over
Shanghai Zhiping Foundation Engineering Co., Ltd.	205,973,340.73	Project unsettled
Shanghai Dongfu Construction Labor Services Co., Ltd.	90,768,451.90	Project unsettled
Xuancheng Jinniu Handling Engineering Team	84,473,016.95	Project unsettled
MCC5 Group Shanghai Corporation Limited	56,590,549.41	Project unsettled
Longcheng Architectural Decoration Engineering Co., Ltd.	54,071,864.77	Project unsettled
Shanghai Urban Construction Material Co., Ltd.	53,469,434.65	Project unsettled
Macao Concrete Co., Ltd.	52,907,464.42	Project unsettled
Chevalier Group (Macau) Co., Ltd.	45,163,348.20	Project unsettled
Shanghai Mingpeng Construction Group Co., Ltd.	32,190,199.01	Project unsettled
Wuhan Lingyun Building Decoration Engineering Co., Ltd.	29,461,976.00	Project unsettled
Taizhou Tengyang Construction Engineering Co., Ltd.	28,792,467.80	Project unsettled
Jiangsu Zhongcang Water Conservancy and Hydropower Engineering Co., Ltd.	27,357,156.80	Project unsettled
Shanghai Yuanwei Construction	24,074,932.34	Project unsettled

Engineering Co., Ltd.		
Shanghai Longyu Construction Group Co., Ltd.	22,995,161.23	Project unsettled
Shanghai Jianfu Construction Engineering Co., Ltd.	21,695,723.91	Project unsettled
Total	829,985,088.12	/

Other notes

☐ Applicable ☒ Not Applicable**36. Advances from customers****(1). Presentation of advances from customers**☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Payment settled but not completed	45,447,289,088.80	41,851,449,154.83
Advances for project/goods	7,227,570,777.51	5,794,980,044.30
Prepaid sales of real estate	3,444,342,255.48	8,761,011,575.67
Others	22,140,081.25	25,570,257.35
Total	56,141,342,203.04	56,433,011,032.15

**(2). Significant advances from customers aged over 1 year**☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Reasons for nonpayment or non-carrying-over
Guangzhou Concord Cancer Center	156,917,482.26	Non-arrival settlement period
Nantong Urban Rail Transit Co., Ltd.	94,787,616.96	Non-arrival settlement period
MINISTRY OF ENERGY & MINE	77,633,599.60	Non-arrival settlement period
Ministry of Agriculture Eritrea	65,000,000.00	Non-arrival settlement period
ERITREAN ELECTRIC CORPORATION	41,909,498.79	Non-arrival settlement period
Total	436,248,197.61	/

**(3). Settled project under construction formed by construction contract at the end of the period**☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Amount
Accumulated incurred cost	407,462,835,433.93
Recognized gross profit	7,596,503,196.15
Less: Anticipated loss	
Settled amount	460,506,627,718.88
Unsettled project under construction formed by construction contract	45,447,289,088.80

Other notes

☐ Applicable ☒ Not Applicable**37. Employee compensation payable****(1). Presentation of payroll payable**☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term compensation	656,568,052.68	11,405,372,596.93	11,268,741,367.68	793,199,281.93
II. Post-employment welfare -	32,930,934.38	1,052,735,891.70	1,048,364,506.26	37,302,319.82

defined contribution plan				
III. Dismissal benefit	113,813.00	2,087,034.27	2,200,847.27	
IV. Current portion of other welfares				
Total	689,612,800.06	12,460,195,522.90	12,319,306,721.21	830,501,601.75

**(2). Presentation of short-term compensation**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Wages, salaries, bonuses, allowances and subsidies	471,062,276.61	8,932,574,037.00	8,676,803,178.32	726,833,135.29
II. Employee benefits		208,366,096.96	208,366,096.96	
III. Social insurance premium	13,889,872.81	592,883,945.08	586,396,283.63	20,377,534.26
Including: medical insurance premium	12,278,117.99	510,953,319.09	505,463,018.01	17,768,419.07
Work-related injury insurance premium	440,959.07	29,420,889.89	28,962,346.13	899,502.83
Maternity insurance premium	1,170,795.75	52,509,736.10	51,970,919.49	1,709,612.36
IV. Housing fund	14,719,488.76	518,922,727.60	513,086,925.63	20,555,290.73
V. Labor union funds and employee education funds	12,003,765.77	226,166,734.99	216,718,533.68	21,451,967.08
VI. Short-term compensated absence	144,847,167.96		144,847,167.96	
VII. Short-term profit sharing plan	45,480.77	926,459,055.30	922,523,181.50	3,981,354.57
Total	656,568,052.68	11,405,372,596.93	11,268,741,367.68	793,199,281.93

**(3). Presentation of defined contribution plans**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic retirement insurance	27,925,096.48	941,869,762.97	934,477,366.57	35,317,492.88
2. Unemployment insurance premium	1,417,084.90	27,314,818.56	26,862,307.24	1,869,596.22
3. Enterprise annuity	3,588,753.00	83,551,310.17	87,024,832.45	115,230.72
Total	32,930,934.38	1,052,735,891.70	1,048,364,506.26	37,302,319.82

Other notes: □ Applicable √Not Applicable

**38. Taxes payable**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
VAT	619,321,095.04	675,222,630.59
Consumption tax		
Business tax	62,232,714.22	96,172,301.44
Enterprise income tax	686,017,200.73	950,919,237.22
Individual income tax	154,955,384.03	106,339,353.85
City maintenance and construction tax	79,962,511.14	66,743,285.52
House property tax	7,476,461.33	16,089,820.90
Land appreciation tax	2,212,172,505.43	1,571,664,044.83
Educational surcharge	55,679,790.10	46,977,119.21
Resources tax	19,918,939.68	22,649,912.02



Deed tax		146,211.00
Land use tax	1,704,450.36	1,428,233.70
Environmental protection taxes	1,526,937.95	2,018,141.94
Mineral resources compensation	3,821,584.62	3,821,584.62
Others	49,465,914.29	78,960,300.82
Total	3,954,255,488.92	3,639,152,177.66

**39. Other payables****Item presentation**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Interest payable	223,679,985.67	150,360,217.96
Dividends payable	3,649,372.24	10,584,275.86
Other payables	11,894,228,956.91	10,217,498,253.34
Total	12,121,558,314.82	10,378,442,747.16

Other notes: □ Applicable √Not Applicable

**Interest payable****(1). Presented as per categories**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Long-term borrowings interests with interest paid by installment and principal repaid due	128,377,502.68	52,878,460.15
Interest of enterprise bond	78,706,781.68	78,081,837.86
Interest payable of short-term borrowings	3,411,554.91	10,124,257.92
Preferred shares/perpetual bonds interest classified as financial liabilities		
Interest on accepted debt equity investment	13,184,146.40	9,275,662.03
Total	223,679,985.67	150,360,217.96

Significant interest due but unpaid

□ Applicable √ Not Applicable

Other notes:

□ Applicable √ Not Applicable

**Dividends payable****(2). Presented as per categories**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Common stock dividend		
Divided into preferred stock/perpetual bond share of equity instrument		

Preferred shares\perpetual bonds dividend-XXX		
Preferred shares\perpetual bonds dividend-XXX		
Dividends payable-dividends payable to minority shareholders of subsidiaries	3,649,372.24	10,584,275.86
Dividends payable-XXX		
Total	3,649,372.24	10,584,275.86

**Other payables****(1). Other payables classified as per nature**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Transaction payments of related parties	677,240,012.64	558,835,974.09
Transaction payments of third party	2,162,945,900.87	960,763,268.34
Property reservation	730,363,635.19	502,108,114.80
Performance security	4,509,319,098.61	3,606,344,503.67
Guarantee deposit and security deposit	1,849,370,290.54	1,250,172,952.03
Risk fund of contracting project	108,661,561.18	91,127,958.92
Accrued expenses	267,389,796.02	1,617,314,317.12
Property maintenance fund	10,115,813.44	10,387,338.95
Compensation for demolition	2,573,112.90	2,573,112.90
Staff security funds	59,469,727.38	54,379,523.87
Others	1,516,780,008.14	1,563,491,188.65
Total	11,894,228,956.91	10,217,498,253.34

**(2). Significant other payables aged over 1 year**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Reasons for nonpayment or non-carrying-over
Caribbean International Co., Ltd.	106,296,446.29	Non-arrival settlement period
SCG (Caribbean) Co., Ltd.	64,612,338.10	Non-arrival settlement period
Shanghai Yubang Construction Group Co., Ltd.	35,902,250.00	Non-arrival settlement period
UNDERGROUND TECHNOLOGY ENGINEERING CONSTRUCTION PTE. LTD.	35,725,151.10	Non-arrival settlement period
Shanghai Land Reserve Center	33,858,616.80	Non-arrival settlement period
Shanghai Senxin Construction Co., Ltd.	25,600,656.56	Non-arrival settlement period
Shanghai Greenland Construction Group Co., Ltd.	24,907,785.16	Non-arrival settlement period
Shanghai Tap Water Shinan Co., Ltd.	22,663,714.16	Non-arrival settlement period
Zhejiang Donghai Construction Co., Ltd.	20,716,617.00	Non-arrival settlement period
Shanghai Huatian Real Estate Development Co., Ltd.	20,000,000.00	Non-arrival settlement period
Shanghai Jianfu Construction Engineering Co., Ltd.	19,251,765.44	Non-arrival settlement

		period
Shanghai Dongfu Construction Labor Services Co., Ltd.	18,677,549.20	Non-arrival settlement period
Shanghai First Construction Service Co., Ltd.	18,502,196.77	Non-arrival settlement period
Total	446,715,086.58	

Other notes: ☐ Applicable ☒ Not Applicable

#### 40. Held-for-sale liabilities

☐ Applicable ☒ Not Applicable

#### 41. Due within one year of non-current liabilities

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Current portion of long-term borrowings	3,742,336,451.56	5,091,054,952.10
Current portion of bonds payable	4,249,205,326.85	37,023,000.00
Current portion of long-term payables		
Current portion of lease liabilities		
Total	7,991,541,778.41	5,128,077,952.10

#### 42. Other current liabilities

Other current liabilities

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Short-term bond payable		
Pending output VAT	188,535,677.61	139,684,659.97
Total	188,535,677.61	139,684,659.97

Increase and decrease of short-term bonds payable: ☐ Applicable ☒ Not Applicable

Other notes: ☐ Applicable ☒ Not Applicable

#### 43. Long-term borrowings

##### (1). Classification of long-term borrowings

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Pledge borrowings	1,671,822,123.70	183,229,259.00
Mortgage borrowing	6,307,510,846.01	1,585,537,719.37
Guaranteed borrowings	23,624,333,530.54	10,900,490,800.00
Credit borrowings	650,111,358.00	210,446,800.00
Loan entrusted by affiliate party	1,280,000,000.00	1,240,000,000.00
Loan entrusted by non-affiliate party	1,488,000,000.00	6,138,000,000.00
Mortgage and guaranteed loan	893,887,935.99	766,425,000.00
Pledge and guaranteed loan	773,000,000.00	919,179,621.18
Accepted debt equity investment	7,500,705,000.00	7,654,705,000.00
Total	44,189,370,794.24	29,598,014,199.55

Other descriptions, including the interest rate collar: ☐ Applicable ☒ Not Applicable

**44. Bonds payable****(1). Bonds payable**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
The 2015 Phase-I Medium Term Notes of Shanghai Construction Group Co., Ltd.		1,500,000,000.00
Overseas US dollar bonds		2,708,461,165.76
The 2018 Phase I Asset-backed Notes of Shanghai Zhongcheng Financial Leasing Co., Ltd.	96,984,000.00	180,000,000.00
Total	96,984,000.00	4,388,461,165.76

**(2). Increase/decrease of bonds payable: (preferred shares, perpetual bonds and other financial instruments classified as financial liabilities excluded)**

√ Applicable □ Not Applicable

Unit: RMB 1,000 Currency: RMB

Debenture Name	Par value	Issuing Date	Debenture Term	Issuing Amount	Beginning Balance	Current period Issuing	Interest accrued at par value	Amortization of premiums and discounts	Current period Repayment	End of the period Balance
The 2015 Phase-I Medium Term Notes of Shanghai Construction Group Co., Ltd.	0.1	8/25/2015	5	1,500,000	1,500,000		64,500			1,500,000
Overseas US dollar bonds (USD)	0.1	7/21/2015	5	396,808	398,860.83		15,000	601.27		398,860.83
The 2018 Phase I Asset-backed Notes of Shanghai Zhongcheng Financial Leasing Co., Ltd.	0.1	2/7/2018	3	390,000	180,000		10,800.26		83,016	96,984
Total	/	/	/	2,286,808	2,078,861		90,300	601.27	83,016	1,995,845

**(3). Description of share transfer condition and share transfer time of corporate bonds**

□ Applicable √Not Applicable

**(4). About other financial instruments classified as financial liabilities**

Basic information of other financial instruments as preferred shares and perpetual bonds externally issued at the end of period

□ Applicable √Not Applicable

Variation to other financial instruments as preferred shares and perpetual bonds externally issued at the end of period

□ Applicable √Not Applicable

Basis for financial instruments classified as financial liabilities: □ Applicable √Not Applicable

Other notes: □ Applicable √Not Applicable

**45. Lease liabilities**

□ Applicable √Not Applicable

**46. Long-term payables****Item presentation**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Long-term payables	219,675,036.19	186,012,324.91
Special accounts payables	920,413,964.61	858,000,085.88
Total	1,140,089,000.80	1,044,012,410.79

Other notes: ☐ Applicable ☒ Not Applicable

### Long-term payables

#### (1). Presentation of long-term payables by nature

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Ending balance
Performance security payable	212,088,304.06	180,904,517.56
Reserve for replacement of fixed assets	4,177,764.25	1,878,811.08
Maintenance fund	3,408,967.88	3,228,996.27
Total	219,675,036.19	186,012,324.91

### Special accounts payables

#### (2). Special payables presented as per nature

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reasons for formation
Fee for scientific research and trial production	2,900,366.32	300,000.00		3,200,366.32	
Special fund for comprehensive utilization of mines	763,891.82			763,891.82	
Compensation for demolition	851,420,827.74	189,575,201.00	127,461,322.27	913,534,706.47	
Special allocation for employment promotion	2,915,000.00			2,915,000.00	
Total	858,000,085.88	189,875,201.00	127,461,322.27	920,413,964.61	/

### 47. Long-term employee compensation payable

☒ Applicable ☐ Not Applicable

#### (1). Long-term payroll payable

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
I. Net liabilities of post-employment welfare – defined benefit plan	255,541,511.00	272,979,269.00
II. Dismissal welfare		
III. Other long-term welfare	40,946,586.00	47,636,607.00
Total	296,488,097.00	320,615,876.00

#### (2). Changes of the defined benefit plan

Present value of obligation of defined benefit plan:

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Beginning balance	272,979,269.00	270,623,593.00
II. Defined benefit cost included in the current profit and loss	7,483,388.00	8,458,939.00
1. Current service cost		
2. Previous service cost	-980,097.00	-1,837,395.00
3. Settlement gains (losses to be listed with “-”)		

4. Net interests	8,463,485.00	10,296,334.00
III. Defined benefit cost included in other comprehensive incomes	-840,404.00	18,952,647.00
1. Actuarial gains (losses to be listed with “-”)	-840,404.00	18,952,647.00
IV. Other changes	-24,080,742.00	-25,055,910.00
1. Paying consideration of settlement		
2. Paid welfare	-24,080,742.00	-25,055,910.00
V. Ending balance	255,541,511.00	272,979,269.00

Plan assets: ☐ Applicable ☒ Not Applicable

Net liabilities (net assets) of defined benefit plan

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Beginning balance	272,979,269.00	270,623,593.00
II. Defined benefit cost included in the current profit and loss	7,483,388.00	8,458,939.00
III. Defined benefit cost included in other comprehensive incomes	-840,404.00	18,952,647.00
IV. Other changes	-24,080,742.00	-25,055,910.00
V. Ending balance	255,541,511.00	272,979,269.00

Explanations on contents of defined benefit plan and influence from the related risks to future cash flow, time and uncertainty of the Company:

☐ Applicable ☒ Not Applicable

Explanations on Significant Actuarial Assumptions and Results of Sensitive Analysis for Defined Benefit Plan

☒ Applicable ☐ Not Applicable

The significant actuarial assumptions on which the present value of the defined benefit obligation depends are as follows:

Major assumption of actuarial estimation	The end of current period	The end of previous year
Discount rate - post-employment benefits	3.25%	3.25%
Discount rate - other long-term employee benefits	3.00%	3.00%
Annual growth rate of supplementary medical benefits	8.00%	8.00%
Annual growth rate of supplementary pension benefits for original personnel without labor relations	0.00%/4.50%/8.00%	0.00%/4.50%/8.00%
Annual growth rate of funeral expenses and welfare for original personnel without labor relations	0.00%/4.50%	0.00%/4.50%
Annual growth rate of social insurance and provident fund contributions for the original personnel with labor relations	10.00%	10.00%
Annual growth rate of living expenses and other subsidies for the original personnel with labor relations	4.50%	4.50%
Annual growth rate of funeral expenses and benefits for the original personnel with labor relations	4.50%	4.50%
Death rate	China Life Insurance Mortality Table (2010-2013) —CL5/CL6 up 2 years	China Life Insurance Mortality Table (2010 — 2013) CL5/CL6 up 2 years

In the case of one assumption changing while the others remaining unchanged, the sensitivity analysis of the significant actuarial assumptions on which the present value of the defined benefit obligation depends is as follows:

Major assumption of actuarial estimation	Assumed change range	Change range of present value of defined benefit plan obligations	
		Assumed increase	Assumed decrease
Discount rate	±0.25%	-5,954,657.00	6,224,264.00

Other notes: ☐ Applicable ☒ Not Applicable

**48. Estimated liabilities**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Ending balance	Reasons for formation
External guarantee			
Pending litigation		1,408,777.45	
Product quality assurance			
Reorganization obligation			
Loss contract to be performed			
Others			
Customer compensative reserve	4,593,416.66	4,593,416.66	The customer compensation reserve is the customer compensation reserve accrued by the Group's subsidiary SCG Real Estate according to its historical operation and expectation, which is used for the subsequent maintenance of the sold property.
Total	4,593,416.66	6,002,194.11	/

**49. Deferred incomes**

About deferred income

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reasons for formation
Government subsidies	78,375,445.00	65,309,500.00	54,552,648.42	89,132,296.58	Received various funds related to government subsidies
Compensation for demolition (including compensation for commercial demolition)	112,764,500.82		28,878,788.36	83,885,712.46	Received compensation for purchase and construction of assets, personnel placement and various expenses caused by demolition and relocation.
Total	191,139,945.82	65,309,500.00	83,431,436.78	173,018,009.04	/

Projects with government subsidies:

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Liability items	Beginning balance	Newly increased amount of subsidy in current period	Amount included in non-operating income in current period	Amount included in other incomes in the current period	Other changes	Ending balance	Related to assets/related to income
Compensation for demolition	82,457,787.31			2,400,765.05		80,057,022.26	Related to assets
New headquarters building project of Shanghai Municipal Engineering Design Institute (Group) co., Ltd.	42,243,831.86		2,816,255.44			39,427,576.42	Related to assets
Sporadic projects	36,131,613.14	65,309,500.00		51,736,392.98		49,704,720.16	Related to income

Other notes: □ Applicable √ Not Applicable

**50. Other non-current liabilities**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Equities payable	53,705,996.65	52,836,070.67
Total	53,705,996.65	52,836,070.67

**51. Share capital**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

	Beginning balance	Increase (+)/Decrease (-) during the change					Ending balance
		Issuing New shares	Allotment	Housing fund Transferred shares	Others	Subtotal	
Total number of shares	8,904,397,728.00						8,904,397,728.00



**52. Other equity instruments****(1). Basic information of other financial instruments as preferred shares and perpetual bonds externally issued at the end of period**

√ Applicable □ Not Applicable

Financial instrument externally issued	Issuing time	Classification of accounting	Rate of dividend or interest	Issuing price	Quantity	Amount	Maturity date or renewal	Conditions for transferring shares	Conversions
The 2015 Phase-II Medium Term Notes of Shanghai Construction Group Co., Ltd.	December 29, 2015	Other equity instruments - perpetual bonds	3.940%	100.00	20,000,000	2,000,000,000.00	December 31, 2020		
Shanghai Construction Group Co., Ltd. publicly issued 2017 renewable corporate bonds (phase I) (variety I)	March 06, 2017	Other equity instruments - perpetual bonds	4.780%	100.00	10,000,000	1,000,000,000.00	March 06, 2020		
Shanghai Construction Group Co., Ltd. publicly issued 2018 renewable corporate bonds (phase I)	August 20, 2018	Other equity instruments - perpetual bonds	5.150%	100.00	20,000,000	2,000,000,000.00	August 20, 2021		
Shanghai Construction Group Co., Ltd. publicly issued 2018 renewable corporate bonds (phase II)	October 10, 2018	Other equity instruments - perpetual bonds	5.450%	100.00	15,000,000	1,500,000,000.00	October 10, 2023		
Total					65,000,000	6,500,000,000.00			

**(2). Changes to other financial instruments as preferred shares and perpetual bonds externally issued at the end of period**

√ Applicable □ Not Applicable

Financial instrument externally issued	Beginning		Increase in the current period		Decrease in the current period		End of the period	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
The 2015 Phase-II Medium Term Notes of Shanghai Construction Group Co., Ltd.	20,000,000	2,000,000,000.00					20,000,000	2,000,000,000.00
Shanghai Construction Group Co., Ltd. publicly issued 2017 renewable corporate bonds (phase I) (variety I)	10,000,000	1,000,000,000.00					10,000,000	1,000,000,000.00
Shanghai Construction Group Co., Ltd. publicly issued 2018 renewable corporate bonds (phase I)	20,000,000	2,000,000,000.00					20,000,000	2,000,000,000.00
Shanghai Construction Group Co., Ltd.	15,000,000	1,500,000,000.00					15,000,000	1,500,000,000.00

publicly issued 2018 renewable corporate bonds (phase II)								
Total	65,000,000	6,500,000,000.00					65,000,000	6,500,000,000.00

About changes and causes thereof in increase/decrease of other equity instruments in the current period and basis of related accounting treatment: ☐ Applicable ☒ Not Applicable

Other descriptions:

√ Applicable □ Not Applicable

1) On December 29, 2015, the Company issued the 2015 phase-II medium-term note with the value date on December 29, 2015, which can be redeemed in 2019 and beyond, with a total issue amount of RMB 2,000,000,000.00. According to the issuing terms of the medium term note, the medium term note will exist for a long time before the Company redeems it in accordance with the issuing terms and shall not be converted into shares. On the 5th and every subsequent interest payment date of the medium term note, the Company is entitled to redeem the medium term note (the "redemption right") at its face value plus interest payable (including all deferred interest and fruits), and the investors of the medium term note have no right to sell back. Unless there is mandatory interest payment that can be determined by the Company itself to control its occurrence, for each interest payment date of the medium-term notes, the Company may at its own option, postpone the current interest as well as all the interests and its fruits which has been deferred in accordance with the terms to the next interest payment date and pay them, and they are not subject to any number of times of deferred interest payment limit. The Company will account for the amount actually received from the issuance as other equity instruments.

The coupon rate of the medium term note remains unchanged at an annual interest rate of 3.94% in the first five interest-bearing years. Starting from the 6th interest-bearing year, if the Company does not exercise the redemption right, the annual interest rate will be reset every 5 years at the current benchmark interest rate plus the initial interest margin plus 300 basis points.

2) On March 6, 2017, the Company issued the 2017 renewable corporate bonds with the value date on March 6, 2017, which can be redeemed in 2020 and beyond, with a total issue amount of RMB1,000,000,000.00. According to the issuing terms, the bonds are divided into two varieties. The basic term of variety I is three years, and every three interest-bearing years is a cycle. At the end of each cycle, the issuer is entitled to exercise the option of renewal, extending the term of this variety of bond by one cycle (i.e. extension of three-year), or choose to fully redeem the bonds at the end of the cycle. The basic term of variety II is five years, and every five interest-bearing years is a cycle. At the end of each cycle, the issuer is entitled to exercise the option of renewal, extending the term of this variety of bond by one cycle (i.e. extension of five-year), or choose to fully redeem the bonds at the end of the cycle. The bonds issued this time are of variety I, with a basic issuance scale of RMB 500,000,000 and an over-allotment of no more than RMB 500,000,000 (including RMB 500,000,000).

