

Company code: 600170

Short Name: SCG

Shanghai Construction Group Co., Ltd.

2020 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 2020: based on the total share capital of the Company of 8,904,397,728 shares, a cash dividend of RMB 1.45 (tax included) is distributed for every 10 shares, with an expected distributed profit of RMB 1,291,137,670.56, 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 shares 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. Whether or Not there are more than half of the directors who cannot guarantee the authenticity, accuracy or completeness of annual reports disclosed by the Company

No

X. Major Risk Warnings

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

XI. Others

☐ 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, the Group	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.
No. 1 Group	Refers to	Shanghai Construction No. 1 (Group) Co., Ltd., a wholly-owned subsidiary of the Company
No. 4 Group	Refers to	Shanghai Construction No. 4 (Group) Co., Ltd., a wholly-owned subsidiary of the Company
No. 7 Group	Refers to	Shanghai Construction No. 7 (Group) Co., Ltd., a wholly-owned subsidiary of the Company
Shanghai Municipal Engineering Design Institute	Refers to	Shanghai Municipal Engineering Design Institute (Group) Co., Ltd., a wholly-owned subsidiary of the Company
Building Materials Technology	Refers to	Shanghai Construction Building Materials Technology 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.
Five major business groups	Refers to	Construction, design consulting, real estate development, urban construction investment, and construction industry
Six emerging businesses	Refers to	Urban renewal, ecological environment, water conservation and water affairs, industrial construction, construction services and new infrastructure
1+7+X regional market layout	Refers to	“1”-Yangtze River Delta Urban Agglomeration, including Jiangsu, Zhejiang and Anhui. “7”-South China Region, including Guangdong, Guangxi, and Fujian; 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. Xiongan New Area and Hainan Pilot Free Trade Zone. “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. Stock Profile

Stock Profile				
Type 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, Xiang Qi

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

Unit: RMB million Currency: RMB

Major Accounting Data	2020	2019	Increase & decrease in this period over the same period of last year (%)	2018
Operating revenue	231,327.23	205,496.71	12.57	170,545.78
Net profit attributable to shareholders of the listed company	3,350.85	3,930.21	-14.74	2,779.87
Net profit attributable to shareholders of the listed company net of non-recurring profits and losses	2,568.91	2,926.91	-12.23	2,448.25
Net cash flows from operating activities	315.99	4,549.21	-93.05	2,395.96
	End of 2020	End of 2019	Increase or decrease at the end of the current period compared with that of the end of same period of last	End of 2018

			year (%)	
Net assets attributable to shareholders of the listed company	36,680.49	33,054.14	10.97	31,076.82
Total assets	321,356.73	257,280.90	24.91	215,917.66

(II) Major financial indexes

Major financial indexes	2020	2019	Increase & decrease in this period over the same period of last year (%)	2018
Basic earnings per share (RMB / share)	0.34	0.41	-17.07	0.29
Diluted earnings per share (RMB / share)	0.34	0.41	-17.07	0.29
Basic earnings per share after deducting non-recurring profit and loss (RMB / share)	0.25	0.29	-13.79	0.25
Weighted average return on equity (%)	11.11	14.23	A decrease of 3.12 percentage points	10.71
Weighted average return on equity after deducting non-recurring profit and loss (%)	8.36	10.49	A decrease of 2.13 percentage points	9.41

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. 2020 Quarterly Principal Financial Data

Unit: RMB Currency: RMB

	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating revenue	40,553,757,187.25	63,591,025,316.76	61,275,493,726.66	65,906,955,778.22
Net profit attributable to shareholders of the listed company	123,898,876.93	1,119,317,463.24	999,793,137.50	1,107,839,790.03
Net profit attributable to shareholders of listed companies net of non-recurring profits or losses	358,516,824.48	964,077,161.97	733,472,641.67	512,838,537.39
Net cash flows from operating activities	-16,003,916,584.80	-2,466,410,413.73	288,824,593.86	18,497,491,349.54