The issuer has the right to redeem the bonds (the "redemption right") at the par value plus interest payable (including all deferred interest and its fruits) on the 3rd and each after interest payment date of the bonds in the event of changes in tax policy or in accounting standards. Unless there is mandatory interest payment that can be determined by the Company itself to control its occurrence, for each interest payment date of the bond, the Company may at its own option, postpone the current interest as well as all the interests and its fruits which has been deferred in accordance with the terms to the next interest payment date and pay them, and they are not subject to any number of times of deferred interest payment limit. The Company will account for the amount actually received from the issuance as other equity instruments.

The coupon rate of the bonds remains unchanged at 4.78% per annum in the first three interest-bearing years. Starting from the 4th interest-bearing year, if the Company does not exercise the redemption right, the annual interest rate will be reset every 3 years at the current benchmark interest rate plus the initial interest margin plus 300 basis points.

3) On October 24, 2016, the Company obtained the "ZJXK [2016] No. 2388" issued by the China Securities Regulatory Commission (CSRC) which approves the Company to publicly issue shares to qualified investors, with the approved scale not exceeding RMB 5,000,000,000, which will be issued at twice this year. According to the issuing terms, the bonds are divided into two varieties. The basic term of variety I is three years, and every three interest-bearing years is a cycle. At the end of each cycle, the issuer is entitled to exercise the option of renewal, extending the term of this variety of bond by one cycle (i.e. extension of three-year), or choose to fully redeem the bonds at the end of the cycle. The basic term of variety II is five years, and every five interest-bearing years is a cycle. At the end of each cycle, the issuer is entitled to exercise the option of renewal, extending the term of this variety of bond by one cycle (i.e. extension of five-year), or choose to fully redeem the bonds at the end of the cycle. This creditor's right is introduced with the option of inter-variety callback, and the proportion of inter-variety callback is not limited. The final issuance scale of each variety will be determined by the issuer and the lead underwriter through consultation after deciding whether to exercise the option of callback between varieties according to the offline inquiry results, but the total final issuance scale of each variety shall

not exceed RMB 4,000,000,000 (including 4,000,000,000).

On August 20, 2018, the Company issued the 2018 renewable corporate bonds (phase I) with the value date on August 20, 2018, which can be redeemed in 2021 and beyond, with a total issue amount of RMB 2,000,000,000.00. The issuer has the right to redeem the bonds (the "redemption right") at the par value plus interest payable (including all deferred interest and its fruits) on the 3rd and each after interest payment date of the bonds in the event of changes in tax policy or in accounting standards. Unless there is mandatory interest payment that can be determined by the Company itself to control its occurrence, for each interest payment date of the bond, the Company may at its own option, postpone the current interest as well as all the interests and its fruits which has been deferred in accordance with the terms to the next interest payment date and pay them, and they are not subject to any number of times of deferred interest payment limit. The Company will account for the amount actually received from the issuance as other equity instruments. The coupon rate of the bonds remains unchanged at 5.15% per annum in the first three interest-bearing years. Starting from the 4th interest-bearing year, if the Company does not exercise the redemption right, the annual interest rate will be reset every 3 years at the current benchmark interest rate plus the initial interest margin plus 300 basis points.

On October 10, 2018, the Company issued the 2018 renewable corporate bonds (phase II) with the value date on October 10, 2018, which can be redeemed in 2023 and beyond, with a total issue amount of RMB 1,500,000,000.00. The issuer has the right to redeem the bonds (the "redemption right") at the par value plus interest payable (including all deferred interest and its fruits) on the 5th and each after interest payment date of the bonds in the event of changes in tax policy or in accounting standards. Unless there is mandatory interest payment that can be determined by the Company itself to control its occurrence, for each interest payment date of the bond, the Company may at its own option, postpone the current interest as well as all the interests and its fruits which has been deferred in accordance with the terms to the next interest payment date and pay them, and they are not subject to any number of times of deferred interest payment limit. The Company will account for the amount actually received from the issuance as other equity instruments. The coupon rate of the bonds remains unchanged at 5.45% per annum in the first three interest-bearing years. Starting from the 6th interest-bearing year, if the Company does not exercise the redemption right, the annual interest rate will be reset every 3 years at the current benchmark interest rate plus the initial interest margin plus 300 basis points.

### 53. Capital reserves

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (stock premium)	1,592,462,412.88	-864,428.38		1,591,597,984.50
Other capital reserves	608,408,561.87			608,408,561.87
Total	2,200,870,974.75	-864,428.38		2,200,006,546.37

### 54. Treasury shares

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Treasury shares		55,121,123.98		55,121,123.98
Total		55,121,123.98		55,121,123.98

Other descriptions, including changes and causes thereof in increase/decrease in the current period:

Note: Shares repurchased by centralized bidding are planned to be used for employee stock ownership plan.

**55. Other comprehensive income**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning Balance	Current amount						End of the period Balance
		Amount incurred before income tax in current period	Minus: Profit and loss included in other comprehensive income at early stage and transferred in the current period	Less: Retained earnings included in other comprehensive income at early stage and transferred in the current period	Less: income tax expenses	After-tax amount attributable to the parent company	After-tax amount attributable to minority shareholders	
I. Other comprehensive income not to be reclassified through profit or loss	-48,309,427.58	-67,217,220.33			-17,572,357.22	-49,644,863.11		-97,954,290.69
Including: changes arising from re-measurement of the defined benefit plan	-27,791,279.04	840,404.00			-566,951.13	1,407,355.13		-26,383,923.91
Other comprehensive income that cannot be reclassified into profit or loss under the equity method								
Changes in fair value of investment by other equity instruments	-20,518,148.54	-68,057,624.33			-17,005,406.09	-51,052,218.24		-71,570,366.78
Changes in fair value of the enterprise's credit risk								
II. Other comprehensive income to be reclassified through profit or loss	28,700,270.24	-19,688,423.17				-16,276,125.25	-3,412,297.92	12,424,144.99
Including: other comprehensive income to be reclassified through profit or loss under the equity method	1,572,612.94							1,572,612.94
Changes in fair value of other debt investments								

Amount of financial assets reclassified into other comprehensive income								
Other debt investment credit								
Impairment provision								
Effective profit or loss of cash flow hedge								
Foreign currency translation difference	27,127,657.30	-19,688,423.17				-16,276,125.25	-3,412,297.92	10,851,532.05
Profit or loss from changes in fair value of available-for-sale financial assets								
Total other comprehensive income	-19,609,157.34	-86,905,643.50			-17,572,357.22	-65,920,988.36	-3,412,297.92	-85,530,145.70

**56. Special reserves**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Work safety expenses		2,622,168,202.64	2,619,783,639.66	2,384,562.98
Total		2,622,168,202.64	2,619,783,639.66	2,384,562.98

**57. Surplus reserves**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	1,304,508,959.56	208,582,212.07		1,513,091,171.63
Discretionary surplus reserve				
Reserve funds				
Enterprise expansion fund				
Others				
Total	1,304,508,959.56	208,582,212.07		1,513,091,171.63

**58. Undistributed profits**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	11,667,743,645.90	10,367,542,626.41
Total number of undistributed profit at beginning of adjustment (adjustment +/-)	198,983,749.04	
Undistributed profits at the beginning of the period after adjustment	11,866,727,394.94	10,367,542,626.41
Add: net profits attributable to owners of parent company in current period	3,930,207,378.11	2,779,866,799.83
Less: Appropriation of statutory surplus reserve	208,582,212.07	150,972,087.06
Appropriation of discretionary surplus reserve		
Appropriation to general risk provision		
Common stock dividends payable	1,202,093,693.28	1,202,093,693.28
Common stock dividends converted into share capital		
Payment of interest on perpetual bonds	311,350,000.00	126,600,000.00
Undistributed profits at the end of the period	14,074,908,867.70	11,667,743,645.90

Details of adjustment of undistributed profits at the beginning of the period:

1. The amount of the undistributed profit at the beginning of the year that will be affected due to retroactive adjustment of ASBE and its relevant new regulations is RMB 198,983,749.04.
2. The amount of the undistributed profit at the beginning of the year that will be affected due to accounting policy alternation is RMB 0.
3. The amount of the undistributed profit at the beginning of the year that will be affected due to correction of major accounting error is RMB 0.
4. The amount of the undistributed profit at the beginning of the year that will be affected due to change of consolidation scope as a result of common control is RMB 0.

5. The amount of the undistributed profit at the beginning of the year that will be affected due to other adjustments is RMB 0.

## 59. Operating income and operating cost

### (1). Operating income and operating costs

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Main business	204,225,030,695.31	183,317,829,337.59	169,837,972,402.38	150,775,311,413.53
Other business	1,271,677,113.04	1,040,101,686.42	707,810,700.43	588,770,693.07
Total	205,496,707,808.35	184,357,931,024.01	170,545,783,102.81	151,364,082,106.60

Other notes:

#### 1. Prime business (classified as per industry)

Industry name	Amount in the current period		Amount in the previous period	
	Operating income	Operating cost	Operating income	Operating cost
Architecture, contract, design, construction	170,679,273,087.38	157,330,314,302.01	132,591,328,156.75	121,302,356,224.40
Construction industry	12,187,396,200.58	11,167,670,364.00	5,025,421,253.29	4,449,901,884.77
Real estate development	10,062,117,164.48	6,329,207,234.56	22,882,044,747.31	17,871,976,743.16
Complete equipment and other merchandise trade	6,554,409,077.29	6,379,891,325.36	4,978,246,576.34	4,780,590,336.57
Municipal infrastructure investment and construction	1,195,447,949.39	41,556,384.10	858,900,893.05	11,993,601.19
Project management consulting, labor dispatch and other services	2,912,219,902.01	1,641,825,176.65	2,595,158,894.61	1,593,504,858.02
Gold sales business	634,167,314.18	427,364,550.91	906,871,881.03	764,987,765.42
Total	204,225,030,695.31	183,317,829,337.59	169,837,972,402.38	150,775,311,413.53

#### 2. Prime business (classified as per region)

Name of Area	Amount in the current period		Amount in the previous period	
	Operating income	Operating cost	Operating income	Operating cost
Chinese Mainland	199,376,855,893.68	179,390,056,841.68	164,627,912,571.95	146,323,365,880.11
Other countries and areas	4,848,174,801.63	3,927,772,495.91	5,210,059,830.43	4,451,945,533.42
Total	204,225,030,695.31	183,317,829,337.59	169,837,972,402.38	150,775,311,413.53

#### 3. Operating incomes of the top five clients of the Company

Customer name	Total operating income	Proportion to the total operating income (%)
Shanghai Urban Drainage Co., Ltd.	3,798,388,056.34	1.85
National Exhibition and Convention Center (Shanghai) Co., Ltd.	2,262,826,171.53	1.1
Shanghai Rail Transit Line 18 Development Co., Ltd.	1,402,496,435.78	0.68
New Galaxy Entertainment Co., Ltd.	1,247,620,611.60	0.61
Shanghai Laogang Waste Utilization Co., Ltd.	1,307,071,645.57	0.64
Total	10,018,402,920.82	4.88

## 60. Taxes and surcharges

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Consumption tax		
Business tax		
City maintenance and construction tax	242,901,613.12	231,137,610.26
Educational surcharge	187,778,523.52	180,477,141.11



Resources tax	39,574,102.27	53,835,402.22
House property tax	118,162,153.07	107,962,322.15
Land use tax	11,550,903.22	17,163,091.59
Vehicle and vessel use tax		
Stamp tax	126,234,108.30	90,508,591.05
Land appreciation tax	1,021,943,699.45	1,634,657,933.87
Watercourse management fee	12,280.85	1,614,707.41
Offshore tax	42,420,019.63	40,019,700.05
Environmental protection taxes	10,106,243.18	15,248,118.34
Others	52,602,559.18	48,611,929.35
Total	1,853,286,205.79	2,421,236,547.40

**61. Selling expenses**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee's compensation and welfare	219,711,779.33	191,951,058.27
Commission and agency fee	246,706,474.03	246,894,911.85
Advertising expenses	78,659,866.55	109,442,070.81
Travel allowance	14,868,630.95	17,489,403.66
Office allowance	32,126,146.04	27,616,665.00
Transportation cost	8,380,563.17	8,073,983.45
Expenses for using fixed assets	13,973,925.98	13,868,832.56
Business entertainment expenses	6,089,189.01	6,395,048.84
Official business fee	351,357.68	241,652.14
Others	58,070,518.61	72,935,942.26
Total	678,938,451.35	694,909,568.84

**62. Administrative expenses**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee's compensation and welfare	4,122,575,416.00	3,477,180,801.79
Expenses for using fixed assets	357,414,113.26	347,853,765.62
Office allowance	386,480,540.61	316,791,557.99
Business entertainment expenses	57,742,894.63	50,295,501.36
Travel allowance	95,486,703.61	101,093,773.56
Amortization of intangible assets	26,252,881.48	39,130,695.04
Vehicle use fee	17,980,386.30	9,098,053.59
Insurance premium	26,265,750.46	28,689,942.67
Amortization of long-term deferred expenses	12,521,615.61	18,778,172.11
Low value consumables	20,056,101.58	10,952,103.97
Repair fee	46,192,420.37	23,146,710.54
Official business fee	6,855,259.28	3,195,889.26
Labor service collaboration fee	3,022,406.65	1,919,683.45
Others	430,945,591.69	399,608,298.33
Total	5,609,792,081.53	4,827,734,949.28

**63. R&D expenses**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Direct material	3,071,603,597.19	2,097,900,696.68
Personnel expense	1,164,680,839.35	956,813,937.96
Depreciation expense	27,666,758.48	46,939,515.03
Rent	86,146,956.95	44,100,494.14
Maintenance and renovation fee	47,382,984.38	43,314,046.25
Amortization of intangible assets	2,200,503.83	1,505,297.94
Trial production and test fee	772,044,534.37	911,111,554.84
Costs of outsourcing research and development	179,790,025.59	687,427,158.75
Other expenses	868,202,367.84	389,811,092.07
Total	6,219,718,567.98	5,178,923,793.66

**64. Financial expenses**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expense	2,100,898,202.94	1,795,050,404.24
Less: Interest income	-551,420,819.24	-545,298,669.44
Exchange profit or loss	-9,752,753.50	-10,097,305.05
Effect of welfare actuary	9,795,382.00	12,420,503.00
Others	149,995,523.48	130,995,498.31
Total	1,699,515,535.68	1,383,070,431.06

**65. Other incomes**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Government subsidies	94,818,974.74	66,317,268.74
Input VAT casting or credit	1,551,064.24	
Others	26,779.83	
Total	96,396,818.81	66,317,268.74

**66. Investment income**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income under the equity method	84,858,065.29	35,456,072.12
Investment income from disposal of long-term equity investments		5,084,780.56
Investment income from financial assets at fair value through current profit and loss during holding period of the financial assets		8,928,900.41
Investment income from disposal of financial assets at fair value through current profit and loss		-309,597.30
Investment income from held-to-maturity investments during the holding period		
Investment income from disposal of held-to-maturity		

investment		
Investment income from available-for-sale financial assets during the holding period		91,998,910.40
Investment income from disposal of available-for-sale financial assets		26,238,049.79
Investment income during the period of the financial assets held for trading	43,018,330.96	
Dividend income from investments in other equity instruments during the holding period	11,563,543.31	
Interest income from debt investment during the holding period		
Interest income from other debt investment during the holding period		
Investment income from disposal of trading financial assets	20,168,826.20	
Disposal of investment income from other equity instrument investments		
Investment income acquired from disposal of debt investment		
Investment income acquired from disposal of other debt investment		
Investment income during the period of other non-current financial assets	85,632,133.04	
Investment income from disposal of other non-current financial assets	125,688.52	
Others	2,677,249.92	1,940,325.64
Total	248,043,837.24	169,337,441.62

**67. Net exposure hedging revenue**
☐ Applicable ☒ Not Applicable
**68. Income from changes at fair value**
☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Source of income from changes at fair value	Amount incurred in the current period	Amount incurred in the previous period
Financial assets held for trading	726,140,064.35	
Including: income from changes at fair values arising from derivative financial instruments	1,582,191.78	
Financial liabilities held for trading		
Investment properties measured at fair value		
Financial assets at fair value through current profit and loss		-17,528,094.83
Other non-current financial assets	142,909,846.67	
Total	869,049,911.02	-17,528,094.83

**69. Credit impairment losses**
☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Loss on bad debts of other receivables	37,894,248.53	
Impairment loss from other debt investments		
Impairment loss from other debt		

investments		
Loss on bad debts of other long-term receivables	56,043,957.97	
Loss on bad debts of notes receivable	87,929,730.11	
Loss on bad debts of accounts receivable	764,959,362.29	
Loss on receivables financing	-24,019,063.96	
Total	922,808,234.94	

**70. Asset impairment losses**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Bad debt losses		443,070,214.70
II. Inventory falling price loss	49,089.85	2,990,193.34
III. Loss from available-for-sale financial assets impairment		360,240,464.06
IV. Loss from held-to-maturity investment impairment		
V. Loss from long-term equity investment impairment		
VI. Loss from investment properties impairment		
VII. Loss from fixed assets impairment		
VIII. Loss from construction materials impairment		
IX. Loss from construction in progress impairment		
X. Loss from bearer biological assets impairment		
XI. Loss from oil and gas assets impairment		
XII. Loss from intangible assets impairment		
XIII. Loss from goodwill impairment	1,874,605.16	66,224,057.65
XIV. Others		
Total	1,923,695.01	872,524,929.75

**71. Income from asset disposal**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Fixed assets disposal profits	27,159,875.73	15,543,293.36
Intangible assets disposal profits	69,733.34	
Others	108,565.98	1,457,175.07
Total	27,338,175.05	17,000,468.43

**72. Non-Operating income**

Information on non-operating income

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in	Amount incurred in	Amount recognized in
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	the current period	the previous period	non-recurring profit or loss of current period
Total gains from disposal of non-current assets			
Including: Gains from disposal of fixed assets			
Gains from disposal of intangible assets			
Gains on debt restructurings	41,996.00	5,550.00	41,996.00
Gains on exchanges of non-monetary assets			
Donation accepted			
Government subsidies	308,180,746.45	287,574,748.90	308,180,746.45
Gains from inventory profit	10,000.56	43.98	10,000.56
Income from liquidated damages, overdue fine and penalty	1,914,272.75	6,341,297.71	1,914,272.75
Funds not to be paid	1,552,437.26	9,797,367.89	1,552,437.26
Compensatory income for demolition	1,861,739.47	28,483,400.00	1,861,739.47
Income from the difference between the cost of an investment in a subsidiary, associate and joint venture and the investee's interests in the fair value of the acquiree's identifiable net assets acquired during the acquisition	276,661.10	193,171.28	276,661.10
Others	4,301,718.78	4,021,107.69	4,301,718.78
Total	318,139,572.37	336,416,687.45	318,139,572.37

Government subsidies which is included in the current profits and losses

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Grant item	Current amount	Previous amount	Related to assets/related to income
Revenue-related subsidy by each district's government	305,364,491.01	284,758,493.46	Related to income
Asset-related subsidy by each district's government	2,816,255.44	2,816,255.44	Related to assets

Other notes: □ Applicable √ Not Applicable

### 73. Non-operating expenditure

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount recognized in non-recurring profit or loss of current period
Total losses from disposal of non-current assets			
Including: Losses from disposal of fixed assets			
Losses from disposal of intangible assets			
Losses on debt restructuring			
Losses on exchanges of non-monetary assets			

Donation	13,455,774.96	7,134,000.00	13,455,774.96
Expenditures due to penalty and overdue fine	7,287,651.16	4,440,478.24	7,287,651.16
Expenditure of compensation	1,144,501.81	2,986,493.13	1,144,501.81
Losses from damage and scrapping of non-current assets	4,902,823.15	2,914,783.33	4,902,823.15
Others	1,510,344.58	2,076,934.68	1,510,344.58
Total	28,301,095.66	19,552,689.38	28,301,095.66

**74. Income tax expenses****(1). List of income tax expenses**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expenses	1,517,122,727.88	1,553,321,668.84
Deferred income tax expense	-145,908,777.19	-627,478,342.27
Total	1,371,213,950.69	925,843,326.57

**(2). Adjustment process of accounting profits and income tax expenses**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period
Total profit	5,683,461,230.89
Income tax expense calculated in accordance with legal/applicable tax rate	1,420,865,307.72
Effect of different tax rates applicable to subsidiaries	-299,753,941.96
Effect from adjustment of income tax in the previous period	-52,745,978.64
Effect of non-taxable income	-65,820,394.40
Effect of cost, expense and loss nondeductible	-13,480,073.03
Effect from using the deductible losses of unrecognized deferred income tax assets	-9,191,729.76
Deductible temporary difference or effect of deductible loss of unrecognized deferred income tax assets in the current period	463,508,003.48
Effect of change in tax rate on the balance of deferred income tax at the beginning of the period	30,096,845.36
Additional deduction	-101,056,144.75
Income tax expenses undertaken by stockholders of partnership enterprise	-1,207,943.33
Income tax expenses	1,371,213,950.69

Other notes:√ Applicable □ Not Applicable

Note: According to the Company's Announcement L2020-018, The Ministry of Finance and the State Administration of Taxation of the People's Republic of China issued the Notice of the State Administration of Taxation and the Ministry of Finance on Enterprise Income from Perpetual Bonds Tax Policy (Announcement No. 64 in 2019 of the Ministry of Finance and the State Administration of Taxation, hereinafter referred to as "No. 64 Notice"), stipulating that "the enterprise can issue perpetual bonds that meet the prescribed conditions according to the enterprise income tax policy applicable to the bond interest, namely the interest expenditure of perpetual bonds paid by the issuer is allowed to be deducted before the enterprise income tax, and the interest income from perpetual bonds obtained by investors shall be taxed according to the law." Ant it will be implemented from January 1, 2019. Effect of cost, expense and loss nondeductible: RMB 77,837,500.00

**75. Other comprehensive income**

□ Applicable √Not Applicable

**76. Items of cash flow statements****(1). Cash received relating to other operating activities**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current received from all parties	3,102,273,575.52	3,136,074,379.53
Construction fund principal of BT projects and PPP projects received from the owners	2,498,676,830.63	1,059,990,346.46
Deposit received	3,884,176,895.48	3,158,416,690.98
Advance received	159,955,118.07	113,354,883.06
Government subsidies received	403,850,694.39	296,651,541.42
Others	637,211,666.18	360,925,427.16
Total	10,686,144,780.27	8,125,413,268.61

**(2). Cash paid relating to other operating activities**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current paid to all parties	2,732,214,101.52	2,919,369,704.86
Funds paid for BT projects and PPP projects	5,980,528,543.67	5,541,945,111.52
Operation and management fees paid	7,541,555,407.90	6,049,239,668.86
Margins and deposits paid	2,321,089,718.77	2,334,240,015.87
Advance paid	132,540,241.81	102,556,452.73
Donation expenditures paid	13,455,774.96	15,478,564.47
Others	544,326,808.82	346,529,473.90
Total	19,265,710,597.45	17,309,358,992.21

**(3). Cash received relating to other investing activities**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest income received	561,826,444.51	530,342,479.58
Compensation for demolition received	191,013,702.00	209,159,389.57
Entrusted loans received	85,200,000.00	96,800,000.00
Cash received from acquisition of subsidiaries	55,218,220.15	76,150,305.93
Others received		33,493,500.00
Total	893,258,366.66	945,945,675.08

**(4). Cash paid relating to other investing activities**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Demolition expenses paid	23,911,557.61	10,038,597.42
Entrusted loans paid	85,200,000.00	775,000,000.00
Fund paid to Fulton		381,819,201.30
Cash paid for disposal of subsidiaries		1,367,306.90
Resettlement expenses paid	271,780.40	296,709.53
Total	109,383,338.01	1,168,521,815.15