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

☐ Applicable ☒ Not applicable

X. Statement of Non-recurring Profit or Loss

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Non-recurring profit or loss	Amount in 2020	Note (if applicable)	Amount in 2019	Amount in 2018
Profit or loss on disposal of non-current assets	7,238,569.04		22,435,351.90	18,246,932.98
Tax return or relief under ultra vires approval or without formal				

approval documents or occasional tax return or relief				
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	496,756,102.23		402,465,495.71	352,074,842.64
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	75,786.17		276,661.10	193,171.28
Loss or profit 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	5,550.00
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 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 creditor's right investment.	442,451,232.66		889,344,425.74	8,400,357.66
Reversal of the provision on receivables and contract assets 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 revenue and expenses other than aforesaid items	-10,782,264.60		-13,758,103.69	32,005,311.22
Other profit or loss items that meet the definition of non-recurring profit or loss				
Effect of minority equity	-153,851,836.70		-290,527,232.83	-77,477,405.63
Effect of income tax	56,513.39		-6,983,223.93	-1,833,342.06
Total	781,944,102.19		1,003,295,370.00	331,615,418.09

XI. Items Measured by Fair Value

√ 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	3,152,499,005.64	2,634,031,074.66	-518,467,930.98	30,527,842.54
Receivables financing	5,116,834,432.35	5,219,963,581.36	103,129,149.01	

Other equity instrument investments	764,007,075.93	682,259,037.40	-81,748,038.53	
Other non-current financial assets	1,857,439,448.52	3,095,849,556.52	1,238,410,108.00	359,928,114.83
Total	10,890,779,962.44	11,632,103,249.94	741,323,287.50	390,455,957.37

XII. Others

☐ Applicable ☒ Not applicable

Section III Business Summary of the Company

I. Presentation 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) and six emerging businesses (urban renewal, ecological environment, water conservation and water affairs, industrial construction, construction services and new infrastructure).

During the “13th Five-Year Plan” period, the Company achieved rapid growth in operating revenue and new contract amount, 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 world-class 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, Grade-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 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 9th in ENR “250 Largest Contractors in the World” in 2020, which is the highest ranking of provincial and municipal construction enterprise groups in China.

In terms of regional arrangement, the Company has continued to promote the in-depth development of “Nationalization”, closely centered on the national strategies such as “the integration of the Yangtze River Delta,

the Guangdong-Hong Kong-Macao Greater Bay Area, the coordinated development of Beijing-Tianjin-Hebei, and the comprehensive deepening of reform and opening up in Hainan", to consolidate and deepening the "1+7+X" domestic regional market expansion pattern while increasing the market share in Shanghai. 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. The domestic market outside Shanghai 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 consulting 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 and 22 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. Zhokanghang 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 2020, SCG Real Estate won the honor of "2020 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 "HAIYUE" exquisite real estate featuring ecology, science and technology and environmental protection and distributed in five cities of China. 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 2020, the construction area of the Company's commercial housing projects under construction was about 2.01 million square meters, and the construction area of the indemnificatory housing projects under construction was about 890,000 square meters. In terms of project reserves, by the end of 2020, the Company held a construction area of 562,900 square meters for projects to be developed. In terms of sales, the Company signed new pre-sale contracts of about RMB 9.2 billion in 2020, corresponding to a construction area of about 500,000 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 two new PPP projects in Qingdao and Changshu and participated in two urban renewal project in Shanghai and Hainan. 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 Building Materials Technology Group Co., Ltd., a wholly-owned subsidiary of the Company, is the sixth largest in the world, the third largest in China and 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 40 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.