**(5). Cash received relating to other financing activities**

□ Applicable √Not Applicable

**(6). Cash payments relating to other financing activities**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Underwriting fee of medium-term note paid	4,250,000.00	14,750,000.00
Dividend commission paid	683,153.72	725,531.58
Costs paid for acquisition of minority stockholders	8,160,000.00	171,313,015.22
Handling charges of financial institutions paid		6,946,713.05
ABN bond issuance expense and tax cost	612,670.72	3,909,445.48
Payment of reduction of contribution		476,000,000.00
Total	13,705,824.44	673,644,705.33

**77. Supplementary information for cash flow statement****(1). Supplementary information for cash flow statement**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Supplementary information	Amount in the current period	Amount in the previous period
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	4,312,247,280.20	3,429,448,531.68
Add: provision for impairment of assets	924,731,929.95	872,524,929.75
Depreciation of fixed assets, consumption of oil and gas assets and bearer biological assets	1,967,987,586.90	1,639,446,906.47
Amortization of use right asset		
Amortization of intangible assets	148,490,964.82	92,360,145.28
Amortization of long-term deferred expenses	50,684,690.67	43,139,279.32
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains to be listed with "-")	-27,338,175.05	-17,000,468.43
Loss on retirement of fixed assets (gains to be listed with "-")	4,902,823.15	2,914,783.33
Loss from changes in fair value (gains to be listed with "-")	-869,049,911.02	17,528,094.83
Financial expenses (gains to be listed with "-")	1,489,622,390.96	1,189,084,295.40
Investment loss (gains to be listed with "-")	-248,043,837.24	-169,337,441.62
Decrease of deferred income tax assets (increase to be listed with "-")	-12,533,024.90	-61,076,193.36
Increases of deferred income tax liabilities (decreases to be listed with "-")	-133,375,752.29	-566,402,148.91
Decrease of inventory (increases to be listed with "-")	-12,048,485,133.24	-883,407,720.43
Decreases of operational receivables (increases to be listed with "-")	-15,430,154,368.24	-16,858,953,054.64
Increases of operating payables (decreases to be listed with "-")	24,419,524,745.13	13,665,687,490.17
Others		
Historical net cash flow from operating activities	4,549,212,209.80	2,395,957,428.84
<b>2. Major investment and financing activities not relating to cash deposit and withdrawal:</b>		



Transfer of debt into capital		
Current portion of convertible corporate bonds		
Fixed assets held under financial lease		
<b>3. Net change of cash and cash equivalents:</b>		
Ending balance of cash	65,143,203,984.03	53,850,906,758.78
Less: Beginning balance of cash	53,850,906,758.78	53,527,157,921.53
Add: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	11,292,297,225.25	323,748,837.25

**(2). Net cash paid for acquisition of subsidiaries in the current period**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

	Amount
Cash or cash equivalents paid in the current year for business combination in the current year	32,454,864.54
Wherein: Wuxi Liangxing Concrete Co., Ltd.	25,154,864.54
Jiangsu Hengji Concrete Co., Ltd.	300,000.00
SCG Yibin Cuiping Construction Co., Ltd.	7,000,000.00
Less: Cash and cash equivalents held by subsidiaries on acquisition date	68,197,678.86
Wherein: Wuxi Liangxing Concrete Co., Ltd.	224,686.00
Jiangsu Hengji Concrete Co., Ltd.	5,754,772.71
SCG Yibin Cuiping Construction Co., Ltd.	62,218,185.75
Shanghai Longying Municipal Engineering Co., Ltd.	34.40
Add: Cash or cash equivalents paid in the current period for business combination occurred during previous periods	
Net cash paid for acquisition of subsidiaries	-35,742,814.32

**(3). Net cash received from disposal of subsidiaries in the current period**

□ Applicable √ Not Applicable

**(4). Composition of cash and cash equivalents**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
<b>I. Cash</b>	65,143,203,984.03	53,850,906,758.78
Including: cash on hand	7,902,893.92	11,675,927.90
Bank deposit available for payments at any time	65,029,597,886.89	53,773,482,435.61
Other cash at bank and on hand available for payment at any time	105,703,203.22	65,748,395.27
Available fund that is deposited into the Central Bank for payment		
Interbank deposits		
Interbank loans		
<b>II. Cash equivalents</b>		
Including: Investment on bonds due within three months		
<b>III. Ending balance of cash and cash equivalents</b>	65,143,203,984.03	53,850,906,758.78
Including: Restricted cash and cash equivalents used by parent company or subsidiaries under the Group		

Other notes:

☐ Applicable ☒ Not Applicable**78. Notes to items of changes in shareholders' equity**

Explain the names and amounts of "others" items adjusted to the ending balance of the previous year.

☐ Applicable ☒ Not Applicable**79. Assets with ownership or use right restricted**☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Item	Ending book value	Reasons for restriction
Cash at bank and on hand	950,584,824.77	Refer to Note V/(I) for details
Notes receivable	294,499.20	Refer to Note V/(IV) for details
Inventories	12,345,452,237.25	Refer to Note XI/(I) for details
Fixed assets	1,059,998,586.86	Refer to Note V/(XVIII) and Note XI/(I) for details
Intangible assets	918,937,520.54	Refer to Note XI/(I) for details
Receivables financing	1,418,648,022.41	Refer to Note V/(VI) for details
Accounts receivable	94,485,724.52	Refer to Note XI/(I) for details
Current portion of non-current assets	74,169,691.06	Refer to Note XI/(I) for details
Long-term receivables	3,864,634,340.92	Refer to Note XI/(I) for details
Investment properties	922,538,608.10	Refer to Note XI/(I) for details
Construction in progress	1,476,852.68	Refer to Note XI/(I) for details
Total	21,651,220,908.31	/

**80. Monetary items in foreign currency****(1). Monetary items in foreign currency**☒ Applicable ☐ Not Applicable

Unit: RMB

Item	Ending foreign currency balance	Conversion exchange rate	Ending equivalent RMB Balance
Cash at bank and on hand	-	-	2,231,100,892.75
Including: USD	265,529,218.97	6.9762	1,852,384,937.38
MOP			
HKD			
MOP	168,694,948.33	0.8703	146,815,213.53
Trinidad and Tobago dollar	101,940,274.90	1.0568	107,730,482.51
HKD	88,424,652.25	0.8958	79,210,803.49
MYR	3,896,159.36	1.6987	6,618,405.90
UZS	8,624,350,460.03	0.0007	6,037,045.32
SGD	1,165,815.94	5.1739	6,031,815.09
IDR	11,524,390,161.00	0.0005	5,762,195.08
CAD	1,019,821.69	5.3421	5,447,989.45
WST	1,158,139.09	2.7221	3,152,570.42
EUR	401,806.11	7.8155	3,140,315.65
MMK	358,388,990.00	0.0047	1,684,428.25
NPR	23,258,732.25	0.0611	1,421,108.54
ERN	2,923,770.25	0.4658	1,361,892.18
VND	3,681,791,203.00	0.0003	1,104,537.36
XOF	77,109,740.00	0.0119	917,605.91
GNF	1,214,710,814.00	0.0007	850,297.57
JPY	7,308,834.00	0.0641	468,496.26
MNT	82,945,115.10	0.0026	215,657.30
KMF	4,937,178.00	0.0159	78,501.13
GBP	2,700.00	9.1501	24,705.27
XAF	806,685.00	0.0117	9,438.21
MVR	16,433.00	0.4518	7,424.43
KHR	1,715,799.00	0.0017	2,916.86
ZWD	673,453.16	0.416	280,156.51
ZMK	352,885.42	0.4974	175,525.21
MRO	372,295.72	0.186	69,247.00

TOP	15,440.4	3.0512	47,111.75
VUV	627,573	0.0605	37,968.17
KES	175,886.95	0.0688	12,101.02
Accounts receivable	-	-	509,379,338.96
Where: USD	42,772,993.17	6.9762	298,392,954.95
Trinidad and Tobago dollar	66,129,387.87	1.0568	69,885,537.10
CAD	11,416,289.00	5.3421	60,986,957.47
EUR	5,780,694.76	7.8155	45,179,019.90
HKD	30,648,175.00	0.8958	27,454,635.17
SGD	1,445,236.51	5.1739	7,477,509.18
KHR	1,603,052.00	0.0017	2,725.19
Long-term borrowings	-	-	3,706,159,403.20
Where: USD	531,257,619.22	6.9762	3,706,159,403.20
EUR			
HKD			

(2). The description of overseas operating entities, including main premises abroad, bookkeeping base currency and selection basis to be disclosed for the important overseas operating entities; reasons shall also be disclosed for the changed bookkeeping base currency

☐ Applicable ☒ Not Applicable

### 81. Hedging

☐ Applicable ☒ Not Applicable

### 82. Government subsidies

#### (1). Basic information about government subsidies

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Category	Amount	Item presented	Amount included in the current profit and loss
Government subsidies related to income	94,818,974.74	Other incomes	94,818,974.74
Government subsidies related to income	305,364,491.01	Non-operating income	305,364,491.01
Government subsidies related to assets	2,816,255.44	Non-operating income	

#### (2). Refund of government subsidies

☐ Applicable ☒ Not Applicable

### 83. Others

☐ Applicable ☒ Not Applicable

## VIII. Changes in Consolidation Scope

### 1. Business combination under different control

☒ Applicable ☐ Not Applicable

#### (1). Business combination under different control in current period

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Name of acquiree	Time point of acquisition of equity	Acquisition cost of equity	Acquisition proportion of equity (%)	Acquisition method of equity	Acquisition date	Basis for determination of acquisition date	Income of acquiree from acquisition date to the end of the period	Net profit of acquiree from acquisition date to the end of the period
Wuxi Liangxing Concrete Co., Ltd.	2019-7-1	25,154,864.54	100.00	Stock purchase	2019-7-1	To obtain corporate control right	5,247,202.08	-4,898,507.10
Jiangsu	2019-12-31	300,000.00	100.00	Stock	2019-12-31	To obtain		

Hengji Concrete Co., Ltd.				purchase		corporate control right		
Shanghai Longying Municipal Engineering Co., Ltd.	2019-2-1		100.00	Stock purchase	2019-2-1	To obtain corporate control right		
SCG Yibin Cuiping Construction Co., Ltd.	2019-2-1	7,000,000.00	70.00	Stock purchase	2019-2-1	To obtain corporate control right	50,790,131.93	9,219,722.70

**(2). Merger cost and goodwill**√ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Combination cost	Wuxi Liangxing Concrete Co., Ltd.	Jiangsu Hengji Concrete Co., Ltd.	Shanghai Longying Municipal Engineering Co., Ltd.	SCG Yibin Cuiping Construction Co., Ltd.
--Cash	25,154,864.54	300,000.00		7,000,000.00
--Fair value of non-cash assets				
--Fair value of liabilities issued or borne				
--Fair value of equity securities issued				
--Fair value of contingent consideration				
--Fair value on acquisition date for equity held prior to the acquisition date				3,118,554.30
--Others				
Total merger cost	25,154,864.54	300,000.00		10,118,554.30
Less: Fair value of net identifiable assets acquired	25,154,864.54	300,000.00	34.40	10,395,181.00
Amount of which the goodwill/merger cost is less than the fair value of net identifiable assets acquired		-	-34.40	-276,626.70

**(3). Identifiable assets and liabilities of the acquiree on the acquisition date**√ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

	Wuxi Liangxing Concrete Co., Ltd.		Jiangsu Hengji Concrete Co., Ltd.		Shanghai Longying Municipal Engineering Co., Ltd.		SCG Yibin Cuiping Construction Co., Ltd.	
	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date
Assets:	25,377,073.30	4,880,541.81	98,478,140.90	98,003,559.72	34.40	34.40	823,319,560.43	823,319,560.43
Cash at bank and on hand	224,686.00	224,686.00	5,754,772.71	5,754,772.71	34.40	34.40	62,218,185.75	62,218,185.75
Receivables	1,926.10	1,926.10	9,491,623.52	9,017,042.34			760,708,756.45	760,708,756.45
Inventories	10,251.90		83,231,744.67	83,231,744.67				
Fixed assets	13,615,709.30	2,756,176.21						
Intangible assets	11,524,500.00	1,897,753.50						
Deferred income tax assets							392,618.23	392,618.23
Liability:	222,208.76	301,997.76	98,178,140.90	98,236,534.94			812,924,379.43	812,924,379.43
Borrowings							775,000,000.00	775,000,000.00
Payables	222,208.76	301,997.76	98,178,140.90	98,236,534.94			37,924,379.43	37,924,379.43
Deferred income tax liabilities								
Net assets	25,154,864.54	4,578,544.05	300,000.00	-232,975.22	34.40	34.40	10,395,181.00	10,395,181.00
Less: Minority equity								
Acquired net assets	25,154,864.54	4,578,544.05	300,000.00	-232,975.22	34.40	34.40	10,395,181.00	10,395,181.00

**(4). Acquisition profit or loss arising from the revaluation of the equity held prior to the date at the fair value**

Whether conditions of various deals for step-by-step business combination of control occurring in the report period

☐ Applicable ☒ Not Applicable

**(5). Relevant descriptions of the merging consideration or the fair value of identifiable net assets and liabilities of acquiree that cannot be confirmed rationally on the acquisition date or at the end of the current merging period**

☐ Applicable ☒ Not Applicable

**(6). Other notes**

☐ Applicable ☒ Not Applicable

**2. Business combination under common control**

☐ Applicable ☒ Not Applicable

**3. Counter acquisition**

☐ Applicable ☒ Not Applicable

**4. Disposal of subsidiaries**

Whether conditions of single disposal of the investment in subsidiary with control lost occurred

☐ Applicable ☒ Not Applicable

Other notes:

☐ Applicable ☒ Not Applicable

Whether conditions of various deals for step-by-step equity investment disposal and loss of control occurred in the current period

☐ Applicable ☒ Not Applicable

**5. Changes in consolidation scope for other reasons**

Explain the changes in consolidation scope arising from other reasons (like the establishment of new subsidiaries, liquidation of subsidiaries etc.) and relevant information:

☒ Applicable ☐ Not Applicable

In this year, there were 26 newly established subsidiaries, and 7 liquidated and canceled subsidiaries.

**6. Others**

☐ Applicable ☒ Not Applicable

**IX. Equity in Other Entities****1. Interests in subsidiaries****(1). Composition of enterprise group**

☒ Applicable ☐ Not Applicable

Name of subsidiary	Principal place of business	Registration place	Nature of business	Shareholding proportion (%)		Acquisition method
				Direct	Indirect	
Shanghai Construction No.1 (Group) Co., Ltd	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction No.2 (Group) Co., Ltd	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction No.4 (Group) Co., Ltd.,	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction No.5 (Group) Co., Ltd.	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction No.7 (Group) Co., Ltd.	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Building Decoration Engineering Group	Shanghai	Shanghai	Building construction	100.00		Business

Co., Ltd.						combination under common control
SCG Design & Research Institute Co., Ltd.	Shanghai	Shanghai	Building Design	100.00		Business combination under common control
Shanghai Installation Engineering Group Co., Ltd.	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Mechanized Construction Group Co., Ltd.	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Foundation Engineering Group Co., Ltd.	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction Material Co., Ltd.	Shanghai	Shanghai	Construction industry	100.00		Business combination under common control
Shanghai Huadong Construction and Machinery Co., Ltd.	Shanghai	Shanghai	Production and sale of construction machinery	100.00		Business combination under common control
Shanghai Construction Real Estate Co., Ltd.	Shanghai	Shanghai	Real estate development	100.00		Business combination under common control
Shanghai Gardens Group Co., Ltd.	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.	Shanghai	Shanghai	Building Design	100.00		Business combination under common control
SFECO Group Holdings Co., Ltd.	Shanghai	Shanghai	Domestic and foreign project contracting, import and export agency	100.00		Business combination under common control
SCG Wuxi Co., Ltd.	Wuxi City, Jiangsu Province	Wuxi City, Jiangsu Province	Municipal infrastructure investment and construction	100.00		Establishment
SCG Changzhou Wujin Zhongwu Avenue Construction Co., Ltd.	Changzhou, Jiangsu	Changzhou, Jiangsu	Municipal infrastructure investment and construction	100.00		Establishment
SCG Changzhou Wujin Overhead Construction Co., Ltd.	Changzhou, Jiangsu	Changzhou, Jiangsu	Municipal infrastructure investment and construction	100.00		Establishment
SCG Dalian Construction Engineering Co., Ltd.	Dalian City, Liaoning Province	Dalian City, Liaoning Province	Municipal infrastructure investment and construction	100.00		Establishment
Shanghai Construction Group Wuxi Yanghu Road Construction Management Co., Ltd.	Wuxi City, Jiangsu Province	Wuxi City, Jiangsu Province	Municipal infrastructure investment and construction	100.00		Establishment
SCG Kunshan Zhonghuan Construction Co., Ltd.	Kunshan City, Jiangsu Province	Kunshan City, Jiangsu Province	Municipal infrastructure investment and construction	100.00		Establishment
SCG America Group Inc.	Delaware, USA	Delaware, USA	Building construction	100.00		Establishment
Shanghai Construction Group Wuxi Beizhong Road Construction Management Co., Ltd.	Wuxi City, Jiangsu Province	Wuxi City, Jiangsu Province	Municipal infrastructure investment and construction	100.00		Establishment
Zhuhai Shenhai Construction Engineering Co., Ltd.	Zhuhai City, Guangdong Province	Zhuhai City, Guangdong Province	Building construction	100.00		Establishment
Shanghai Construction Group Jiangxi Jiulonghu Municipal Construction Co., Ltd.	Nanchang, Jiangxi	Nanchang, Jiangxi	Municipal infrastructure investment and construction	100.00		Establishment
Shanghai Construction Group Taizhou Tian-Xu Line Construction Co., Ltd.	Taizhou City, Jiangsu Province	Taizhou City, Jiangsu Province	Municipal infrastructure investment and construction	100.00		Establishment
Shanghai Construction Group Nanchang Qianhu Construction Co., Ltd.	Nanchang, Jiangxi	Nanchang, Jiangxi	Municipal infrastructure investment and construction	100.00		Establishment
SCG Changzhou Jintan District Jinwu Road Construction Co., Ltd.	Changzhou, Jiangsu	Changzhou, Jiangsu	Municipal infrastructure investment and construction	100.00		Establishment
SCG Changzhou Wujin Jinwu Road Construction Co., Ltd.	Changzhou, Jiangsu	Changzhou, Jiangsu	Municipal infrastructure investment and construction	100.00		Establishment

Shanghai International Tourist Resort Engineering Construction Co., Ltd.	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
SCG (Canada) Co., Ltd.	Alberta, Canada	Alberta, Canada	Building construction	100.00		Establishment
SCG Overseas (Holdings) Co., Ltd.	Hong Kong, China	Hong Kong, China	Investment management	100.00		Establishment
Shanghai SINKO Air Conditioning Equipment Co., Ltd.	Shanghai	Shanghai	Production and sales of air conditioning equipment	50.00		Business combination under different control
Shanghai Construction Group Yibin Daxikou Construction Co., Ltd.	Yibin City, Sichuan Province	Yibin City, Sichuan Province	Municipal infrastructure investment and construction	100.00		Establishment
Shanghai Construction Group Chengdu Construction Engineering Co., Ltd.	Chengdu City, Sichuan Province	Chengdu City, Sichuan Province	Municipal infrastructure investment and construction	100.00		Establishment
Shanghai Construction Group Investment Co., Ltd.	Shanghai	Shanghai	Investment management	100.00		Establishment
SCG (Caribbean) Co., Ltd.	Port of Spain, Trinidad and Tobago	Port of Spain, Trinidad and Tobago	Building construction	100.00		Establishment
SCG Electronic Commerce Co., Ltd.	Shanghai	Shanghai	E-commerce	100.00		Establishment
SCG (Cambodia) Co., Ltd.	Khan Tuol Kork, Cambodia	Khan Tuol Kork, Cambodia	Building construction	100.00		Establishment
Shanghai Construction Group Wenzhou Oujiankou Construction Co., Ltd.	Wenzhou, Zhejiang	Wenzhou, Zhejiang	Municipal infrastructure investment and construction	100.00		Business combination under different control
Shanghai Construction Group Wenzhou Qidu Bridge Construction Co., Ltd.	Wenzhou, Zhejiang	Wenzhou, Zhejiang	Municipal infrastructure investment and construction	100.00		Establishment
Sihui Huijian Road Reconstruction and Development Co., Ltd.	Zhaoqing City, Guangdong Province	Zhaoqing City, Guangdong Province	Municipal infrastructure investment and construction	90.00		Establishment
Zhaoqing Huijian Railway Station Complex Construction and Development Co., Ltd.	Zhaoqing City, Guangdong Province	Zhaoqing City, Guangdong Province	Municipal infrastructure investment and construction	95.00		Establishment
Shanghai Construction Group Meishan Construction Engineering Co., Ltd.	Meishan City, Sichuan Province	Meishan City, Sichuan Province	Municipal infrastructure investment and construction	100.00		Establishment
Changzhou Jintan District Maoshan Tourism Avenue Construction Co., Ltd.	Changzhou, Jiangsu	Changzhou, Jiangsu	Municipal infrastructure investment and construction	70.00		Establishment
Shanghai Construction Group Wenzhou Oujiankou Traffic Engineering Construction Co., Ltd.	Wenzhou, Zhejiang	Wenzhou, Zhejiang	Municipal infrastructure investment and construction	95.00		Establishment
Zhuhai Jinwan District Jianjin Ecological City Construction Co., Ltd.	Zhuhai City, Guangdong Province	Zhuhai City, Guangdong Province	Municipal infrastructure investment and construction	69.98		Establishment
Huzhou Zhili Cultural and Sports Center Construction and Development Co., Ltd.	Huzhou City, Zhejiang Province	Huzhou City, Zhejiang Province	Municipal infrastructure investment and construction	90.00		Establishment
Nanjing Qiaoyuan Construction Management Co., Ltd.	Nanjing City, Jiangsu Province	Nanjing City, Jiangsu Province	Municipal infrastructure investment and construction	100.00		Establishment
Shanghai Heyu Intellectual Property Agency Co., Ltd.	Shanghai	Shanghai	Commercial service	100.00		Establishment
Jining Fenghuangtai Construction Co., Ltd.	Jining, Shandong	Jining, Shandong	Municipal infrastructure investment and construction	90.00		Establishment
SCG Equipment Engineering Co., Ltd.	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
SCG Yiyun Technology Co., Ltd.	Shanghai	Shanghai	Information service	100.00		Establishment
SCG Yibin Cuiping Construction Co., Ltd.	Yibin City, Sichuan Province	Yibin City, Sichuan Province	Municipal infrastructure investment and construction	100.00		Business combination under different control
Shanghai Minchuan Sports Development Co., Ltd.	Shanghai	Shanghai	Municipal infrastructure investment and	80.00		Establishment

			construction			
Rizhao Hujian Urban Development Construction Co., Ltd.	Rizhao, Shandong	Rizhao, Shandong	Municipal infrastructure investment and construction	90.00		Establishment

Basis for control over the important structured entities incorporated in consolidated scope:

Description of structured entities	Control basis	Financial support provided to the entity
SCG Anying Investment Management Center (Limited Partnership)	The Group is a general partner subscribing inferior LP shares	None
SCG Jianheng Equity Investment Funds Partnership (Limited Partnership)	Partners are the Group	None
SCG Taihe Enterprise Management Center (Limited Partnership)	The Group is a general partner subscribing inferior LP shares and offering repurchase commitments to senior partners	Offer repurchase commitments to senior partners
SCG Zhongying Enterprise Management Center (Limited Partnership)	The Group is a general partner subscribing inferior LP shares	None
SCG Hexi Enterprise Management Center (Limited Partnership)	The Group is a general partner subscribing inferior LP shares and offering repurchase commitments to senior partners	Offer repurchase commitments to senior partners
Ruiyi Assets - Asset Management in SCG No.1 Special Asset Management Plan	The Group owns inferior shares	To be liable for making up the difference
SCG Jianying Enterprise Management Center (Limited Partnership)	The Group is a general partner, having not started operation	N/A
Ningbo Meishan Bonded Port Zone Minyao Investment Management Partnership (Limited Partnership)	The Group is general partner, executes partnership affairs, and controls partnership.	None
Suzhou Jianying Purui Venture Capital Center (Limited Partnership)	The Group is general partner, executes partnership affairs, and controls partnership.	None
Suzhou Jianying Ruizhi Venture Capital Center (Limited Partnership)	The Group is general partner, executes partnership affairs, and controls partnership.	None
Suzhou Jianying Ruixin Venture Capital Center (Limited Partnership)	The Group is general partner, executes partnership affairs, and controls partnership.	None

## (2). Important non-wholly-owned subsidiaries

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Name of subsidiary	Shareholding proportion of minority shareholders Proportion	profit or loss attributable to minority shareholders in current period	Dividends declared to minority shareholders in current period	Closing balance of minority interest
Shanghai Construction No.7 (Group) Industry Co., Ltd.	49.00%	4,793,887.83		306,463,562.40
Shanghai Qingteng Real Estate Co., Ltd.	50.00%	-2,819,639.03		121,077,033.15
Nanjing Aojian Real Estate Co., Ltd.	49.00%	22,801,239.48		582,412,186.32
Shanghai Qixian Real Estate Co., Ltd.	50.00%	322,863,949.10		350,332,540.00
Eritrea Zara Mining Co., Ltd.	40.00%	27,096,479.73		222,259,356.97
Shanghai Zhongcheng Finance Leasing Co., Ltd.	33.33%	5,481,096.56	14,920,167.12	362,778,036.80
Shanghai SINKO Air Conditioning Equipment Co., Ltd.	50.00%	377,966.55		182,628,798.27
Changzhou Jintan District Maoshan Tourism Avenue Construction Co., Ltd.	30.00%	-109,714.31		199,043,383.03

Explanation of the fact that shareholding percentage is different from the proportion of voting rights for minority shareholders in the subsidiaries: □ Applicable √Not Applicable

Other notes: □ Applicable √Not Applicable



**(3). Main financial information of important non-wholly-owned subsidiaries**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Name of subsidiary	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shanghai Construction No.7 (Group) Industry Co., Ltd.	413,605,880.32	220,431,192.61	634,037,072.93	8,601,231.30		8,601,231.30	392,783,717.31	228,316,955.42	621,100,672.73	5,448,275.65		5,448,275.65
Shanghai Qingteng Real Estate Co., Ltd.	602,926,629.20	7,640.00	602,934,269.20	360,780,202.91		360,780,202.91	997,260,795.32	13,977.30	997,274,772.62	333,327,678.27		333,327,678.27
Nanjing Aojian Real Estate Co., Ltd.	1,732,025,420.89	3,125.75	1,732,028,546.64	543,432,248.06		543,432,248.06	4,152,921,022.56	62,449.95	4,152,983,472.51	1,010,896,778.11		1,010,896,778.11
Shanghai Qixian Real Estate Co., Ltd.	1,026,604,967.84	45,447,466.11	1,072,052,433.95	371,387,353.98		371,387,353.98	5,682,856,998.10	477,273.47	5,683,334,271.57	4,478,396,933.08		4,478,396,933.08
Eritrea Zara Mining Co., Ltd.	396,892,147.05	1,103,451,154.99	1,500,343,302.04	831,378,122.22	113,316,787.39	944,694,909.61	312,804,954.29	1,185,504,279.28	1,498,309,233.57	603,221,522.34	403,265,879.03	1,006,487,401.37
Shanghai Zhongcheng Finance Leasing Co., Ltd.	533,178,830.19	2,235,077,428.48	2,768,256,258.67	966,982,073.65	712,944,551.11	1,679,926,624.76	392,344,495.63	2,438,359,331.39	2,830,703,827.02	834,538,008.47	869,483,796.10	1,704,021,804.57
Shanghai SINKO Air Conditioning Equipment Co., Ltd.	371,211,335.16	186,226,816.28	557,438,151.44	192,180,554.89		192,180,554.89	374,960,025.28	198,643,998.64	573,604,023.92	208,954,552.43		208,954,552.43
Changzhou Jintan District Maoshan Tourism Avenue Construction Co., Ltd.	418,416,393.28	1,622,007,939.05	2,040,424,332.33	1,946,388.89	1,375,000,000.00	1,376,946,388.89	35,283,536.28	874,753,297.63	910,036,833.91	510,537,111.11		510,537,111.11

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow generated from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow generated from operating activities
Shanghai Construction No.7 (Group) Industry Co., Ltd.	36,878,552.25	9,783,444.55	9,783,444.55	200,744,281.48	27,325,792.60	5,955,160.73	5,955,160.73	187,450,326.24
Shanghai Qingteng Real Estate Co., Ltd.	86,641,561.82	-5,639,278.06	-5,639,278.06	-58,010,652.64	237,852,295.24	38,318,504.82	38,318,504.82	-124,483,328.48
Nanjing Aojian Real Estate Co., Ltd.	124,940,587.08	46,533,141.80	46,533,141.80	-320,306,459.96	6,612,437,188.33	1,143,163,211.57	1,143,163,211.57	-810,448,758.72

Shanghai Qixian Real Estate Co., Ltd.	3,929,033,493.43	645,727,898.21	645,727,898.21	-347,823,026.58	945,086,350.86	113,927,735.77	113,927,735.77	380,108,899.24
Eritrea Zara Mining Co., Ltd.	634,167,314.18	67,741,199.33	75,453,241.26	406,663,487.82	906,871,881.03	1,497,160.44	22,303,647.23	203,948,378.79
Shanghai Zhongcheng Finance Leasing Co., Ltd.	192,368,856.11	16,443,289.69	16,443,289.69	163,132,074.45	201,166,087.61	49,738,864.29	49,738,864.29	-116,821,501.80
Shanghai SINKO Air Conditioning Equipment Co., Ltd.	380,509,149.82	755,933.11	755,933.11	3,435,783.26	316,412,699.45	-44,041,855.40	-44,041,855.40	-11,320,900.17
Changzhou Jintan District Maoshan Tourism Avenue Construction Co., Ltd.		-365,714.38	-365,714.38	-888,196,645.02		-499,649.07	-499,649.07	-901,396,737.47

**(4). Major limitations on use of enterprise group assets and payment of enterprise group debts**

☐ Applicable ☒ Not Applicable

**(5). Financial support or other supports provided to structured entities included in consolidated financial statements**

☐ Applicable ☒ Not Applicable

Other notes:

☐ Applicable ☒ Not Applicable

**2. Transactions resulting in change of owners' equity in subsidiaries and the subsidiaries still being under control**

☐ Applicable ☒ Not Applicable

**(1). Change of owners' equity in subsidiaries**

☐ Applicable ☒ Not Applicable

**(2). Effect of transactions on minority equity and owners' equity attributable to the parent company**

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

	Shanghai Urban Transportation Design Institute Co., Ltd.
Acquisition cost/disposal consideration	
--Cash	8,160,000.00
--Fair value of non-cash assets	
Total acquisition cost/disposal consideration	8,160,000.00
Less: net assets of the subsidiaries calculated based on the proportion of assets acquired/disposed	7,295,571.62
Difference	864,428.38
Including: adjustment to the capital reserves	864,428.38
Adjustment to surplus reserve	
Adjustment of undistributed profit	

Other notes

☐ Applicable ☒ Not Applicable

**3. Interest in joint ventures or associates**

☒ Applicable ☐ Not Applicable

**(1). Significant joint ventures or associates**

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Name of joint venture or associate	Principal place of business	Registration place	Nature of business	Shareholding proportion (%)		Accounting treatment method of joint ventures or associates
				Direct	Indirect	
Joint venture:						
Wuxi Jian'an Building Component Products Co., Ltd.	Wuxi, Jiangsu	Wuxi, Jiangsu	Production of building components	50.00		Calculated by equity method
Suzhou Jianjia Building Component Products Co., Ltd.	Suzhou, Jiangsu Province	Suzhou, Jiangsu Province	Production of building components	50.00		Calculated by equity method
Associate:						
Shanghai Shendi Garden Investment and Construction Co. Ltd.	Shanghai	Shanghai		49.00		Calculated by equity method
Fulton II (Fulton SCG Development LLC)	USA	USA	Real estate development	49.99		Calculated by equity method
Fulton III (Three Fulton Square LLC)	USA	USA	Real estate development	49.99		Calculated by equity method
Shanghai SEARI Intelligent System Co., Ltd.	Shanghai	Shanghai	Technology promotion and application services	30.00		Calculated by equity method
Hangzhou Hujian Urban Development Construction Co., Ltd. (Note)	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Municipal infrastructure investment and construction	99.4960		Calculated by equity method

Description of the fact that the shareholding percentage is different from the proportion of voting rights in associates or joint ventures:

Note: According to the Articles of Association, the Group cannot control the Hangzhou Hujian Urban Development Construction Co., Ltd. as per the voting right proportion, so that the equity is not included in the scope of merger, and calculated by the equity method.

**(2). Main financial information of important joint ventures**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

	Ending balance / Amount incurred in current period		Beginning balance/amount in the previous period	
	Wuxi Jian'an Building Component Products Co., Ltd.	Suzhou Jianjia Building Component Products Co., Ltd.	Wuxi Jian'an Building Component Products Co., Ltd.	Suzhou Jianjia Building Component Products Co., Ltd.
Current assets	112,640,311.45	114,454,721.16	127,418,181.61	140,490,472.60
Including: cash and cash equivalents	2,573,094.19	7,794,617.12	1,939,905.17	2,092,627.95
Non-current assets	17,658,547.81	11,298,798.44	20,778,295.26	8,407,036.20
Total assets	130,298,859.26	125,753,519.60	148,196,476.87	148,897,508.80
Current liabilities	85,638,725.92	92,705,725.57	104,351,897.07	105,289,781.84
Non-current liabilities				
Total liabilities	85,638,725.92	92,705,725.57	104,351,897.07	105,289,781.84
Minority equity				
Equity assigned to the shareholders of parent company	44,660,133.34	33,047,794.03	43,844,579.80	43,607,726.96
Shares of net assets calculated as per the shareholding proportion	22,330,066.67	16,523,897.02	21,922,289.90	21,803,863.48
Adjustments				
--Goodwill				
--Unrealized profit of internal transaction				
--Others				
Book value of equity investment in joint ventures	22,330,066.67	16,523,897.02	21,922,289.90	21,803,863.48
Fair value of equity investment in joint ventures with public offer				
Operating income	106,517,330.14	60,874,357.22	175,587,125.78	97,538,901.94
Financial expenses	1,548,053.88	3,418,493.50	2,061,949.43	3,645,355.85
Income tax expenses	5,041,666.77	356,421.35	4,344,850.75	2,283,290.84
Net profit	13,980,912.72	-7,812,012.54	21,401,771.10	6,002,746.59
Net profit of discontinued operations				
Other comprehensive income				
Total comprehensive income	13,980,912.72	-7,812,012.54	21,401,771.10	6,002,746.59
Dividends received from joint ventures of current year	5,000,000.00			

**(3). Main financial information of important associates**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

	Ending balance / Amount incurred in current period					Beginning balance/amount in the previous period				
	Shanghai Shendi Garden Investment and Construction Co. Ltd.	Fulton II (Fulton SCG Development LLC)	Fulton III (Three Fulton Square LLC)	Shanghai SEARI Intelligent System Co., Ltd.	Hangzhou Hujian Urban Development Construction Co., Ltd.	Shanghai Shendi Garden Investment and Construction Co. Ltd.	Fulton II (Fulton SCG Development LLC)	Fulton III (Three Fulton Square LLC)	Shanghai SEARI Intelligent System Co., Ltd.	Hangzhou Hujian Urban Development Construction Co., Ltd.
Current assets	357,329,459.92	34,846,240.46	401,492,782.82	2,272,010,328.75	284,625,803.61	303,910,630.96	114,352,730.84	69,688,152.38	1,928,823,503.37	
Non-current assets	254,723,018.29	2,661,260,072.24	1,163,163,086.39	139,475,587.14	799,403,523.52	235,152,875.04	2,485,961,065.13	1,122,829,138.84	153,105,107.79	
Total assets	612,052,478.21	2,696,106,312.70	1,564,655,869.21	2,411,485,915.89	1,084,029,327.13	539,063,506.00	2,600,313,795.97	1,192,517,291.22	2,081,928,611.16	
Current liabilities	494,199,050.45	331,477,061.84	53,705,996.65	1,851,731,761.84		443,168,633.46	239,037,436.08	52,840,314.05	1,581,301,855.60	
Non-current liabilities	5,198,288.28	1,152,171,327.42	357,136,991.63	5,057,200.00		9,578,374.81	1,440,662,976.10		3,912,340.00	
Total liabilities	499,397,338.73	1,483,648,389.26	410,842,988.28	1,856,788,961.84		452,747,008.27	1,679,700,412.18	52,840,314.05	1,585,214,195.60	
Minority equity				3,582,836.55					3,264,331.72	
Equity assigned to the shareholders of parent company	112,655,139.48	1,212,457,923.44	1,153,812,880.93	551,114,117.50	1,084,029,327.13	86,316,497.73	920,613,383.79	1,139,676,977.17	493,450,083.84	
Shares of net assets calculated as per the shareholding proportion	55,201,018.35	606,107,715.93	576,791,059.21	165,334,235.25	1,078,565,694.38	42,295,083.89	460,214,630.56	569,724,520.89	148,035,025.15	
Adjustments		-4,999,864.35		73,796,419.62	6,147.68		-4,918,876.94		31,733,474.85	
--Goodwill				73,796,419.62					91,653,474.85	
--Unrealized profit of internal transaction		-4,999,864.35					-4,918,876.94			
--Others					6,147.68				-59,920,000.00	
Book value of equity investments in associates	55,201,018.35	601,107,851.58	576,791,059.21	239,130,654.87	1,078,571,842.06	42,295,083.89	455,295,753.62	569,724,520.89	179,768,500.00	
Fair value of equity investment in associates with public offer										
Operating income	483,982,643.36	496,328,214.75	1,245,546.00	1,748,998,304.37		424,585,535.44				
Net profit	26,338,641.75	122,182,256.42	-4,590,962.29	48,436,569.02	-1,243,492.87	11,340,847.38	-10,870,964.33	-13,020,869.29		
Net profit of discontinued operations										
Other comprehensive income										
Total comprehensive income	26,338,641.75	122,182,256.42	-4,590,962.29	48,436,569.02	-1,243,492.87	11,340,847.38	-10,870,964.33	-13,020,869.29		

Dividends received from associates in the current year										
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**(4). Summary of financial information of unimportant joint ventures and associates**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

	Ending balance / Amount incurred in current period	Beginning balance/amount in the previous period
Joint ventures:		
Total book value of investment	17,233.42	19,159.24
Total amount of following items according to shareholding proportion		
-- Net profit	-2,306.35	18,709.65
-- Other comprehensive incomes		
-- Total comprehensive incomes	-2,306.35	18,709.65
Associates:		
Total book value of investment	1,945,508,610.03	1,267,349,847.17
Total amount of following items according to shareholding proportion		
-- Net profit	-3,124,997.84	28,121,616.01
-- Other comprehensive incomes		
-- Total comprehensive incomes	-3,124,997.84	28,121,616.01

**(5). Explanation on major restrictions on the capability of transferring capital from joint ventures or associates to the Company**

□ Applicable √Not Applicable

**(6). Excess losses incurred to joint ventures or associates**

□ Applicable √Not Applicable

**(7). Unrecognized commitments related to investment of joint ventures**

□ Applicable √Not Applicable

**(8). Contingent liabilities related to investment in associates or joint ventures**

□ Applicable √Not Applicable

**4. Significant joint operation**

□ Applicable √Not Applicable

**5. Equity in the structured entities not included in consolidated financial statements**

Description of the structured entities not included in consolidated financial statements:

√ Applicable □ Not Applicable

**1. Basic information of structural body not involved in the consolidated financial statement**

As at December 31, 2019, the structured entities associated with the Group but not included in the consolidated financial statements of the Company were mainly engaged in industrial funds orientating to the investment of urban renewal, etc.

**2. Book value and maximum loss exposure of equity-related assets and liabilities**

Item	Items presented in financial	Ending book value	Maximum loss exposure
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	statements		
Industry funds	Long-term equity investments	868,879,206.49	868,879,206.49

### 3. Method for determining the maximum loss exposure

The management model adopted for the above industrial fund is limited partnership, and the investment companies of the subsidiaries of the Group are limited partners bearing the loss within the limit of capital contribution. The Group adopts the equity method in accounting of above industrial funds, and the maximum loss exposure is its book value at the date of report.

## 6. Others

☐ Applicable ☒ Not Applicable

### X. Risks related to financial instruments

☒ Applicable ☐ Not Applicable

The Group is faced with all kinds of financial risks during operation: credit risk, market risk and liquidity risk. The overall risk management plan of the Group strives to reduce the potential adverse effect to the financial performance of the Group specific to the unpredictability of financial market.

#### (I) Credit risk

The Group manages credit risks by portfolio classification. The credit risk is mainly generated from bank deposit, accounts receivable, other receivables, notes receivable and long-term receivables.

For bank deposits, no major credit risk is generated as the Group's bank deposits are mainly kept in state-owned banks and other large and medium-sized listed banks and it will not incur any major losses caused by the other party's breach of contract.

In addition, for accounts receivable, other receivables, notes receivable and long-term receivables, relevant policy is established by the Group to control credit risk. The Group evaluates clients' credit rating based on their financial conditions, possibility of obtaining security from third party, credit record and other factors, such as current market situation. The Group will check account with the customer periodically. For customers with poor credit record, measures such as collection and canceling the credit period will be adopted by the Group, to ensure the overall credit risk being in the controllable scope.

#### (II) Market risk

Market risk of financial instruments refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to market price development, including exchange rate risk, interest rate risk and other price risk.

##### (1) Interest rate risk

Interest rate risk refers to the risk of fluctuation in fair value or future cash flow of financial instruments due to change in market interest rate. Interest rate risk of the Company mainly comes from long-term borrowings and other long-term interest-bearing debts of banks. Due to financial liabilities with floating interest rate, the Group faces cash flow interest rate risk; due to financial liabilities with fixed interest rate, the Group faces fair value interest rate risk. The Group decides the relative proportion of the fixed interest rate and floating interest rate contracts in accordance with the current market environment.

The financial department of the Group's headquarters continuously supervises the Group's interest rate level. The increase in interest rates will increase the cost of new interest-bearing debts and the Group's unpaid interest expense on interest-bearing debts calculated in floating interest rates, which will have a significant adverse effect on the Group's financial performance. The management will duly make adjustments according the latest market condition. These adjustments may reduce interest rate risk via interest rate swap. On December 31, 2019, there was no interest rate swap arrangement by the Group.

On December 31, 2019, under the condition of other unchanged variables, if the borrowing rate calculated as floating interest rate increases or decreases by 100 basis points, then the net profit of the Company will decrease or increase by RMB 482,852,062.62 (on December 31, 2018: RMB 368,201,566.43). The Management believe that 100 basis points reasonably reflects the reasonable alteration range of the interest rate may occur in the next year.

##### (2) Exchange rate risk

The main business of the Group is conducted in China and settled in RMB. However, there are still have foreign exchange risks in foreign currency assets and liabilities confirmed by the Group and future foreign currency transactions. All operating units of the Group shoulder their own liabilities for controlling the scales of foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risks they face; since the foreign currency transactions and assets and liabilities account small proportion in the Group's transactions and assets and liabilities, the Group did



not sign any significant forward foreign exchange contract or currency swap contract in light of cost-effectiveness in 2019 and 2018.

On December 31, 2019, the foreign currency financial assets and liabilities held by the Group were converted to RMB. See the Note V/(68) foreign currency monetary items" for details.

On December 31, 2019, under the condition of unchanged other variables, if RMB appreciates or depreciates 5% against USD, the Company will decrease or increase the net profit of RMB 48,283,958.58 (December 31, 2018: RMB 29,715,078.22). The management level thinks that 5% reasonably reflects the reasonable range for the change of rate of RMB to USD in the next year.

(3) Other price risk

For the equity investment of other listed companies held by the company, the management level believes that the market price risk faced by these investment activities is acceptable.

The equity investment held by the company is listed below:

Item	Ending balance	Closing balance of the previous year
Financial assets held for trading	3,152,499,005.64	
Financial assets at fair value through current profit and loss		107,123,975.43
Available-for-sale financial assets		2,164,158,408.43
Other non-current financial assets		
Other equity instrument investments		
Total	3,152,499,005.64	2,271,282,383.86

On December 31, 2019, if the value of equity instruments increase or decrease by 20% and the other variables remain the same, the net profit and other comprehensive income of the Company would increase or decrease respectively by RMB 630,499,801.13 (December 31, 2018: The net profit is RMB 21,424,795.09, and other comprehensive income is RMB 432,831,681.69). The management believes that 20% reasonably reflects the scope of potential changes in the value of equity instruments for the next year.

**(III) Liquidity risk**

Liquidity risk refers to the risk of capital shortage in performing obligation of settling accounts by cash payment or other financial assets. The policy of the Company is to ensure that there is sufficient cash to pay the matured debts.

The Company's management believes that the Company has sufficient cash and cash equivalents and will keep the monitoring of cash position and maintain favorable credit, keep a good cooperative relation with banks so as to meet the Company's operating demands and ensure that it has adequate fund to repay debts under all circumstances that can be reasonably predicted.

**XI. Disclosure of Fair Value**

**1. Ending fair value of the assets and liabilities measured at fair value**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
<b>I. Continuous fair value measurement</b>				
(I) Trading financial assets	1,693,035,790.99	1,459,463,214.65		3,152,499,005.64
1. Financial assets at fair value through current profit and loss	1,693,035,790.99	1,459,463,214.65		3,152,499,005.64
(1) Debt instrument investment				
(2) Equity instrument investment	1,693,035,790.99	1,257,881,022.87		2,950,916,813.86
(3) Derivative financial assets		201,582,191.78		201,582,191.78
2. Financial assets at fair value through current profit and loss designated				
(1) Debt instrument investment				
(2) Equity instrument				

investment				
(II) Other debt investments				
(III) Other equity instrument investments		254,977,075.93	509,030,000.00	764,007,075.93
(IV) Investment properties				
1. Land use right for lease				
2. Buildings for lease				
3. Land use rights possessed and ready for transfer after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Bearer biological assets				
(VI) Receivables financing		5,116,834,432.35		5,116,834,432.35
(VII) Other non-current financial assets		1,441,306,971.52	416,132,477.00	1,857,439,448.52
<b>Total assets continuously measured at fair value</b>	1,693,035,790.99	8,272,581,694.45	925,162,477.00	10,890,779,962.44
(VI) Trading financial liabilities				
1. Financial liabilities at fair value through current profit and loss				
Including: trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities designated at fair value with their variance recorded into current profits and losses				
<b>Total liabilities continuously measured at fair value</b>				
<b>II. Non-continuous fair value measurement</b>				
(I) Held-for-sale assets				
<b>Total amount of assets non-continuously measured at fair value</b>				
<b>Total liabilities non-continuously measured at fair value</b>				

2. Basis for determining the market price of items subject to continuous and non-continuous level 1 fair value measurement

√ Applicable □ Not Applicable

For listed equity instruments, the Company adopted the closing price of the stock exchange on the trading day on the latest balance sheet date as the basis for determining the fair value.

### 3. Qualitative and quantitative information about valuation techniques and key parameters of items subject to continuous and non-continuous level 2 fair value measurement

√ Applicable □ Not Applicable

For the equity investment of listing body, the fair value is the fair value of the stock traded by the Company on the stock exchange on the valuation date deducting the necessary expenses. For the equity investment of the un-listing body, the Company confirmed the fair value of the equity investment held based on the fair value on the balance sheet date.