On the basis of above five major business groups, the Group mainly focuses on six emerging businesses:

(I) Urban renewal business

In recent years, in the field of urban renewal, the Company has continued to consolidate the market first-mover advantage of Shanghai, strived to explore "concept + product" promotion, strengthened the key technologies in rebuilding, has been committed to shaping city and updating the brand image, and has made remarkable achievements in the building repair and reconstruction (protective historical buildings, reconstruction of old areas and houses, industrial heritage and industrial park, business facilities, etc.), protective development of historic areas (the protective development of urban historic blocks, ancient towns and cities, etc.), and reconstruction and upgrading of urban infrastructure (transportation hubs, bridges, tunnels, rail traffic, public transport, highways, roads, comprehensive pipe corridors, etc.).

During the report period, the total amount of urban renewal contract under construction of the Group was about RMB 102.8 billion. Among them, under the digital precise control, the former site of Bile Middle School (located in Lots 123 and 124 contracted by No. 1 Group), with the weight of 7,500 tons, turned 60 degrees and moved 65 meters, setting a new record for the displacement of a preserved building in Shanghai. The EPC Project for the deep treatment and transformation of Yangshupu Water Treatment Plant was started. The subordinate, Shanghai Municipal Engineering Design Institute has closely adhered to the construction idea of "water quality assurance, environmental protection, operation guarantee and cultural relic preservation", and solved the site construction, cultural relics protection and other important difficulties by applying digital and intelligent management methods and deeply renovated the water treatment plant, which is the first in China and the largest in the Far East. The renovation project of Shanghai Concert Hall and the expansion project of Shanghai Jewish Refugees Museum contracted by No. 4 Group, are representative historic buildings in Shanghai. The projects will be completed on time in 2020.

(II) Ecological environment business

The ecological environment business includes gardens landscape, soil remediation (site investigation, design, construction, agents, equipment; farmland, industry, mines, etc.), valley management (management and restoration of lakes and water sources, comprehensive improvement of urban water courses, wetland restoration and management, construction of ecological landscape and water environment, management and restoration of pollution from nonpoint agricultural sources, etc.), waste disposal (treatment and recycling of household wastes, construction wastes, dangerous medical wastes, etc.), prevention and control of noise and light pollution (airport shield, overhead shield), etc.

During the report period, in the field of urban greening landscape improvement, Garden Group, a subsidiary of the Group, achieved the amount of contracts under construction of RMB 25.5 billion. A number of large-scale projects (80-meter landscape belt project around Dishui Lake, Ganzhou Rongjiang New Area Park Environment Comprehensive Treatment and Road Greening Project (EPC) project) have been advanced orderly. In terms of soil remediation, as a new development field and direction of the Group, it now involves 15 projects under construction, with the total contract price of RMB 1.48 billion. 4 lots of Shanghai Chenshan Botanical Garden Green Planting Soil Remediation Project Phase II and Phase III, Site Contaminated Soil and Groundwater Repair Projects in Shanghai Taopu Smart City Core Area and other construction projects are being implemented smoothly, achieving phased victories.

(III) Water conservation and water affairs business

Water conservation and water affairs business is one of the major businesses of the Company. It mainly covers water conservancy projects (environmental protection and dredging, revetment and embankment, hydraulic pumps and valves, dams and reservoirs, farmland water conservancy, etc.), sponge city and waterlogging prevention and control, raw water and water supply systems, sewage discharge system, sewage collection and treatment, sludge treatment, reclaimed water reuse, smart water affairs, comprehensive restoration and reconstruction of municipal pipe network, etc. In the next five years, the Company plans to vigorously expand the Shanghai market, and make a breakthrough in the domestic market, strengthen the strength of the professional company, extend the technical guidance of water affairs, accelerate to promote the hydropower construction company to achieve Grade I in water conservancy and municipal qualification, Grade II in port and shipping qualification, and strengthen the linkage of related industries.

During the report period, the amount of contracts under construction of the Group in water conservation and water affairs was RMB 45.4 billion. The deep treatment and transformation of Yangpu Water Treatment Plant, Changxing Water Treatment Plant and Luojing Water Treatment Plant and other projects have been started. Chongming Chengqiao Water Treatment Plant, Yuepu Water Treatment Plant and the test section of Suzhou River Deep Tunnel Project are being under steady construction. The upgrading and reconstruction project Sludge Treatment Phase II of Bailonggang Wastewater Treatment Plant, Sludge Treatment Phase II of Shidongkou Wastewater Treatment Plant, Taihe Water Treatment Plant, Zhuyuan Wastewater Treatment Phase I and other projects were delivered, connected to the network and put into operation in 2020.