**4. Valuation techniques and qualitative and quantitative information about key parameters of items subject to continuous and non-continuous level 3 fair value measurement**

√ Applicable ☐ Not Applicable

For the equity investment of the un-listing body, the Company confirmed the fair value according to the valuation price obtained from counterparties or valuation techniques, including discounted cash flow analysis, net asset value, market comparability method and option pricing model. The fair value of these financial instruments may be based on unobservable input values that have a significant impact on the valuation. The unobservable input values include weighted average cost of capital , discounted cash flow, price-to-book ratio, etc.

**5. Information on adjustment between beginning book value and ending book value of items subject to continuous level 3 fair value measurement and sensitivity analysis of non-observable parameters**

√Applicable □ Not Applicable

Adjustment information of constant Level 3 fair value measurements

Item	Opening balance	Transfer to Level 3	Transfer from Level 3	Profit or losses in the current period		Purchase, issuance, sales and settlement				Ending balance	For assets held at the end of the report period, unrealized gains or changes in the current period included in profit or loss
				Included in profits and losses	Included in other comprehensive income	Purchase	Issuing	Sale	Settlement		
◆ Other equity instrument investments	332,510,000.00				-63,280,000.00	239,800,000.00				509,030,000.00	
◆ Other non-current financial assets	204,749,007.00			11,383,470.00		200,000,000.00				416,132,477.00	11,383,470.00
Financial assets at fair value through current profit and loss	204,749,007.00			11,383,470.00		200,000,000.00				416,132,477.00	11,383,470.00
—Debt instrument investment											
— Equity instrument investment	204,749,007.00			11,383,470.00		200,000,000.00				416,132,477.00	11,383,470.00
— Derivative financial assets											
— Others											
Financial assets at fair value through current profit and loss designated											
—Debt instrument investment											
— Others											
Total	537,259,007.00			11,383,470.00	-63,280,000.00	439,800,000.00				925,162,477.00	11,383,470.00
Where: Profit and loss related to financial assets				11,383,470.00							11,383,470.00
Profit and loss related to non-financial assets											

**6. Reasons for transfer and the policies applicable at the time of transfer for items subject to continuous fair value measurement and having transferred between levels in the current period**

☐ Applicable ☒ Not Applicable

**7. Change of valuation techniques incurred in the current period and the reasons therefore**

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

**9. Others**

☐ Applicable ☒ Not Applicable

**XII. Related Parties and Related Party Transactions**

**1. Parent company of the Company**

☒ Applicable ☐ Not Applicable

Unit: RMB 10,000 Currency: RMB					
Name of the parent company	Registration place	Nature of business	Registered capital	Share proportion held by parent company in the Company (%)	Voting Right Proportion of the Parent Company in the Company (%)
Construction Corporation	Shanghai	Architecture and engineering contract, construction, design and decoration	RMB 3 billion	30.19	30.19

The ultimate controlling party of the Company is the Construction Corporation.

**2. Subsidiaries of the Company**

☒ Applicable ☐ Not Applicable

For detailed information about subsidiaries of the Company, see note “Equity in Other Entities”.

**3. Information of joint ventures and associates of the Company**

☒ Applicable ☐ Not Applicable

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount recognized in non-recurring profit or loss of current period
Total gains from disposal of non-current assets			
Including: Gains from disposal of fixed assets			
Gains from disposal of intangible assets			
Gains on debt restructurings	41,996.00	5,550.00	41,996.00
Gains on exchanges of non-monetary assets			
Donation accepted			
Government subsidies	308,180,746.45	287,574,748.90	308,180,746.45
Gains from inventory profit	10,000.56	43.98	10,000.56
Income from liquidated damages, overdue fine and penalty	1,914,272.75	6,341,297.71	1,914,272.75
Funds not to be paid	1,552,437.26	9,797,367.89	1,552,437.26
Compensatory income for demolition	1,861,739.47	28,483,400.00	1,861,739.47
Income from the difference between the cost of an investment in a subsidiary, associate and joint venture and the investee's interests in	276,661.10	193,171.28	276,661.10

the fair value of the acquiree's identifiable net assets acquired during the acquisition			
Others	4,301,718.78	4,021,107.69	4,301,718.78
Total	318,139,572.37	336,416,687.45	318,139,572.37

For detailed information about the important joint ventures or associates of the Company, see note "Equity in Other Entities".

The information on other joint ventures or associates which produced balance for conducting related party transaction with the Company in current period or in the previous period is shown as follows

☒ Applicable ☐ Not Applicable

Name of joint venture or associates	Relationship with the Company
Xingyi Construction Co., Ltd.	Joint venture of the Company
Shanghai Real Estate and Garden Development Co., Ltd.	Associate of the Company
SCG Nanhang Premixed Concrete Co., Ltd.	Associate of the Company
Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	Associate of the Company
Shanghai ASK Architectural Decoration Engineering Co., Ltd.	Associate of the Company
Nanchang Shengheng Building Component Products Co., Ltd.	Associate of the Company
Suzhou Jianjia Building Component Products Co., Ltd.	Joint venture of the Company
Wuxi Jian'an Building Component Products Co., Ltd.	Joint venture of the Company
Shanghai Metro Shield Engineering Co., Ltd.	Associate of the Company
Shanghai Shendi Garden Investment and Construction Co. Ltd.	Associate of the Company
Shanghai Lianhe Pawn Liability Co., Ltd.	Associate of the Company
Three Fulton Square LLC	Associate of the Company
Fulton SCG Development LLC	Associate of the Company
Fulton SCG Development Phase II LLC	Associate of the Company
Hangzhou Fuyang Qinqiang Construction Development Co., Ltd.	Associate of the Company
Hangzhou Hujian Urban Development Construction Co., Ltd.	Associate of the Company
Ningbo Center Construction & Development Co., Ltd.	Associate of the Company
Shanghai East Bund Construction Real Estate Development Co., Ltd.	Associate of the Company
Suzhou Dongjianyihe Venture Capital Center L.P.	Associate of the Company
SCG Angong Equity Investment Funds Partnership (Limited Partnership)	Associate of the Company
SCG Anhao Equity Investment Funds Management Co., Ltd.	Associate of the Company
Shanghai SEARI Intelligent System Co., Ltd.	Associate of the Company
Diaoyutai Decoration Engineering Co., Ltd.	Associate of the Company
Shanghai Qinqing Flower Market Operation and Management Co., Ltd.	Associate of the Company

Other notes

☐ Applicable ☒ Not Applicable

#### 4. Information of other related parties

☒ Applicable ☐ Not Applicable

Names of other related parties	Relations to the Company
Shanghai Construction No.1 Industrial Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Construction No.2 Industrial Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Construction No.4 Industrial Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Construction No.5 Industrial Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Construction No.7 Industrial Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Yijian Building Technology Consulting Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Dongqing Construction Labor Services Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Qunli Industrial Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Urban Construction Material Co., Ltd.	Others
Shanghai Fengjing Landscape Industrial Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Flowers and Trees Company Ltd.	Wholly-owned subsidiary of parent company
Shanghai Construction Group (SCG) Hospital	Others
Shanghai Chengjiehua Construction Engineering Consulting Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Wholly-owned subsidiary of parent company

China SFECO Group	Wholly-owned subsidiary of parent company
Shanghai Tuobo Laite Real Estate Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Shenwei Construction Decoration Engineering Co., Ltd.	Holding subsidiary of parent company
Shanghai Zhongyu Engineering Construction Technology Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Dijiu Security Service Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai International Tendering Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Jinmen Import and Export Co., Ltd.	Holding subsidiary of parent company
Shanghai Construction No.5 Group, Industrial Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Wood Industry Institute Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Construction Education & Training Service Center Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai New Century Industrial Co., Ltd.	Wholly-owned subsidiary of parent company
Shanghai Xinyu Engineering Construction & Supervision Co., Ltd.	Wholly-owned subsidiary of parent company
SCG (Caribbean) Co., Ltd.	Wholly-owned subsidiary of parent company
SCG Taxi Co., Ltd.	Wholly-owned subsidiary of parent company

## 5. Related party transactions

### (1). Related party transactions of purchase/sales of goods and rendering/receiving of labor services

Table of purchasing goods/accepting labor service

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Related parties	Content of related party transaction	Amount incurred in the current period	Amount incurred in the previous period
Shanghai Dongqing Construction Labor Services Co., Ltd.	Subcontract cost	949,121,120.18	817,472,554.53
Shanghai Qunli Industrial Co., Ltd.	Subcontract cost	540,296,064.40	345,811,566.10
Shanghai Urban Construction Material Co., Ltd.	Purchase of goods	603,362,498.64	404,422,591.73
SCG Nanhong Premixed Concrete Co., Ltd.	Purchase of goods	133,089,949.15	38,410,524.58
Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	Purchase of goods	93,255,295.97	67,392,403.28
Shanghai Metro Shield Engineering Co., Ltd.	Cost of receiving labor service and subcontracting works	89,766,436.35	5,053,234.95
Shanghai Dijiu Security Service Co., Ltd.	Security expenses	40,240,928.31	32,367,939.41
Shanghai Real Estate and Garden Development Co., Ltd.	Purchase of goods, and acceptance of services	38,214,991.05	22,808,692.15
Shanghai SEARI Intelligent System Co., Ltd.	Subcontract cost	13,818,073.33	
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Supervision cost	16,469,374.55	13,059,226.90
Shanghai Construction No.1 Industrial Co., Ltd.	Rental expenses of scaffolds with socket and spigot joints, and acceptance of services	15,084,787.33	12,504,809.40
Shanghai Flowers and Trees Company Ltd.	Purchase of goods, and acceptance of services	10,848,127.74	
Shanghai Chengjiehua Construction Engineering Consulting Co., Ltd.	Supervision fees and cost consulting fees	4,843,397.15	6,916,306.05
Shanghai Construction Group (SCG) Hospital	Accepting labor services	2,551,996.00	
Construction Corporation	Property management fee and utilities	1,983,785.95	1,534,289.82
Shanghai Yijian Building Technology Consulting Co., Ltd.	Accepting labor services	1,300,757.28	1,032,000.00
Shanghai Shendi Garden Investment and Construction Co. Ltd.	Subcontract cost	815,386.88	12,364,993.04
Shanghai Shendi Garden Investment and Construction Co. Ltd.	Purchase of goods	698,880.00	102,525,116.44
Shanghai Construction No.2 Industrial Co., Ltd.	Subcontract cost		

Shanghai Construction Education & Training Service Center Co., Ltd.	Accepting labor services	547,402.88	224,815.28
SCG Taxi Co., Ltd.	Accepting labor services	143,605.00	
Diaoyutai Decoration Engineering Co., Ltd.	Accepting labor services	79,920.78	
Shanghai Construction No.4 Industrial Co., Ltd.	Rental of revolving materials	38,941.00	5,118,055.69
Shanghai Wood Industry Institute Co., Ltd.	Test fee	34,382.07	822,169.82
Shanghai International Tendering Co., Ltd.	Accepting labor services	9,716.98	37,496.37
Wuxi Jian'an Building Component Products Co., Ltd.	Purchase of goods		998,796.51
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Accepting labor services		188,679.25
Shanghai New Century Industrial Co., Ltd.	Accepting labor services		133,000.00
Shanghai Xinyu Engineering Construction & Supervision Co., Ltd.	Supervision cost		98,699.60
Shanghai Lianhe Pawn Liability Co., Ltd.	Purchase of goods		43,103.45
Shanghai ASK Architectural Decoration Engineering Co., Ltd.	Subcontract cost		42,452.83

Table of selling goods/rendering labor service

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Related parties	Content of related party transaction	Amount incurred in the current period	Amount incurred in the previous period
Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	Income from subcontract works	308,881,195.30	
Hangzhou Hujian Urban Development Construction Co., Ltd.	Income from subcontract works	142,288,910.00	
Shanghai Construction Group (SCG) Hospital	Income from subcontract works, and provision of service revenue	91,418,476.98	84,162,888.31
Ningbo Center Construction & Development Co., Ltd.	Income from subcontract works	58,515,881.70	
SCG Nanhang Premixed Concrete Co., Ltd.	Sales of goods	34,871,043.33	
Shanghai Construction No.5 Group, Industrial Co., Ltd.	Provision of service revenue and subcontract works	24,042,678.00	1,556,603.77
Shanghai Construction No.1 Industrial Co., Ltd.	Provision of service revenue and subcontract works	10,665,452.29	10,259,176.66
Shanghai Fengjing Landscape Industrial Co., Ltd.	Income from subcontract works, and provision of service revenue	5,455,311.09	27,302,521.08
Shanghai Construction No.2 Industrial Co., Ltd.	Provision of service revenue and subcontract works	5,312,701.16	1,192,056.08
Shanghai Metro Shield Engineering Co., Ltd.	Income from subcontract works, and provision of services	5,104,731.26	1,706,200.00
Shanghai Shendi Garden Investment and Construction Co. Ltd.	Incomes from rendering labor services		5,290,164.52
Shanghai Flowers and Trees Company Ltd.	Incomes from rendering labor services	2,550,769.90	7,498,674.75
Construction Corporation	Rendering of service	2,515,650.56	2,358,490.56
Fulton SCG Development LLC	Income of project management	1,037,955.00	
Shanghai Lianhe Pawn Liability Co., Ltd.	Selling goods	918,849.60	396,226.44
Shanghai Real Estate and Garden Development Co., Ltd.	Income from subcontract works		8,259,002.85
Shanghai SEARI Intelligent System Co., Ltd.	Incomes from rendering labor services	356,091.52	
Shanghai International Tendering Co., Ltd.	Income from subcontract works	353,211.01	
Shanghai Construction Education & Training Service Center Co., Ltd.	Incomes from rendering labor services	229,199.07	547,169.81
Shanghai Yijian Building Technology Consulting Co., Ltd.	Incomes from rendering labor services	180,031.76	
Shanghai Dijiu Security Service Co., Ltd.	Rendering of service	44,821.00	



SCG Yibin Cuiping Construction Co., Ltd.	Income from subcontract works		204,385,815.77
Construction Corporation	Income from subcontract works	17,109,935.75	185,699,887.05
Shanghai Construction No.4 Industrial Co., Ltd.	Income from subcontract works		15,916,789.60
Shanghai Construction Group (SCG) Hospital	Project payment and maintenance fee		7,565,911.70
Shanghai Construction Group (SCG) Hospital	Property management fee		5,978,675.23
Shanghai Construction No.5 Industrial Co., Ltd.	Compensation for house rental, resettlement and decoration		5,564,755.87
Shanghai Construction No.1 Industrial Co., Ltd.	Income from subcontract works		4,220,230.74
Shanghai Construction Group (SCG) Hospital	Design cost		1,715,188.68
Shanghai Construction Education & Training Service Center Co., Ltd.	Income from subcontract works		1,090,909.09
Suzhou Jianjia Building Component Products Co., Ltd.	Selling goods		284,482.76
Shanghai Construction Education & Training Service Center Co., Ltd.	Property management fee		165,566.04
Shanghai Construction Group (SCG) Hospital	Selling goods		148,222.57
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Incomes from rendering labor services		72,564.09
Shanghai Construction No.5 Industrial Co., Ltd.	Design cost		59,433.96
Shanghai Construction Education & Training Service Center Co., Ltd.	Incomes from rendering labor services		40,310.76
China SFECO Group	Selling goods		33,671.41

Notes for related party transactions of purchase/sales of commodities and rendering/accepting of labor services

☐ Applicable ☒ Not Applicable

## (2). Related entrusted management/contracting and entrusting management/contracting:

Entrusted management/contracting of the Company:

☐ Applicable ☒ Not Applicable

Description of related entrusting/contracting

☐ Applicable ☒ Not Applicable

Entrusting management/contracting of the Company

☐ Applicable ☒ Not Applicable

Description of related management/contracting

☐ Applicable ☒ Not Applicable

## (3). Related lease

The Company as the lessor:

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Name of lessee	Type of leased assets	Lease income recognized in current period	Lease income recognized in previous period
Shanghai Construction No.1 Industrial Co., Ltd.	Premises	5,684,148.60	5,684,148.84
Shanghai Construction No.2 Industrial Co., Ltd.	Premises	1,131,840.00	2,263,680.00
China SFECO Group	Office building	2,628,571.56	2,628,571.56
Shanghai Fengjing Landscape Industrial Co., Ltd.	Premises	3,238,419.04	3,238,419.05
Construction Corporation	Premises	1,283,230.47	
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Premises	522,871.43	522,871.45
Shanghai Qunli Industrial Co., Ltd.	Premises	6,171.42	8,228.57

The Company as the lessee:  
☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Name of lessor	Type of leased assets	Lease expenses recognized in current period	Lease expenses recognized in previous period
Construction Corporation	Land use rights and real estate	12,952,380.95	12,104,761.90
Construction Corporation	Land use rights and real estate	4,160,000.00	4,160,000.00
Shanghai Construction No.1 Industrial Co., Ltd.	Rental of temporary facilities	8,178,196.64	7,931,223.38
Shanghai Construction No.2 Industrial Co., Ltd.	Premises	13,068,067.90	12,437,578.21
Shanghai Construction No.4 Industrial Co., Ltd.	Premises	3,752,152.00	
Shanghai New Century Industrial Co., Ltd.	Premises	208,192.00	
Construction Corporation	Premises	1,344,000.00	1,344,000.00
Shanghai Construction No.5 Industrial Co., Ltd.	Premises	74,135.81	2,472,739.28
Shanghai Construction Group (SCG) Hospital	Premises	142,857.14	142,857.14
Shanghai Construction Group (SCG) Hospital	Premises	500,000.00	427,168.34
Construction Corporation	Premises	121,088.40	121,088.40
Shanghai Fengjing Landscape Industrial Co., Ltd.	Premises	3,683,948.10	
Shanghai Flowers and Trees Company Ltd.	Premises	99,166.67	

Description of related lease  
☐ Applicable ☒ Not Applicable

#### (4). Information of related guarantee

The Company as the guarantor  
☐ Applicable ☒ Not Applicable  
 The Company as the guaranteed party  
☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Guarantor	Guaranteed amount	Starting sate of guarantee	Due date of guarantee	Whether the guarantee has been fulfilled
Construction Corporation	23,600,000.00	2019	2020/10/23	No
Construction Corporation	3,500,000.00	2015	2022/3/1	No
Construction Corporation	69,799,927.00	2013	2021/7/28	No
Construction Corporation	19,881,098.56	2017	2021/12/3	No
Construction Corporation	2,367,155,389.94	2019	2020/12/31	No
Construction Corporation	14,984,948,772.03	2014	2034/6/25	No
Construction Corporation	80,000,000.00	2019	2020/11/12	No
Construction Corporation	6,080,000.00	2019	2020/4/2	No
Construction Corporation	654,444,371.88	2013	2022/5/20	No
Construction Corporation	2,972,372,400.00	2017	2022/12/30	No
Construction Corporation	16,542,981.02	2018	2023/6/9	No
Construction Corporation	346,780,000.00	2011	2026/3/13	No

Corporation				
Construction Corporation	599,590,000.00	2017	2020/1/9	No
Construction Corporation	130,000,000.00	2016	2020/9/19	No
Construction Corporation	6,800,000.00	2016	2021/9/20	No
Construction Corporation	2,474,500,000.00	2017	2030/4/1	No
Construction Corporation	7,395,950,000.00	2016	2023/12/31	No
Construction Corporation	450,000,000.00	2019	2020/1/27	No
Construction Corporation	738,000,000.00	2019	2020/3/23	No
Construction Corporation	605,000,000.00	2019	2031/6/17	No
Construction Corporation	89,555,306.90	2018	2022/1/19	No

Description of related guarantees

☐ Applicable ☒ Not Applicable**(5). Fund lending of related parties**☐ Applicable ☒ Not Applicable**(6). Asset transfer and debt restructuring of related parties**☐ Applicable ☒ Not Applicable**(7). Remuneration of key management personnel**☒ Applicable ☐ Not Applicable

Unit: RMB 10,000 Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key management personnel	2,312.74	2,534.52

**(8). Other related party transactions**☒ Applicable ☐ Not Applicable

Loan entrusted by related parties

	Related parties	Ending balance	Opening balance	Notes
Short-term borrowings				
	Shanghai Tuobo Laite Real Estate Co., Ltd.	1,750,000,000.00	1,620,000,000.00	
	China SFECO Group	70,000,000.00	70,000,000.00	
Current portion of non-current liabilities				
	Construction Corporation		100,000,000.00	
	Shanghai Construction Group (SCG) Hospital	60,000,000.00		
Long-term borrowings				
	Construction Corporation	1,100,000,000.00	1,000,000,000.00	
	Shanghai Construction Group (SCG) Hospital		60,000,000.00	
	China SFECO Group	180,000,000.00	180,000,000.00	

**Interest expenses**

Corresponding entity	Amount incurred in the current period	Amount incurred in the previous period
Construction Corporation	44,412,402.24	52,997,925.56
Shanghai Construction Group (SCG) Hospital	2,889,583.33	2,873,750.00
Shanghai Tuobo Laite Real Estate Co., Ltd.	38,031,466.66	35,316,000.00
China SFECO Group	6,288,194.46	3,547,222.23
Total	91,621,646.69	94,734,897.79

## 6. Receivables and payables by affiliated parties

### (1). Receivables

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item name	Related parties	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable					
	Construction Corporation	78,247,629.98	2,497,425.31	40,095,126.80	2,321,186.26
	SCG Nanhang Premixed Concrete Co., Ltd.	56,429,137.21		18,287,800.30	
	Hangzhou Hujian Urban Development Construction Co., Ltd.	32,310,339.00			
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	19,940,897.00	997,044.85		
	Ningbo Center Construction & Development Co., Ltd.	8,945,800.00	447,290.00		
	Shanghai Fengjing Landscape Industrial Co., Ltd.	5,775,127.00		5,775,127.00	
	Shanghai Metro Shield Engineering Co., Ltd.	5,632,111.51	281,605.58	4,679,854.69	233,992.73
	Shanghai Construction Group (SCG) Hospital	4,554,297.43	84,924.34	6,478,462.43	351,333.29
	Shanghai Real Estate and Garden Development Co., Ltd.	4,031,995.22	297,605.27	2,158,555.72	107,927.79
	Shanghai Shendi Garden Investment and Construction Co. Ltd.	3,313,564.00	165,678.20		
	Shanghai Construction No.5 Group, Industrial Co., Ltd.	2,480,000.00			
	Shanghai East Bund Construction Real Estate Development Co., Ltd.	2,071,553.00			
	Fulton SCG Development LLC	1,046,430.00			
	Shanghai Construction Education & Training Service Center	500,000.00		580,000.00	26,500.00
	Shanghai Flowers and Trees Company Ltd.	350,040.00		11,551.50	
	Shanghai Construction No.1 Industrial Co., Ltd.	56,399.00		325,928.40	10,976.47
Notes receivable					
	Shanghai Construction No.1 Industrial Co., Ltd.			352,352.11	
Advances to suppliers					
	Shanghai Metro Shield Engineering Co., Ltd.	2,230,000.00		4,510,000.00	
	Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	164,050.00		79,500.00	
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	16,039.00		16,039.00	
	Shanghai Jinmen Import and Export Co., Ltd.	200.00			
	Shanghai SEARI Intelligent System Co., Ltd.	69.08			
Interests receivable					
	SCG Yibin Cuiping Construction Co., Ltd.			1,894,444.45	
Other receivables					
	Fulton SCG Development Phase II LLC	131,125,794.96			
	SCG Nanhang Premixed Concrete Co., Ltd.	54,316,345.57		55,151,362.20	
	Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	50,400,000.00	2,520,000.00	50,400,000.00	2,520,000.00
	Shanghai East Bund Construction Real Estate Development Co., Ltd.	36,000,000.00			
	Fulton SCG Development LLC			85,648,975.38	
	Shanghai Metro Shield Engineering Co., Ltd.	2,001,454.15	100,072.71	14,657,957.17	732,897.86
	Three Fulton Square LLC	1,883,574.00			
	Shanghai International Tendering Co., Ltd.	1,609,000.00	79,699.99	2,901,000.00	106,800.00

	Ningbo Center Construction & Development Co., Ltd.	1,500,000.00	75,000.00		
	Shanghai Construction No.1 Industrial Co., Ltd.	1,030,000.00	51,500.00	1,040,000.00	52,000.00
	Construction Corporation	363,852.00	18,192.60	363,852.00	18,192.60
	Shanghai Dongqing Construction Labor Services Co., Ltd.	40,680.00	2,034.00		
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	28,500.00	400.00	10,000.00	500.00
	SCG Anhao Equity Investment Funds Management Co., Ltd.	20,000.00			
	Suzhou Jianjia Building Component Products Co., Ltd.	19,459.50	972.98	22,919.70	
	Wuxi Jian'an Building Component Products Co., Ltd.	12,302.60	615.13	12,302.60	
Other current assets					
	SCG Yibin Cuiping Construction Co., Ltd.			775,000,000.00	

**(2). Payables**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item name	Related parties	Ending book balance	Beginning book balance
Accounts payable			
	Shanghai Urban Construction Material Co., Ltd.	732,712,167.80	455,847,154.66
	Shanghai Dongqing Construction Labor Services Co., Ltd.	480,076,471.93	289,846,597.22
	Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	114,288,257.66	101,296,368.08
	SCG Nanhang Premixed Concrete Co., Ltd.	82,248,143.59	23,470,290.04
	Shanghai Qunli Industrial Co., Ltd.	78,571,195.83	37,274,440.83
	Shanghai Construction No.4 Industrial Co., Ltd.	34,399,375.00	27,583,664.42
	Shanghai Real Estate and Garden Development Co., Ltd.	14,524,508.30	30,665,667.15
	Shanghai Metro Shield Engineering Co., Ltd.	9,849,297.99	25,814,666.49
	Construction Corporation	6,800,000.00	6,355,000.00
	Shanghai Shendi Garden Investment and Construction Co. Ltd.	5,964,546.58	108,698,982.60
	Shanghai Dijiu Security Service Co., Ltd.	5,835,015.22	3,484,137.04
	Shanghai Shenwei Construction Decoration Engineering Co., Ltd.	4,530,000.00	4,530,000.00
	Wuxi Jian'an Building Component Products Co., Ltd.	4,242,964.18	4,242,964.18
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	3,820,918.70	967,440.40
	Shanghai Flowers and Trees Company Ltd.	2,396,523.00	73,330.00
	Shanghai Construction No.1 Industrial Co., Ltd.	1,211,785.00	10,357,914.65
	Shanghai Chengjiehua Construction Engineering Consulting Co., Ltd.	1,302,906.81	606,940.00
	Shanghai Construction No.5 Industrial Co., Ltd.	883,770.00	2,333,338.08
	Shanghai Yijian Building Technology Consulting Co., Ltd.	616,000.00	
	Shanghai SEARI Intelligent System Co., Ltd.	501,319.81	
	Shanghai ASK Architectural Decoration Engineering Co., Ltd.	156,797.69	156,797.69
	Shanghai Xinyu Engineering Construction & Supervision Co., Ltd.	98,699.60	
	Shanghai Zhongyu Engineering Construction Technology Co., Ltd.	90,000.00	90,000.00
	Shanghai Wood Industry Institute Co., Ltd.	70,000.00	350,000.00

	Shanghai Lianhe Pawn Liability Co., Ltd.	50,000.00	50,000.00
	Diaoyutai Decoration Engineering Co., Ltd.	14,442.79	14,442.79
	Shanghai International Tendering Co., Ltd.	500.37	
	Shanghai Construction Education & Training Service Center		15,600.00
Notes payable			
	Shanghai Dongqing Construction Labor Services Co., Ltd.	92,972,331.44	87,389,133.10
	SCG Nanhong Premixed Concrete Co., Ltd.	20,500,000.00	3,781,862.00
	Shanghai Qunli Industrial Co., Ltd.		35,810,000.00
	Shanghai Urban Construction Material Co., Ltd.		12,000,000.00
	Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.		19,979,740.80
Other payables			
	Shanghai Construction No.4 Industrial Co., Ltd.	213,574,630.00	209,126,430.00
	Construction Corporation	185,229,063.58	244,479,991.36
	Shanghai Dongqing Construction Labor Services Co., Ltd.	140,653,389.00	73,824,863.80
	SCG (Caribbean) Co., Ltd.	79,208,165.84	
	Hangzhou Hujian Urban Development Construction Co., Ltd.	45,000,000.00	
	Shanghai Qunli Industrial Co., Ltd.	7,058,664.65	4,917,953.03
	SCG Nanhong Premixed Concrete Co., Ltd.	3,197,755.15	892,747.02
	Shanghai Shendi Garden Investment and Construction Co. Ltd.	1,318,197.90	725,297.90
	Shanghai Fengjing Landscape Industrial Co., Ltd.	1,130,522.39	
	Shanghai International Tendering Co., Ltd.	543,966.47	2,986.99
	Shanghai Dijiu Security Service Co., Ltd.	110,000.00	
	Shanghai SEARI Intelligent System Co., Ltd.	55,500.00	
	Shanghai Flowers and Trees Company Ltd.	42,500.00	
	Shanghai Construction No.1 Industrial Co., Ltd.	37,000.00	
	China SFECO Group	32,267.66	15,411.39
	Shanghai New Century Industrial Co., Ltd.	20,000.00	
	Shanghai Jinmen Import and Export Co., Ltd.	14,100.00	14,100.00
	Shanghai Construction Education & Training Service Center Co., Ltd.	12,490.00	
	Shanghai Construction No.2 Industrial Co., Ltd.	1,800.00	
	SCG Yibin Cuiping Construction Co., Ltd.		24,771,047.00
	Shanghai Construction No.5 Industrial Co., Ltd.		65,145.60
Advances from customers			
	Shanghai Metro Shield Engineering Co., Ltd.	58,486,481.25	22,866,385.00
	Fulton SCG Development LLC	23,682,962.75	
	Shanghai Shendi Garden Investment and Construction Co. Ltd.	500,000.00	
	Shanghai Urban Construction Material Co., Ltd.	6,600.00	6,600.00
	SCG Yibin Cuiping Construction Co., Ltd.		22,646,438.00

## 7. Commitments by related parties

☐ Applicable ☒ Not Applicable

## 8. Others

☐ Applicable ☒ Not Applicable

**XIII. Share-based Payment****1. General conditions of share-based payment**

☐ Applicable ☒ Not Applicable

**2. Equity-settled share-based payment**

☐ Applicable ☒ Not Applicable

**3. Cash-settled share-based payment**

☐ Applicable ☒ Not Applicable

**4. Changes to and termination of shared-based payment**

☐ Applicable ☒ Not Applicable

**5. Others**

☐ Applicable ☒ Not Applicable

**XIV. Commitments and Contingencies****1. Important commitments**

☐ Applicable ☒ Not Applicable

**2. Contingencies****(1). Significant contingencies existed on the balance sheet date**

☒ Applicable ☐ Not Applicable

**(1) Contingent liabilities and its financial impact arising from providing debt security to other units**

When some house-purchase customers of SCG Real Estate purchased the commercial housings through bank mortgage (mortgaged loan), in accordance with the requirements of banks on granting mortgaged loans for individual house-purchase, SCG Real Estate should respectively provide periodic joint liability guaranty for the mortgaged loans granted by the banks to the house-purchase customers. Such liability guaranty should be terminated after the house-purchase customers completing formalities for obtaining the title of house ownership and for registering the house mortgage. As of December 31, 2019, the balance of borrowers' outstanding loans amounted to RMB 5,875,497,000.00. (As of December 31, 2018, the balance of borrowers' outstanding loans amounted to RMB 6,668,057,028.96.)

Item name	Amount in the current period	Amount in the previous period
Haiyue Mingdu	2,640,000,000.00	2,700,000,000.00
Landsea Plot 21 - 11 at south Hexi, Nanjing	1,900,000,000.00	1,900,000,000.00
Merchant Plot 21 - 12 at south Hexi, Nanjing	1,300,000,000.00	1,300,000,000.00
Plot 125 - 3 at Pujiang Town (Zijun)	11,930,000.00	17,670,000.00
Haiyue Mingdu in Suzhou	23,567,000.00	
Zhaoxiang Town, Qingpu District		664,519,887.96
Yiwan Liting		58,912,380.00
Zhujiajiao No.1		16,904,761.00
Plot 125 - 4 at Pujiang Town (Fengjun)		6,750,000.00
Haiyue Nanshan in Xuzhou		3,300,000.00
Total	5,875,497,000.00	6,668,057,028.96

SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd. has provided joint liability guarantee for the engineering guarantee issued by Zhejiang Jiangneng Construction Co., Ltd. before the acquisition in March 2018. As of December 31, 2019, the outstanding balance of the guarantee was RMB 22,658,661.35. (As of December 31, 2018, the outstanding balance of the guarantee was RMB 26,877,421.55.)

**(2) Contingent liabilities and its financial impact arising from pending actions**

Lawsuit between No.7 Group and Tianjin City Institute of Traditional Chinese Medicine Affiliated Hospital

The summons is about the disputes of property damage compensation between Tianjin City Institute of Traditional Chinese Medicine Affiliated Hospital (Plaintiff, Tianjin Institute of Traditional Chinese Medicine for short), and Tianjin Lujin Real Estate Development Co., Ltd. (Defendant) and No. 7 Group

(Defendant), which was placed on file by Tianjin No.1 Intermediate People's Court in December 2019. The main fact in the case is as follows: In December 2012, Tianjin Institute of Traditional Chinese Medicine believed that during the construction of the deep foundation pit of Lujiazui Square Project, No. 7 Group damaged No.354 building in use of Hongqiao District of the hospital, resulting in withdrawal of relevant medical departments, relocation of 266 employees. At the same time, 210 beds could not be used due to the damage of the house. Tianjin Institute of Traditional Chinese Medicine requested the Court to order the second defendant to compensate for the cost of demolition, reconstruction and reinforcement of the house, employee relocation fee, and income loss, totaling RMB 0.28 billion, and to bear the litigation costs. The case has not yet been heard. No.7 Group is collecting relevant evidence, and will submit it to the Court after the Court holds the hearing for this. The management is temporarily unable to determine the affected amount of the Company's profits in the current period or after the period due to the lawsuit.

**(2). In case of no important contingencies to be disclosed, a description shall be given:**

☐ Applicable ☒ Not Applicable

**3. Others**

☒ Applicable ☐ Not Applicable

**(1) Borrowings secured by pledge of assets**

Asset accounts	Description of pledge	Book value of pledge subject	Amount of borrowings	Term of borrowing
Intangible assets	Two mining licenses for koka gold mine at north Eritrea and five exploration licenses for mines at Zara District of Zara Mining	567,955,855.03	87,873,522.96	2013-7-10 to 2020-7-10
Inventories	Inventory goods	6,281,572.40		
Cash at bank and on hand	Other cash at bank and on hand	3,778,425.86	6,281,572.40	2019-7-26 to 2020-6-22
Long-term receivables	Repurchase payment of Wujin Jinwu Road Project	111,253,535.64	68,000,000.00	2016-9-21 to 2021-9-27
Current portion of non-current assets		74,169,691.06		
Long-term receivables	Financing lease payment receivable	44,910,211.73	39,110,000.00	2019-9-12 to 2020-12-12
Long-term receivables	Financing lease payment receivable	137,429,347.15	140,750,962.73	2019-2-1 to 2020-10-30
Long-term receivables	Financing lease payment receivable	6,521,797.01	7,500,000.00	2019-7-10 to 2020-7-10
Long-term receivables	Financing lease payment receivable	844,089,675.75	599,215,696.70	2017-7-20 to 2022-6-5
Long-term receivables	Collection right for the PPP Project	1,619,226,940.50	1,375,000,000.00	2019-1-11 to 2029-6-20
Long-term receivables	Collection right for the PPP Project	919,522,275.28	605,000,000.00	2019-6-18 to 2030-12-27
Accounts receivable		87,548,794.52		
Accounts receivable	Revenue right for the PPP Project	6,936,930.00	100,000,000.00	

**(2) Borrowings secured by mortgage of assets**

Asset accounts	Mortgage name	Book value of mortgage subject	Amount of borrowings	Term of borrowing
Fixed assets	Floors 9 - 14 and parking lots at two basements, No.666, East Daming Road, Shanghai	365,811,181.92	390,000,000.00	2015-2-15 to 2030-2-14
Investment properties	(No. 1356, No. 1360, No. 1364, No. 1368, No. 1372, No. 1376, No. 1380, No. 1384, No. 1388, No. 1398) Fangdian Road and No. 868 Yinghua Road (excluding Basement 1, Basement 2 and 204 used as occupancy of property management), Pudong New Area, Shanghai	803,285,885.22	673,900,000.00	2017-5-19 to 2026-11-7
Investment properties	No. 488 Jiamusi Road, community garage, Lane 600, Yingkou Road, No. 578 - 588 Yingkou Road, No. 606 Yingkou Road, No. 45 - 81, Lane 600, Yingkou Road, (Double) No. 282 - 294, (Double) No. 306 - 318, (Double) No.328 - 334, (Double) No. 338 - 342, (Double) No. 350 - 356, Jiamusi Road	32,515,634.54	29,006,250.00	2014-02-28 to 2023-12-31
Investment properties	83349.03 square meters, located at No. 255, Beihe Road, Jiading District, (HFDJZ [2008] No.001957)	86,737,088.34	124,500,000.00	2015-03-19 to 2027-03-18



Inventories	HMZ [2018] Immovable Property Rights No.058215, HMZ [2018] Immovable Property Rights No.049587, HFDZ [2018] No.049586, HMZ [2018] Immovable Property Rights No.010698, HFDZ [2018] No.039254, HFDZ [2018] No.044942, and HFDZ [2018] No.001387	706,051,604.55	2,080,000,000.00	2019-6-18 to 2034-6-17
Inventories	Hu [2018] PZ Immovable Property Rights No.014276 of all buildings and structures built on the construction land	4,529,620,808.31	1,046,825,723.75	2019-1-16 to 2024-1-3
Inventories	Land Use Right of Gan [2018] Immovable Property Rights No.0010749 in new area	792,174,364.33	132,418,268.66	2019-1-11 to 2022-1-10
Inventories	Hu [2017] JZ Immovable Property Rights No.019037/Hu [2017] JZ Immovable Property Rights No.019047	1,128,693,700.00	523,000,000.00	2019-1-4 to 2022-1-3
Inventories	Land Use Right of NO.2017G45 Plot: Su [2018] NJ Immovable Property Rights No.0025987	2,575,000,000.00	149,872,935.99	2019-1-23 to 2021-1-10
Inventories	Land: (Gan [2017] Nanchang City Immovable Property Rights No. 0024419)	406,827,016.35	280,515,000.00	2018-1-17 to 2022-1-16
Long-term receivables	Leased assets that are acquired under finance lease	181,680,557.86	88,759,373.45	2017-7-20 to 2022-6-5
Inventories	SCGMIMAONE	1,328,771,969.82	683,667,600.00	2019-12-19 to 2022-12-19
Inventories	BROADWAYELITELLC	872,031,201.49	622,007,228.49	2019-12-11 to 2021-6-11
Construction in progress	INVESTELHARBORRESORTSLLC	1,476,852.68	638,323,051.76	2017-9-8 to 2020-1-10
Fixed assets		634,516,914.34		
Intangible assets		337,553,888.05		
Fixed assets	Buildings	21,935,966.80	10,000,000.00	2019-6-24 to 2020-6-23
Intangible assets	Land use rights	13,427,777.46		

## XV. Events After the Balance Sheet Date

### 1. Important non-adjusting events

☐ Applicable ☒ Not Applicable

### 2. Profit distribution

☒ Applicable ☐ Not Applicable

Unit: RMB 100 million    Currency: RMB

Profit or dividend to be distributed	12.46
Profit or dividend declared after deliberation and approval	

### 3. Sales return

☐ Applicable ☒ Not Applicable

### 4. Notes for events after the balance sheet date

☒ Applicable ☐ Not Applicable

#### (1) Progress of share repurchased

As of February 29, 2020, the Company repurchased a total of 16,400,000 Company's shares by centralized bidding transactions, accounting for 0.18% of the Company's total share capital. The highest purchase price is RMB 3.52/share, the lowest purchase price is RMB 3.23/share, and the total funds paid is RMB 57,059,000.00 (excluding such transaction costs as stamp duty and commission).

#### (2) Proposal on Issuance of Overseas US Dollar Bonds through Subsidiaries

The Company's first extraordinary Shareholders' Meeting in 2020 was held on February 25, 2020. At the meeting, *Proposal on Issuance of Overseas US Dollar Bonds through Subsidiaries of Shanghai Construction Group Co., Ltd.* was passed; it was agreed that the Company's overseas wholly-owned subsidiaries issued overseas US dollar bonds, and the Company provided unconditional and irrevocable joint liability guarantee for the issuer's repayment obligations under overseas bonds. The guarantee scope included the principal and interest of overseas bonds and expenses for realizing the principal claim; the issuance scale could not exceed USD 0.6 billion. On the premise of meeting the listing conditions, it was applied for listing the bonds issued on the Stock Exchange of Hong Kong, with a term of 7 years. The transaction of the bonds was finally determined by the Company and the lead underwriter according to market conditions, and the bonds could be issued in batches.

(3) Proposal on Transaction on Main Board of Shanghai Stock Exchange by Separating Subsidiaries' Material Companies

The 6th meeting of the 8th Board of Directors of the Company was held in the Company's meeting room on January 8, 2020. At the meeting, Proposal on Initial Public Offering and Listing on Shanghai Stock Exchange of Shanghai Construction Material Co., Ltd. of Shanghai Construction Group Co., Ltd. Was passed, and the Application for Initial Public Offering and Listing on Shanghai Stock Exchange of Shanghai Construction Material Co., Ltd. to Which the Company Affiliated was agreed.

(4) Proposal on Transaction on Main Board of Shanghai Stock Exchange by Separating Subsidiaries' Material Companies

The 6th meeting of the 8th Board of Directors of the Company was held in the Company's meeting room on January 8, 2020. At the meeting, Proposal on Initial Public Offering and Listing on Shanghai Stock Exchange of Shanghai Construction Material Co., Ltd. of Shanghai Construction Group Co., Ltd. Was passed, and the Application for Initial Public Offering and Listing on Shanghai Stock Exchange of Shanghai Construction Material Co., Ltd. to Which the Company Affiliated was agreed.

Name of shareholder	Number of conditioned tradable shares held	Proportion of Tradable Shares with Trading Limited Condition to the Total Share Capital of the Company	Number of shares for circulation (unit: share)	Number of Rest Tradable Shares with Trading Limited Condition
Changjiang Pension Insurance Co., Ltd.-Special Pension Security Management Product of Employee Stock Ownership Plan of Changjiang Pension-SCG	417,487,799	4.69%	417,487,799	0

The share capital change structure table was as follows:

Unit: share		Before the Listing	Changes	After the Listing
Conditioned tradable shares	Others	417,487,799	-417,487,799	0
Total limited tradable shares		417,487,799	-417,487,799	0
Unconditioned tradable shares	A Share	8,486,909,929	417,487,799	8,904,397,728
Total unconditioned tradable shares		8,486,909,929	417,487,799	8,904,397,728
Total shares		8,904,397,728	0	8,904,397,728

(5) Medium Term Notes Approved for Registration

The 4th meeting of the 8th Board of Directors of the Company and the 1st extraordinary Shareholders' Meeting in 2019 reviewed that the Company applied to the China National Association of Financial Market Institutional Investors (NAFMII) for the issuance of medium term notes. Recently, the Company received the Note of Accepting Registration (ZSXZ [2020] No.MTN107) issued by China National Association of Financial Market Institutional Investors. The China National Association of Financial Market Institutional Investors has accepted the registration of the Company's medium term notes. The main contents are as follows:

I. The Company's registered amount of the medium term notes is RMB 5 billion, and the registered limit is valid within 2 years since the inscribed date of such Note of Accepting Registration. The co-lead underwriters are China Construction Bank and Orient Securities Co., Ltd.

II. The Company could issue the medium term notes by phases in the effective registration period. If medium term notes needed to be issued on record after acceptance of registration, it should be filed with the NAFMII in advance.

(6) Impact of Novel Coronavirus Pneumonia Epidemic

Since the spread of novel coronavirus pneumonia in January 2020, China and other countries and regions have taken prevention and control measures against the epidemic. The impact of the epidemic on the Group's operation are mainly on slow progress of works caused by delay of the work resumption of the project. The degree of impact is depend on the epidemic situation, macro policies, the work resumption of enterprises and other factors.

The Group earnestly implemented various policies and arrangements of the central government, strengthened the prevention and control of the epidemic, and orderly promoted the work resumption of

projects. The Company paid close attention to the epidemic and continuously evaluated the impact of the epidemic on the Group's future financial conditions and operating results.

## **XVI. Other Important Matters**

### **1. Correction of accounting errors in the previous period**

#### **(1). Retrospective restatement**

☐ Applicable ☒ Not Applicable

#### **(2). Prospective application**

☐ Applicable ☒ Not Applicable

### **2. Debt restructuring**

☐ Applicable ☒ Not Applicable

### **3. Replacement of assets**

#### **(1). Exchange of non-monetary assets**

☐ Applicable ☒ Not Applicable

#### **(2). Exchange of other assets**

☐ Applicable ☒ Not Applicable

### **4. Annuity plan**

☐ Applicable ☒ Not Applicable

### **5. Discontinued operations**

☐ Applicable ☒ Not Applicable

### **6. Segment information**

#### **(1). Determination basis and accounting policy of reportable segments**

☒ Applicable ☐ Not Applicable

The management of the Group respectively evaluated operating results of the building, contracting, design, construction, real estate development, construction business, urban infrastructure investment and construction, complete equipment and other goods services, the Zara Mining business and the engineering project management consultation and labor dispatching as well as other businesses, the price of inter-segment transfer should refer to the price adopted by the third party for sales, the expenses directly attributable to each segment should be allocated among segments according to the income ratio.

**(2). Financial information of reportable segments**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Architecture, contract, design, construction	Real estate development	Construction industry	Municipal infrastructure investment and construction	Complete equipment and other merchandise trade	Zara Mining	Project management consulting, labor dispatch and other services	Undistributed Amount	Compensating among segments	Total
I. Foreign transaction income	171,782,768,234.51	10,074,048,405.02	12,206,958,234.65	1,195,447,949.39	6,554,893,702.98	634,167,314.18	3,048,423,967.62		0.00	205,496,707,808.35
II. Inter-segm ent transaction income	4,991,315,415.05	27,471,795.56	7,542,141,468.24	91,517,626.38	813,764,331.03	0.00	976,590,574.52		14,442,801,210.78	0.00
III. Income from investment in associates and joint ventures								111,805,818.83	-26,947,753.54	84,858,065.29
IV. Asset impairment losses	-519,555,186.88	-60,927,420.43	-358,665,511.56	21,832,862.55	-7,254,029.00	0.00	-118,363,428.31		118,200,783.68	-924,731,929.95
V. Depreciati on and amortization expenses	1,567,660,779.58	138,169,275.53	137,475,730.14	890,268.40	17,317,955.04	208,026,514.23	105,745,938.55		-8,123,219.08	2,167,163,242.39
VI. Total profits (total losses)								7,295,652,079.50	-1,612,190,848.61	5,683,461,230.89
VII. Income tax expenses								1,366,151,631.10	5,062,319.59	1,371,213,950.69
VIII. Net profit (net losses)								5,929,500,448.40	-1,617,253,168.20	4,312,247,280.20
IX. Total assets	197,223,783,841.86	53,054,438,566.47	23,813,474,834.74	26,423,871,224.30	5,368,758,610.39	1,707,212,838.63	24,644,563,451.71		-74,955,206,859.00	257,280,896,509.10
X. Total liabilities	158,403,809,718.67	48,046,010,226.73	20,893,768,796.28	12,985,228,143.84	4,748,055,537.24	1,606,360,907.96	19,625,359,745.77		-45,200,741,173.02	221,107,851,903.47
XI. Other important non-cash items										
Long-term equity investment in associates and joint ventures								2,918,848,788.74	0.00	2,918,848,788.74
Increase in amounts of other non-current assets beyond long-term equity investment	-985,120,160.77	199,141,419.04	226,074,325.56	2,587,392,899.96	-1,540,056.24	72,466,816.35	-856,409,225.83		0.00	1,242,006,018.07

**(3). Where the Company has no reportable segment or cannot disclose total assets and total liabilities of reportable segments, explain the reasons**

☐ Applicable ☒ Not Applicable

**(4). Other notes**

☐ Applicable ☒ Not Applicable

**7. Other major transactions and matters affecting the investors' decisions**

☐ Applicable ☒ Not Applicable

**8. Others**

☒ Applicable ☐ Not Applicable

(1) Lawsuit between No.1 Group and Beijing Pangushi Investment Inc.

On February 29, 2008, No. 1 Group and Beijing Pangushi Investment Inc. (hereinafter referred to as "Beijing Pangu") signed a Contracting Agreement on Professional Construction of Electromechanical Work of Pangu Plaza (Office Building A) with respect to the professional construction of electromechanical work at Pangu Plaza (Office Building A). The work in dispute was verified and accepted by Beijing Pangu on September 30, 2013. On December 13, 2013, both parties signed the Review and Recognition List for Settlement of Beijing Pangushi Investment Inc., which recognized the final settlement price of RMB 80,000,000. On July 18, 2014, both parties signed another Agreement for Residual Payment for Installation Work of Beijing Pangu Plaza, in which Beijing Pangu should be liable for the payment by installments, amounting to RMB 27,370,363.36 in total.

On July 23, 2015, No. 1 Group sued Beijing Pangu to Beijing Chaoyang District People's Court, claiming for the project funds of RMB 18,370,363.36 and RMB 1,889,244.19 as the interest of overdue payment. On November 22, 2016, Beijing Chaoyang District People's Court made the judgment (CMCZ [2015] No.39824), which ordered Beijing Pangu to pay RMB 17 million to No.1 Group and bear the interest based on the amount above and calculated at the loan interest rate of the same kind in the corresponding period of the bank from December 29, 2013 to the date of actual payment. The court believes in the first instance that the Repayment Agreement signed by both parties is true and valid and, for the RMB 5,370,363.36 not due, the claim by No. 1 Group is rejected. However, No. 1 Group may otherwise claim for such amount when such creditor's right is matured. No.1 Group sued Beijing Pangu again in January 6, 2017 and requested it to pay the remaining project amount of RMB 5,370,363.36 and overdue interest. The Beijing Chaoyang Court made a judgment on March 16, 2017 (J0105MC [2017] No.2081), ordering Beijing Pangu to make the project payment amounting to RMB 5,370,363.36 and the corresponding interest. No.1 Group applied to the Court for compulsory execution of the judgment on April 10, 2017. In May 2018, No. 1 Group filed an application with the court to request that the party subject to enforcement, Beijing Pangu shall be included in the List of Dishonest Persons subject to Enforcement and recorded in the credit information system. On August 5, 2018, the Beijing Chaoyang Court imposed a restriction on high-level consumption on Beijing Pangu. The main property of Beijing Pangu, namely Beijing Pangu Daguan Building, has been auctioned by the Third Intermediate People's Court of Beijing Municipality. In order to effectively realize the creditor's rights, No.1 Group applied to the Beijing Chaoyang District People's Court for participating in the distribution in October 2019.

As of December 31, 2019, Beijing Pangu involves a number of lawsuits. The status has been maintained for more than 3 years. The management estimates that the recoverability of receivables is relatively low and the provision for bad debts is fully accrued. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(2) Construction project contract dispute case between No.1 Group and Shanghai Baolian Residence City

In September 2017, No.1 Group filed an arbitration with Shanghai Arbitration Commission for the unpaid project payment of the construction project of Shanghai Baolian Residence City, applying for a ruling of RMB 76,495,000 and corresponding interest and management fees, with a total amount of RMB 82,891,700. In December 2017, the arbitration tribunal made ruling that Shanghai Baolian Real Estate Co., Ltd. should pay 76,495,007.05 of the project funds, the interest of overdue payment and on-site management fees. The arbitration tribunal confirmed that No.1 Group enjoyed the repayment priority within the scope of project funds and management fees. No.1 Group recovered RMB 50 million in 2018, and recovered RMB 17.0737 million in 2019, the rest project funds and RMB 9.4213 million of the interest.

As of December 31, 2019, the Company believed that Shanghai Baolian Residence City has the ability to repay, and the Company has the repayment priority. The management expects that the possibility of recovery is large and 15% are accrued as the provision for decrease in value according to normal plan for credit portfolio. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(3) Matters involved in the lawsuit between No.4 Group of the Proprietors of Shanghai Jiacheng Plaza Complex

In August 2018, No.4 Group filed a lawsuit with Shanghai Higher People's Court against the proprietors of Shanghai Jiacheng Plaza Complex including Shanghai Jiacheng Enterprise Development Co., Ltd. (hereinafter referred to as "Shanghai Jiacheng") and Shanghai Xukuan Enterprise Development Co., Ltd. (hereinafter referred to as "Shanghai Xukuan") and its shareholder Beijing Jiacheng Real Estate Development Co., Ltd. (hereinafter referred to as "Beijing Jiacheng"), for the arrears of projects by Shanghai Jiacheng and Shanghai Xukuan, requesting the judgment to cancel the relevant EPC agreement, and pay RMB 630 million of the project progress payment, idle cost, overdue interest and other related payments (including RMB 538 million of project funds, RMB 16 million of the interest on the overdue project progress payment, and RMB 77 million of the idle cost and the relevant interest). According to the civil judgment (HMC [2018] No. 60), about RMB 634 million of the bank deposits of Shanghai Jiacheng, Shanghai Xukuan and Beijing Jiacheng were frozen or the other assets with the equivalent value were sealed and seized. On September 3, 2018, Shanghai Higher People's Court issued the Notice to Assist in Enforcement (Draft) to Jing'an District Real Estate Registration Center to implement the following matters: 1. sealing up the real estate under the name of Shanghai Jiacheng, located at 58 Qiu, 338 Block, Pengpu Xincun Street, Changzhong Road, Jing'an District. 2. The term of sealing-up in turn is 3 years (from September 3, 2018 to September 2, 2021) with pledge.

As of December 31, 2019, the case was still in the trial. Based on the above-mentioned freezing situation, the management expects that the possibility of recovering the relevant payments is relatively large, and 20% of impairment provision drawn was appropriate. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(4) Lawsuit between No.4 Group and Shanghai Chengkai Group Longcheng Property Co., Ltd.

Since December 2012, No.4 Group and Shanghai Chengkai Group Longcheng Property Co., Ltd. (hereinafter referred to as "Longcheng Property") have successively signed 5 contracts for the construction of Shanghai Meilong South Business Zone Project, agreeing that No.4 Group was responsible for the construction of the project within the scope of the agreement. By June 26, 2017, all the projects passed the completion acceptance. On July 1, 2019, both parties signed the *Settlement Agreement for the Construction of Phases I, II and III of Shanghai Meilong South Business Zone Project*, confirming that the approved total settlement price of the Settlement Agreement was RMB 1,440,229,103. On the same day, both parties signed the *Payment Agreement for Completion Payment and Settled Payment of General Contracting of Phase I, II and III of Shanghai Meilong South Business Zone Project* (hereinafter referred to as the "Payment Agreement"), agreeing that Longcheng Property should pay the settled project funds to No.4 Group in installments. In case of overdue payment, overdue interest of the unpaid amount payable according to the annual (365 days) interest rate of 4.35% until that all settlement is paid off. As of the date of prosecution, according to the payment agreement, Longcheng Property should pay RMB 0.144 billion of due project funds to the plaintiff, but it only paid RMB 10 million of the project funds. No.4 Group has sent many letters to Longcheng Property, but Longcheng Property ignored them, and violated the payment agreement. For this reason, No.4 Group filed a lawsuit to Shanghai No.1 Intermediate People's Court, demanding a decree: ① Request the Court to order the dissolution of the *Payment Agreement for Completion Payment and Settled Payment of General Contracting of Phase I, II and III of Shanghai Meilong South Business Zone Project* signed by both parties; ② Request to order Longcheng Property to pay the rest settled project funds and overdue interest of RMB 388,690,064.59 (project funds of RMB 381,149,568.60 and overdue interest of RMB 7,540,495.99); ③ Request to confirm that No.4 Group has the repayment priority for the discount or auction price of the projects involved within the scope of the litigation; ④ Request to judge that Longcheng Property bears the litigation costs.

On January 14, 2020, Shanghai No.1 Intermediate People's Court issued H01MC [2020] No.18 Notice of Acceptance and formally accepted this case. On January 18, 2020, the Court froze the deposits of RMB 5,273,858.03 in the China Citic Bank account and RMB 63,396.74 in the Pudong Development Bank account under Longcheng Property's name according to the property preservation application of

No.4 Group for a period of one year. At the same time, the Court froze the real estates of Longcheng Property located at No.128, No.136, No.186 and No.196 of Minhong Road of Minhang District, the real estates located at No.1 and No.2 of Lane 166 of Minhong Road, and real estates located at No.1 to No.6 of Lane 99 of South Wanyuan Road for a seized for a seizure period of three years. The frozen and seized assets are equivalent to the amount in the litigation.

As of December 31, 2019, the management believed that although the case has not yet been heard, the Company has already obtained the corresponding property preservation and returnability was great, so that 15% of impairment provision drawn was appropriate.

(5) Lawsuit between No.7 Group and Xi'an Shenzhou Radar (Jingyang) Technology Co., Ltd.

Because Xi'an Shenzhou Radar (Jingyang) Technology Co., Ltd. (hereinafter referred to as "Xi'an Shenzhou Radar"), the Owner of the Construction Project of the Industrial Base of All-weather Patrol Inspection Instrument with Radar Precision Guidance, failed to pay the project funds as agreed in the contract, No.7 Group sued the Xi'an Shenzhou Radar for RMB 125 million of project funds, as well as related loss expense caused by shutdown, liquidated damages, overdue fine and overdue interest (the total suspense amount of the three items was RMB 29.18 million). The main facts of the case were as follows: In May 2019, the project structure involved in the lawsuit was capped, and a capping ceremony was held. In June 2019, No.7 Group sent a work contact list to Xi'an Shenzhou Radar, asking it to pay the corresponding project funds as agreed in the contract, but No.7 Group has not received a formal reply from Xi'an Shenzhou Radar. In July 2019, No.7 Group commissioned a law firm to submit a lawyer's letter to Xi'an Shenzhou Radar, asking it to pay the project funds and cooperate in solving the corresponding problems of the project involved in the lawsuit. In October 2019, No.7 Group submitted the pleadings to Shaanxi Xianyang Intermediate People's Court. The Court has filed and accepted the lawsuit of No.7 Group. At present, the case has not yet been heard. The time of the first hearing needed to be notified by the Court. No.7 Group has applied to the Court for preservation of the property involved, with a total amount of the preserved assets of RMB 156 million.

As of December 31, 2019, No.7 Group has applied for preservation of the litigation-related assets of Xi'an Shenzhou Radar Project, and the value of the preserved assets was higher than the litigation-related amount of the project funds. The management expected that the possibility of recovering the relevant payments is relatively large and the provision for bad debts is normally made according to the credit portfolio. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(6) Lawsuit between No. 7 Group and Shanghai Pudong Shanjia Industry Co., Ltd.

On December 12, 2018, No.7 Group filed a civil lawsuit with the People's Court of Shanghai Pudong New Area, mainly for the matters: since March 22, 2013, No.7 Construction Group completed the project of the defendant, Shanghai Pudong Shanjia Industry Co., Ltd. (hereinafter referred to as "Shanjia Industry") Plot C-04 (partial) residential and hotel project A plot (Plot C-04-20) of Chuansha New Town, Shanghai Pudong New Area (hereinafter referred to as "Chuansha Hotel") and successively signed four "engineering construction contracts". On January 16, 2018, the record-filing certificate for the completion acceptance of construction projects was completed for the project involved in the lawsuit. On March 14, 2018, No.7 Group submitted the settlement and price appraisal documents to Shanjia Industry, and the total cost submitted to a higher level for approval amounted to RMB 761,111,949. On July 9, 2018, Shanghai Lanjing Investment Management Co., Ltd., the substantial shareholder of Shanjia Industry, applied to the People's Court of Shanghai Pudong New Area for the compulsory liquidation of the defendant and the application was filed by Pudong Court (case No.: H0115QQ [2018] No. 4). The shareholders and liquidation obligors of Shanjia Industry would bear corresponding civil liabilities for its debts. On September 28, 2018, No.7 Group reported the creditor's rights of the project to the liquidation group. However, as the project was not settled, the liquidation group did not confirm the amount of the creditor's rights claimed. As of the date of prosecution, Shanjia Industry paid a total of RMB 439,291,887 of the project funds to the plaintiff. According to the submitted settlement documents, RMB 322,320,062 of project funds was still unpaid by Shanjia Industry. In order to protect the legitimate rights and interests, No.7 Group has entrusted Boss & Young Attorneys-At-Law and Shanghai Gongyi Law Firm to request the People's Court of Shanghai Pudong New Area judging Shanjia Industry to pay RMB 322,320,062 of the project funds and the overdue interest (tentatively calculated RMB 5,531,542.11) from July 9, 2018 to the effective date of the judgment, as well as confirming that No.7 Group should enjoy the priority right to be repaid with respect to construction project funds of "Chuansha Hotel" project of Shanjia Industry.

As of December 31, 2019, the case was still in the trial. The management believed that Shanjia

Industry has the solvency, the above-mentioned amount was expected to be recovered with greater possibility, and the provision for bad debt was normally made according to the credit portfolio. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(7) Lawsuit between Installation Group and Shanghai Shuzhong Investment Management Co., Ltd.

On February 6, 2017, Installation Group filed a civil lawsuit against Shanghai Shuzhongyun Investment Management Co., Ltd. (hereinafter referred to as “Shanghai Shuzhong”) to Shanghai No. 1 Intermediate People's Court for the main matters: Installation Group and Shanghai Shuzhong concluded an EPC general contract for “Shanghai International Centralized Data Platform (Shuzhong Cloud) Project” on October 28, 2014. Installation Group was responsible for contracting the construction of the above project. The contract agreed to start the project in November 2014 and complete the acceptance of completed project in April 2015. The closed contract price totaled RMB 298,962,000, the construction cost of the additional works amount would be settled separately. The contract agreed the final payment of RMB 50 million would be paid on May 1, 2018. The project involved passed the completion acceptance by Shanghai Shuzhong and the Supervisory Units on April 30, 2015 and delivered to the defendant for use. In January 2016, Installation Group submitted the completion settlement report to Shanghai Shuzhong according to the contract, and the total settlement price of the project was RMB 348,136,700, including RMB 49,174,700 of the construction costs for the additional work amount. After the completion of the project, Shanghai Shuzhong entrusted Installation Group to be responsible for the daily operation and management of the project and the maintenance of partial equipment. Shanghai Shuzhong confirmed that the operating management fee payable by Installation Group in 2015 was RMB 4,127,500. In 2016, Installation Group signed an “Agency Contract for Infrastructure Operating Management of Data Center” with Shanghai Shuzhong. The contract term is from January 2016 to December 2018. The contract stipulated that Shanghai Shuzhong would pay Installation Group the annual agency operating management service fee of RMB 3.8 million and the incentive fee of RMB 380,000. As of December 31, 2018, Shanghai Shuzhong only paid the project funds of RMB 165 million to Installation Group, and still owed Installation Group the payable project funds of RMB 133,136,700 (excluding the project funds of RMB 50 million payable on May 1, 2018), the interest of RMB 12,512,200 (tentatively calculated until February 28, 2017), operating management service fee of RMB 8,307,500 and the interest of RMB 460,200 (tentatively calculated until February 28, 2017). Shanghai No. 1 Intermediate People's Court made a civil judgment (H01MC [2017] No. 60) on November 30, 2018. Shanghai Shuzhong should make the payments paid 15 days as from the effective date of the judgment: ① RMB 174,891,100 of the project funds and the interest calculated according to the interest rate of the People's Bank of China during the same period to Installation Group; ② RMB 11.66 million of the management service fee from 2015 to 2017 and the overdue liquidated damages to Installation Group, and the receivables from Shanghai Shuzhong to Installation Group were RMB 210 million as at December 31, 2018 in accordance with the document. On December 25, 2018, Shanghai Shuzhong filed an appeal. The Installation Group received a total of RMB 20 million on September 2, 2019 and October 9, 2019 respectively.

On February 14, 2017, Shanghai No.1 Intermediate People's Court agreed to the Installation Group's application for property preservation, agreeing to freeze the Shanghai Shuzhong's deposits in bank of RMB 103,140,146.50, or to seize or detain the property of corresponding value.

As of December 31, 2019, for accounts receivable of the Installation Group, normal provision for bad debt is made according to the credit portfolio. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(8) Lawsuit between Mechanized Construction Group and Zhangzhou Shengyu & Xinyang Hengyu

On April 7, 2014, Mechanized Construction Group filed a lawsuit against Zhangzhou Shengyu Real Estate Development Co., Ltd. (hereinafter referred to as Shengyu Company) and Xinyang Hengyu Real Estate Development Co., Ltd. (hereinafter referred to as Hengyu Company) with respect to the dispute over the engineering arrears of RMB 180 million of “Zhangzhou People's Square Joy City Project”; on April 28, 2014, it filed an application for property preservation; on May 15, 2014, Wuhan Zheyu Real Estate Development Co., Ltd. (hereinafter referred to as Zheyu Company) was added as defendant and, thereby, the claim was altered and property preservation application was added. Mechanized Construction Group had claimed to the High Court of Fujian Province for the repayment priority with respect to the project it constructed and applied for sealing up the co-defendants' property. On December 3, 2014, the High Court of Fujian Province made the Civil Judgment (MMCZ [2014] No.38), ordering Shengyu Company to pay the engineering arrears of RMB 181,634,379 and interests, agreeing



Mechanized Construction Group to enjoy the repayment priority with respect to the depreciation or auction of "Zhangzhou People's Square Joy City Project" within the amount of engineering arrears of RMB 181,634,379, and ruling that Zhenyu Company bore the joint and several liability for settlement of the engineering arrears of RMB 181,634,379 and interests payable by Shengyu Company. In 2015, Zhengyu Company filed a lawsuit to Supreme People's Court of the People's Republic of China, but failed to prepay the processing fee for case on appeal to the court. On July 23, 2015, the Supreme People's Court of the People's Republic of China made the civil judgment (MYZZ [2015] No.141) to withdraw the appeal automatically upon the ruling at the final trial.

As of December 31, 2019, the book value of accounts receivable of Mechanized Construction Group draw the bad debt provision as per 5% of the accounts receivable. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

## **XVII. Notes to Major Items of Parent Company's Financial Statements**

### **1. Accounts receivable**

#### **(1). Disclosure by aging**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: within 1 year (itemize)	
	3,219,659,568.82
Subtotal within 1 year	3,219,659,568.82
1-2 years	599,826,789.61
2-3 years	96,255,155.38
Over 3 years	
3-4 years	108,642,128.05
4-5 years	207,969.22
Over 5 years	71,819.04
Total	4,024,663,430.12

**(2). Disclosure by bad debt accrual method**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debts		Book Value	Book balance		Provision for bad debts		Book Value
	Amount	Proportion (%)	Amount	Provision proportion (%)		Amount	Proportion (%)	Amount	Provision proportion (%)	
Bad debt provision made individually	31,819.04		31,819.04	100.00		31,819.04		31,819.04	100.00	
Where:										
Bad debt provision made as per portfolio	4,024,631,611.08	100.00	255,170,080.99	6.34	3,769,461,530.09	3,429,269,414.28	100.00	186,906,449.92	5.45	3,242,362,964.36
Where:										
Total	4,024,663,430.12	100.00	255,201,900.03		3,769,461,530.09	3,429,301,233.32	100.00	186,938,268.96		3,242,362,964.36

Bad debt provision made individually:

√Applicable □ Not Applicable

Unit:RMB Currency: RMB

Name	Ending balance			
	Book balance	Provision for bad debts	Proportion of provision (%)	Reasons for provision
Guodian United Power Technology Co., Ltd.	9,056.61	9,056.61	100.00	Expected to be unrecoverable
East China Architectural Design & Research Institute Co. Ltd	22,762.43	22,762.43	100.00	Expected to be unrecoverable
Total	31,819.04	31,819.04	100.00	/

Description of bad debt provision made individually:

☐ Applicable ☒ Not Applicable

Bad debt provision made as per portfolio:

√ Applicable □ Not Applicable

Portfolio provision item: \_\_\_\_\_

Unit: RMB Currency: RMB

Name	Ending balance		
	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Architecture, contract, design, construction	3,987,315,483.28	255,170,080.99	6.40
Internal related parties	37,316,127.80		
Total	4,024,631,611.08	255,170,080.99	

Confirmation standards and notes for bad debt provision by portfolio: □ Applicable √ Not Applicable

If bad debt provision is accrued according to the general model of expected credit loss, please refer to disclosure of other receivables: □ Applicable √ Not Applicable

### (3). Provision for bad debts

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Category	Beginning balance	Change of current period				Ending balance
		Provision	Accounts recovered or transferred back	Amounts charged or written off	Other changes	
Bad debt provision of accounts receivable	186,938,268.96	68,263,631.07				255,201,900.03
Total	186,938,268.96	68,263,631.07				255,201,900.03

Important accounts receivable recovered or reversed among above accounts receivable: □ Applicable √ Not Applicable

### (4). Accounts receivable actually written-off in current period

□ Applicable √ Not Applicable

Important accounts receivable written off among above receivables:

□ Applicable √ Not Applicable

### (5). Accounts receivable from top five borrowers classified based on the ending balance

√ Applicable □ Not Applicable

Company name	Ending balance		
	Accounts receivable	Proportion in total accounts receivable (%)	Provision for bad debts
Greenland (Wujiang) Real Estate Co., Ltd.	251,473,122.21	6.25	12,573,656.11
Shanghai Xinhongji Weiwan Real Estate Co., Ltd.	228,737,000.00	5.68	11,436,850.00
China Harbour Engineering Company Ltd.	215,873,343.53	5.36	21,122,280.88
Shenzhen Housing Project Management Station	185,100,000.00	4.60	9,255,000.00
Shanghai Tongsheng Investment (Group) Co., Ltd.	155,869,182.00	3.87	15,586,918.20
Total	1,037,052,647.74	25.76	69,974,705.19

### (6). Accounts receivable which are finally confirmed due to financial capital transfer

□ Applicable √ Not Applicable

**(7). Assets and liabilities formed by accounts receivable transfer and continuous involvement**

□ Applicable √Not Applicable

Other notes: □ Applicable √Not Applicable

**2. Other receivables****Item presentation**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Interests receivable	9,442,286.34	10,569,775.45
Dividends receivable	222,137,450.17	218,052,839.50
Other receivables	3,616,035,575.50	8,056,772,528.09
Total	3,847,615,312.01	8,285,395,143.04

Other notes: □ Applicable √Not Applicable

**Interests receivable****(1). Classification of interest receivable**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance	Beginning balance
Fixed time deposit	938,447.50	1,814,022.72
Entrusted loans	8,503,838.84	8,755,752.73
Bond investments		
Total	9,442,286.34	10,569,775.45

**(2). Important overdue interest**

□ Applicable √Not Applicable

**(3). Provision for bad debt**

□ Applicable √Not Applicable

Other notes: □ Applicable √Not Applicable

**(4). Dividends receivable**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item (or the investee)	Ending balance	Beginning balance
Shanghai Construction Group Jiangxi Jiulonghu Municipal Construction Co., Ltd.	4,506,000.00	4,506,000.00
Huzhou Xinkaiyuan Gravel Production Co., Ltd.	182,160,839.50	182,160,839.50
Shanghai Construction Group Nanchang Qianhu Construction Co., Ltd.	31,386,000.00	31,386,000.00
SCG Yibin Cuiping Construction Co., Ltd.	4,084,610.67	
Total	222,137,450.17	218,052,839.50

**(5). Significant dividends receivable with aging of more than 1 year**

□ Applicable √Not Applicable

**(6). Provision for bad debt**

□ Applicable √Not Applicable

Other notes: □ Applicable √Not Applicable

**Other receivables****(1). Disclosure by aging**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: within 1 year (itemize)	
	2,973,175,178.47
Subtotal within 1 year	2,973,175,178.47
1-2 years	562,384,291.48
2-3 years	90,429,168.21
Over 3 years	
3-4 years	15,030,531.06
4-5 years	150,000.00
Over 5 years	
Total	3,641,169,169.22

**(2). Classification of items as per natures**√Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Payment nature	Ending book balance	Beginning book balance
Intercourse funds among enterprises	3,212,878,973.48	7,759,831,895.51
Deposit, etc.	342,590,338.30	270,041,922.94
Others	85,699,857.44	48,190,730.54
Total	3,641,169,169.22	8,078,064,548.99

**(3). Provision for bad debt**√Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the future 12 months	Expected credit loss within whole duration (no credit impairment occur)	Expected credit loss within whole duration (credit impairment has occurred)	
Balance on January 1, 2019	21,292,020.90			21,292,020.90
The balance on January 1, 2019 is in the current period				
--Be transferred to Stage 2				
--Be transferred to Stage 3				
--Be transferred back to Stage 2				
--Be transferred back to Stage 1				
Provision in current period	3,841,572.82			3,841,572.82
Reversals in the current period				
Write-off in current period				
Canceled after verification in the current period				
Other changes				
Balance on December 31, 2019	25,133,593.72			25,133,593.72

Description of significant changes in the book balance of other receivables changed due to loss reserve in the current period: ☐ Applicable ☒ Not Applicable

The amount of provision for bad debts in the current period and the basis for assessing if the credit risk of financial instruments increases significantly: ☐ Applicable ☒ Not Applicable

**(4). Provision for bad debts**

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Category	Beginning balance	Change of current period				Ending balance
		Provision	Accounts recovered or transferred back	Amounts charged or written off	Other changes	
Other receivables	21,292,020.90	3,841,572.82				25,133,593.72
Total	21,292,020.90	3,841,572.82				25,133,593.72

Significant accounts receivable recovered or reversed among above accounts receivable: ☐ Applicable ☒ Not Applicable

**(5). Other receivables actually written-off in the current period**

☐ Applicable ☒ Not Applicable

**(6). Other receivables from top five borrowers classified based on the ending balance**

☒ Applicable ☐ Not Applicable

Unit: RMB Currency: RMB

Company name	Nature of payment	Ending balance	Aging	Proportion in total ending balance of other accounts receivable (%)	Provision for bad debts Ending balance
Shanghai Construction Group Meishan Construction Engineering Co., Ltd.	Transaction payments of related parties	1,235,400,000.00	Within 1 year	33.93	
SCG Changzhou Wujin Overhead Construction Co., Ltd.	Transaction payments of related parties	296,046,025.20	Within 1 year	8.13	
Shanghai Construction No.4 (Group) Co., Ltd.,	Transaction payments of related parties	219,864,965.90	Within 2 year	6.04	
Jining Fenghuangtai Construction Co., Ltd.	Transaction payments of related parties	197,000,000.00	Within 1 year	5.41	
SCG (Canada) Co., Ltd.	Transaction payments of related parties	158,416,368.60	1-2 years	4.35	
Total	/	2,106,727,359.70	/	57.86	

**(7). Accounts receivable involving government subsidies**

☐ Applicable ☒ Not Applicable

**(8). Other receivables derecognized due to transfer of financial assets**

☐ Applicable ☒ Not Applicable

**(9). Assets and liabilities formed by other receivables transfer and continuous involvement**

☐ Applicable ☒ Not Applicable

Other notes: ☐ Applicable ☒ Not Applicable

**3. Long-term equity investments**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	20,206,902,249.54		20,206,902,249.54	19,065,779,510.33		19,065,779,510.33
Investment in joint ventures and associates	1,615,002,885.04		1,615,002,885.04	333,406,694.79		333,406,694.79
Total	21,821,905,134.58		21,821,905,134.58	19,399,186,205.12		19,399,186,205.12

**(1). Investment in subsidiaries**

√Applicable □ Not Applicable

Unit: RMB Currency: RMB

Investee	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Provision for impairment provided in the current period	Ending balance of impairment provision
Shanghai Construction No.1 (Group) Co., Ltd	600,000,000.00			600,000,000.00		
Shanghai Construction No.2 (Group) Co., Ltd	600,000,000.00			600,000,000.00		
Shanghai Construction No.4 (Group) Co., Ltd.,	600,000,000.00	112,642,250.98		712,642,250.98		
Shanghai Construction No.5 (Group) Co., Ltd.	600,000,000.00			600,000,000.00		
Shanghai Construction No.7 (Group) Co., Ltd.	600,000,000.00			600,000,000.00		
Shanghai Building Decoration Engineering Group Co., Ltd.	400,000,000.00			400,000,000.00		
SCG Design & Research Institute Co., Ltd.	102,500,000.00	45,000,000.00		147,500,000.00		
Shanghai Construction Real Estate Co., Ltd.	1,241,019,533.97			1,241,019,533.97		
Shanghai Installation Engineering Group Co., Ltd.	546,782,623.08			546,782,623.08		
Shanghai Mechanized Construction Group Co., Ltd.	615,085,073.89			615,085,073.89		
Shanghai Foundation Engineering Group Co., Ltd.	462,013,442.48			462,013,442.48		
Shanghai Construction Material Co., Ltd.	1,269,204,860.84			1,269,204,860.84		
Shanghai Gardens Group Co., Ltd.	372,193,782.45	200,000,000.00		572,193,782.45		
Shanghai Municipal Construction Co., Ltd.	363,642,250.98		363,642,250.98			
Shanghai Huadong Construction and Machinery Co., Ltd.	321,984,504.14			321,984,504.14		
SCG Wuxi Co., Ltd.	1,000,000.00			1,000,000.00		
SCG Changzhou Wujin Zhongwu Avenue Construction Co., Ltd.	1,000,000.00			1,000,000.00		
SCG Changzhou Wujin Overhead Construction Co., Ltd.	400,000,000.00			400,000,000.00		
SCG Dalian Construction Engineering Co., Ltd.	6,000,000.00			6,000,000.00		
Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.	1,322,980,428.40			1,322,980,428.40		
SFECO Group Holdings Co., Ltd.	404,883,645.48	20,000,000.00		424,883,645.48		
Shanghai Construction Group Wuxi Yanghu Road Construction Management Co., Ltd.	100,500,000.00			100,500,000.00		
SCG Kunshan Zhonghuan Construction Co., Ltd.	315,000,000.00			315,000,000.00		
Shanghai Construction Group Wuxi Beizhong Road Construction Management Co., Ltd.	6,000,000.00			6,000,000.00		
SCG America Co., Ltd.	118,908,400.00			118,908,400.00		
Zhuhai Shenhai Construction Engineering Co., Ltd.	6,000,000.00			6,000,000.00		
Shanghai Construction Group Jiangxi Jiulonghu Municipal Construction Co., Ltd.	42,000,000.00			42,000,000.00		
Shanghai Construction Group Taizhou Tian-Xu Line Construction Co., Ltd.	180,000,000.00			180,000,000.00		
SCG Changzhou Jintan District Jinwu Road Construction Co., Ltd.	224,000,000.00		224,000,000.00			
SCG Overseas (Holdings) Co., Ltd.	997,616.00			997,616.00		
SCG (Canada) Co., Ltd.	583,918.24			583,918.24		
Shanghai International Tourist Resort Engineering Construction Co., Ltd.	86,359,052.35			86,359,052.35		
SCG Changzhou Wujin Jinwu Road Construction Co., Ltd.	126,000,000.00			126,000,000.00		
Shanghai Construction Group Nanchang Qianhu	403,800,000.00			403,800,000.00		



Construction Co., Ltd.					
Shanghai SINKO Air Conditioning Equipment Co., Ltd.	182,999,238.17			182,999,238.17	
SCG Shanghai Steel Structure Co., Ltd.	448,500,750.00			448,500,750.00	
SCG Equipment Engineering Co., Ltd.	8,250,348.23			8,250,348.23	
Shanghai Construction Group Yibin Daxikou Construction Co., Ltd.	6,000,000.00			6,000,000.00	
Shanghai Construction Group Investment Co., Ltd.	3,000,000,000.00			3,000,000,000.00	
SCG (Caribbean) Co., Ltd.	6,361,300.00			6,361,300.00	
Shanghai Shangan Property Management Co., Ltd.	14,854,846.87			14,854,846.87	
SCG (Cambodia) Co., Ltd.	6,691,300.00			6,691,300.00	
SCG Electronic Commerce Co., Ltd.	100,000,000.00			100,000,000.00	
Shanghai Machinery Complete Equipment (Group) Co., Ltd.	234,779,239.64			234,779,239.64	
Shanghai Construction Group Wenzhou Oujiankou Construction Co., Ltd.	119,293,355.12	33,000,000.00		152,293,355.12	
Shanghai Construction Group Wenzhou Qidu Bridge Construction Co., Ltd.	475,000,000.00			475,000,000.00	
Shanghai Construction Group Chengdu Construction Engineering Co., Ltd.	98,000,000.00			98,000,000.00	
Shanghai Construction Group Meishan Construction Engineering Co., Ltd.	909,200,000.00			909,200,000.00	
Sihui Huijian Road Reconstruction and Development Co., Ltd.	216,000,000.00	126,000,000.00	38,000.00	341,962,000.00	
Zhaoqing Huijian Railway Station Complex Construction and Development Co., Ltd.	434,910,000.00		91,560.00	434,818,440.00	
Shanghai Municipal Pre-fabrication Technology Development Co., Ltd.	30,000,000.00			30,000,000.00	
Changzhou Jintan District Maoshan Tourism Avenue Construction Co., Ltd.	280,000,000.00	185,500,000.00		465,500,000.00	
Jining Fenghuangtai Construction Co., Ltd.	54,000,000.00	10,483,200.00		64,483,200.00	
Shanghai Heyu Intellectual Property Agency Co., Ltd.	500,000.00			500,000.00	
Shanghai Xingshun Information Technology Co., Ltd.		9,834,144.91		9,834,144.91	
Shanghai Minchuan Sports Development Co., Ltd.		25,760,000.00		25,760,000.00	
SCG Yibin Cuiping Construction Co., Ltd.		10,118,554.30		10,118,554.30	
Huzhou Zhili Cultural and Sports Center Construction and Development Co., Ltd.		94,500,000.00		94,500,000.00	
Rizhao Hujian Urban Development Construction Co., Ltd.		63,000,000.00		63,000,000.00	
Shanghai Construction Group Wenzhou Oujiankou Traffic Engineering Construction Co., Ltd.		389,500,000.00		389,500,000.00	
Zhuhai Jinwan District Jianjin Ecological City Construction Co., Ltd.		152,556,400.00		152,556,400.00	
SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.		251,000,000.00		251,000,000.00	
Total	19,065,779,510.33	1,728,894,550.19	587,771,810.98	20,206,902,249.54	

**(2). Investment in joint ventures and associates**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Investment Unit	Beginning Balance	Increase or decrease in the current period								End of the period Balance	Ending balance of impairment provision
		Additional investment	Reduced investment	Investment profit or loss recognized under equity method	Adjustment to other comprehensive incomes	Changes in other equities	Cash dividends or profits declared to pay	Making for impairment provision	Others		
I. Joint ventures											
Subtotal											
II. Associates											
Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	17,637,358.39			1,487,412.43						19,124,770.82	
SCG Yibin Cuiping Construction Co., Ltd.	4,559,642.86			-12,425.36			1,428,663.20		-3,118,554.30		
Diaoyutai Decoration Engineering Co., Ltd.	18,160,407.78			-1,764,030.70						16,396,377.08	
Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	88,778,946.10	166,500,000.00		242,433.91						255,521,380.01	
Ningbo Center Construction & Development Co., Ltd.	204,270,339.66	40,000,000.00		1,118,175.41						245,388,515.07	
Hangzhou Hujian Urban Development Construction Co., Ltd.		1,079,802,900.00		-1,231,057.94						1,078,571,842.06	
Subtotal	333,406,694.79	1,286,302,900.00	0.00	-159,492.25	0.00	0.00	1,428,663.20	0.00	-3,118,554.30	1,615,002,885.04	
Total	333,406,694.79	1,286,302,900.00	0.00	-159,492.25	0.00	0.00	1,428,663.20	0.00	-3,118,554.30	1,615,002,885.04	

**4. Operating income and operating cost****(1). Operating income and operating costs**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Main business	39,225,444,045.22	38,532,822,803.90	31,334,051,026.21	30,589,755,913.99
Other business	415,487,705.82	24,151,482.03	291,588,786.53	3,259,520.01
Total	39,640,931,751.04	38,556,974,285.93	31,625,639,812.74	30,593,015,434.00

**5. Investment income**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income calculated with the cost method	1,467,398,633.33	1,259,677,110.00
Long-term equity investment income under the equity method	-159,492.25	-1,779,946.82
Investment income from disposal of long-term equity investments	4,208,632.23	
Investment income from financial assets at fair value through current profit and loss during holding period of the financial assets		
Investment income from disposal of financial assets at fair value through current profit and loss		
Investment income from held-to-maturity investments during the holding period		
Investment income from disposal of held-to-maturity investment		
Investment income from available-for-sale financial assets during the holding period		46,306,326.68
Investment income from disposal of available-for-sale financial assets		
Investment income during the period of the financial assets held for trading	13,352,300.80	
Dividend income from investments in other equity instruments during the holding period	11,563,543.31	
Interest income from debt investment during the holding period		
Interest income from other debt investment during the holding period		
Investment income from disposal of trading financial assets		
Disposal of investment income from other equity instrument investments		
Investment income acquired from disposal of debt investment		
Investment income acquired from disposal of other debt investment		
Investment income during the period of other non-current financial assets	17,777,600.00	
Others	2,655,947.47	2,863,877.14
Total	1,516,797,164.89	1,307,067,367.00

**6. Others**

□ Applicable √ Not Applicable

**XVIII. Supplementary Information****1. Schedule of non-recurring profit and loss in current period**

√ Applicable □ Not Applicable

Unit: RMB Currency: RMB		
Item	Amount	Notes
Profit or loss on disposal of non-current assets	22,435,351.90	
Tax return or relief under ultra vires approval or without formal approval documents		
Government subsidies included in current profit and loss (other than those closely related to enterprise business or granted according to national standard fixed rate or quantity)	402,465,495.71	
Payment received from non-financial enterprises recognized in current profit and loss		
Income from the difference between the cost of an investment in a subsidiary, associate and joint venture and the investee's interests in the fair value of the acquiree's identifiable net assets acquired during the acquisition	276,661.10	
Profit or loss on exchange of non-monetary assets		
Profit or loss on the assets by entrusting others to invest or manage		
Provision for impairment of assets owing to force majeure (e.g. natural disasters)		
Profit or loss from debt restructuring	41,996.00	
Enterprise restructuring charges, such as staffing expenditure and integrating expenses		
Profit or loss of the portion exceeding the fair value arising from the transaction with the bargain price losing fairness		
Net current profit and loss of the subsidiary acquired in business combination involving entities under common control from the beginning of the period to the combination date		
Profit or loss arising from contingencies irrelevant to the Company's ordinary activities		
In addition to the effective hedging business related to the normal business of the Company, profit and loss from changes in fair value arising from holding of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and investment gains from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debts.	889,344,425.74	
Reversal of the provision on receivables assessed for impairment on an individual basis		
Profit or loss from externally entrusted loans		
Profit or loss from changes in fair value of investment properties subsequently measured at fair value		
Effect of one-off adjustment to current profit and loss in accordance with the requirement of taxation and accounting laws and regulations		
Trustee fee income received from the entrusted management		
Non-operating income and expenses other than aforesaid items	-13,758,103.69	
Other profit or loss items that meet the definition of non-recurring profit or loss		
Effect of income tax	-290,527,232.83	
Effect of minority equity	-6,983,223.93	
Total	1,003,295,370.00	

Explain the reasons if the Company defines the non-recurring profit or loss defined and listed in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Securities to the Public—Non-recurring Profit or Loss* as the recurring profit or loss.

☐ Applicable ☒ Not Applicable

## 2. Return on net worth and earnings per share

☒ Applicable ☐ Not Applicable

Profit for the report period	Weighted average return on equity (%)	Historical Earnings Per Share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	14.23	0.41	0.41
Net profit attributable to common shareholders of the Company after deduction of non-recurring profit or loss	10.49	0.29	0.29

## 3. Difference in accounting data under domestic and foreign accounting rules

☐ Applicable ☒ Not Applicable

## 4. Others

☒ Applicable ☐ Not Applicable

Relevant supplementary information for changes in accounting policy

The Company has changed the relevant accounting policy according to the *Notice on Revising and Issuing the Format of Financial Statements of General Enterprises in 2019* (CK [2019] No.6) and *Notice on Revising and Issuing the Format of Consolidated Financial Statements (2019 Version)* (CK [2019] No.16), and made retroactive restatement about comparative financial statement. The consolidated balance sheet at the beginning and end of the last year after restatement is as follows:

Item	Beginning balance of previous year	Closing balance of the previous year	Ending balance
Current assets:			
Cash at bank and on hand	54,228,260,521.95	54,589,600,864.84	66,093,788,808.80
Settlement reserve			
Loans to banks and other financial institutions			
Financial assets held for trading	N/A	N/A	3,152,499,005.64
Financial assets at fair value through current profit and loss	119,633,347.64	107,123,975.43	N/A
Derivative financial assets			
Notes receivable	1,913,312,725.66	4,774,249,529.99	992,645,290.83
Accounts receivable	19,012,840,650.97	25,425,371,772.43	36,382,708,474.79
Receivables financing	N/A	N/A	5,116,834,432.35
Advances to suppliers	1,572,350,187.80	2,757,063,258.96	2,609,985,958.70
Premiums receivable			
Reinsurance premium receivable			
Reinsurance contract reserve receivable			
Other receivables	5,989,123,933.08	6,581,256,873.73	5,102,371,191.66
Financial assets purchased under agreements to resell			
Inventories	75,149,030,226.09	75,530,929,253.22	88,042,901,462.95
Held-for-sale assets	5,306,642.54		
Current portion of non-current assets	395,664,737.87	776,834,172.52	1,069,584,919.54
Other current assets	1,770,178,434.19	2,630,766,291.85	2,672,010,768.48
<b>Total current assets</b>	<b>160,155,701,407.79</b>	<b>173,173,195,992.97</b>	<b>211,235,330,313.74</b>
Non-current assets:			
Loans and advances			
Debt investment	N/A	N/A	
Available-for-sale financial assets	5,223,343,366.72	4,849,918,609.98	N/A
Investment in other debentures	N/A	N/A	
Held-to-maturity investments			N/A

Long-term receivables	14,440,521,557.55	18,785,749,368.43	21,917,628,153.86
Long-term equity investments	867,842,160.57	2,558,170,018.25	4,535,182,233.21
Other equity instrument investments	N/A	N/A	764,007,075.93
Other non-current financial assets	N/A	N/A	1,857,439,448.52
Investment properties	3,124,894,606.67	4,225,930,232.90	4,969,343,961.23
Fixed assets	7,484,681,144.27	8,095,445,233.69	7,734,039,382.43
Construction in progress	681,353,824.35	527,887,251.10	484,838,908.75
Bearer biological assets			
Oil and gas assets			
Intangible assets	1,952,487,790.46	2,167,518,331.74	2,132,311,762.17
Development costs			
Goodwill	81,707,709.79	116,008,057.24	114,133,452.08
Long-term deferred expenses	84,160,974.43	120,334,843.75	338,060,116.44
Deferred income tax assets	639,052,858.40	717,635,859.15	809,000,233.14
Other non-current assets	949,461,050.92	579,870,129.39	389,581,467.60
<b>Total non-current assets</b>	<b>35,529,507,044.13</b>	<b>42,744,467,935.62</b>	<b>46,045,566,195.36</b>
<b>Total assets</b>	<b>195,685,208,451.92</b>	<b>215,917,663,928.59</b>	<b>257,280,896,509.10</b>
Current liabilities:			
Short-term borrowings	3,302,255,999.83	4,935,485,552.49	5,821,804,016.21
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading	N/A	N/A	
Financial liabilities at fair value through current profit and loss			N/A
Derivative financial liabilities			
Notes payable	4,450,522,331.44	7,826,360,066.30	11,131,206,593.91
Accounts payable	42,429,005,644.70	55,259,870,894.87	76,541,684,887.28
Advances from customers	56,238,382,856.99	56,433,011,032.15	56,141,342,203.04
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Customer brokerage deposits			
Acting underwriting securities			
Employee compensation payable	489,644,313.68	689,612,800.06	830,501,601.75
Taxes payable	2,356,682,882.74	3,639,152,177.66	3,954,255,488.92
Other payables	15,039,232,330.31	10,378,442,747.16	12,121,558,314.82
Fees and commissions payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Current portion of non-current liabilities	4,894,283,298.16	5,128,077,952.10	7,991,541,778.41
Other current liabilities	77,243,783.29	139,684,659.97	188,535,677.61
<b>Total current liabilities</b>	<b>129,277,253,441.14</b>	<b>144,429,697,882.76</b>	<b>174,722,430,561.95</b>
<b>Non-current liabilities:</b>			
Insurance contract reserves			
Long-term borrowings	28,976,089,948.81	29,598,014,199.55	44,189,370,794.24
Bonds payable	4,102,580,170.28	4,388,461,165.76	96,984,000.00
Including: Preferred shares			
Perpetual bonds			
Long-term payables	1,021,432,593.17	1,044,012,410.79	1,140,089,000.80
Long-term employee compensation payable	327,924,520.00	320,615,876.00	296,488,097.00
Estimated liabilities	10,578,456.95	4,593,416.66	6,002,194.11
Deferred income	232,332,194.02	191,139,945.82	173,018,009.04
Deferred income tax liabilities	1,381,906,836.74	582,055,206.50	429,763,249.68
Other non-current liabilities		52,836,070.67	53,705,996.65
<b>Total non-current liabilities</b>	<b>36,052,844,719.97</b>	<b>36,181,728,291.75</b>	<b>46,385,421,341.52</b>
<b>Total liabilities</b>	<b>165,330,098,161.11</b>	<b>180,611,426,174.51</b>	<b>221,107,851,903.47</b>

Owners' equity:			
Share capital	8,904,397,728.00	8,904,397,728.00	8,904,397,728.00
Other equity instruments	3,000,000,000.00	6,500,000,000.00	6,500,000,000.00
Including: Preferred shares			
Perpetual bonds	3,000,000,000.00	6,500,000,000.00	6,500,000,000.00
Capital reserves	2,312,259,224.79	2,200,870,974.75	2,200,006,546.37
Less: Treasury shares			55,121,123.98
Other comprehensive income	1,347,082,184.10	561,192,568.47	-85,530,145.70
Special reserves			2,384,562.98
Surplus reserves	1,091,640,856.25	1,242,612,943.31	1,513,091,171.63
General risk provision			
Undistributed profits	10,367,542,626.41	11,667,743,645.90	14,074,908,867.70
Equity attributable to the owners of the parent company	27,022,922,619.55	31,076,817,860.43	33,054,137,607.00
Minority equity	3,332,187,671.26	4,229,419,893.65	3,118,906,998.63
<b>Total owner's equity</b>	<b>30,355,110,290.81</b>	<b>35,306,237,754.08</b>	<b>36,173,044,605.63</b>
<b>Total liabilities and owners' equity</b>	<b>195,685,208,451.92</b>	<b>215,917,663,928.59</b>	<b>257,280,896,509.10</b>

## Section XII List of Documents Available for Inspection

List of Documents Available for Inspection	Financial statements signed and sealed by the person in charge of the Company, person in charge of accounting and person in charge of the accounting institution (accountant in charge).
List of Documents Available for Inspection	The original copy of auditor' report sealed by accounting firm and sealed and signed by certified public accountants.
List of Documents Available for Inspection	Originals of all documents and announcements which have been publicly disclosed in the website specified by CSRC during the report period.

Chairman: Xu Zheng

Submission date for approval of the Board of Directors: April 20, 2020

### Amendment Information

☐ Applicable ☒ Not Applicable