(IV) Industrial construction business

In recent years, the Company has made efforts to promote the standardization and integration of precast members production, the assembly and lean management of project site construction, and the coordinated development of building industrialization and intelligent construction, and has made major breakthroughs in prefabricated, steel structure housing, prefabrication and assembly of transportation infrastructure (overpasses, expressways, roads, bridges, tunnels, etc.), integration of air purification and clean air-conditioning systems, new building materials as well as parts and components, 3D printing, etc.

During the report period, the Group has injected a large amount of R&D and investment in industrial construction. Up to now, it has established 4 large-scale PC component processing plants in three cities, with more than 1,200 employees. The annual output of PC components has reached 250,000 cubic meters and the revenue has reached about RMB 800 million. In terms of construction, the amount of contracts under construction of all kinds of projects involving residential PC and prefabricated components of all subordinate groups has exceeded RMB 100 billion. And the scale will be further developed and expanded.

(V) Construction services

Construction services mainly include operation and maintenance (intelligent operation and maintenance of buildings, road and bridge maintenance, rail transit maintenance, other operations and maintenances, etc.), construction e-commerce (including supply chain finance), finance lease, etc. The Company aims at speeding up the development of operation and maintenance business, taking service as the original intention to create a benign ecosystem of supply chain, explore related businesses in supply chain finance, and further develop market-oriented leasing business related to the construction field.

During the report period, the Group has made comprehensive development plans and goals in the construction and management of smart buildings, e-commerce platform, follow-up operation and maintenance and other aspects. The financing of CCB E-Diantong business exceeded RMB 1 billion; the online rate of business

travel platforms exceeded 50%; In terms of operation and maintenance, No. 4 Group set up a professional road maintenance team in June 2019 and invested over 30 sets of equipment. Currently, the total amount of the maintenance contracts under construction is about RMB 617 million.

(VI) New infrastructure

New infrastructure is important for future development and mainly includes smart city (chip plant, data center, communication facilities, integration of urban infrastructure and industrial Internet), new means of transport (high speed maglev railway, general aviation aerodrome, inter-city railway, etc.), new energy facilities (thorium molten salt reactor nuclear energy, wind energy, solar energy engineering facilities), new materials and matching equipment, etc.

During the report period, the Group participated in the construction of smart cities, new means of transport, new energy facilities and other projects. Up to now, the supporting project (bidding section 3) of thorium molten salt reactor nuclear energy system test platform has been basically completed in October 2020, with all infrastructure indicators meeting the requirements of nuclear energy tests. Foundation Engineering Group, at the bidder winner adopted the rectangular shield for Hongqiao Airport -Pudong Airport Contact Line, laying a solid foundation for the full-scale construction of the project.

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.

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 2020 ranking 9th. In the year, the Company entered Fortune Global 500 for the first time, ranking No. 423. At the same time, the Company has gradually developed six emerging businesses, including urban renewal, ecological environment, water conservation and water affairs, digital industrial construction, construction services and new infrastructure, 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. The Company has closely centered on the national strategies such as "the integration of the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, the coordinated development of Beijing-Tianjin-Hebei, and the comprehensive deepening of reform and opening up in Hainan", to consolidate and deepening the "1+7+X" domestic regional market expansion pattern while increasing the market share in Shanghai. 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. The scale, quality and efficiency of economy have been improved constantly, forming the brand advantage. 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. Nationwide distribution and whole industrial chain services, forming the market advantage. The Group is based on Shanghai, distributes to the nationwide market and explores the overseas market, making the markets in key regions and cities become more and more mature. Centering on serving national strategies, the coordinated linkage of business groups and the rapid development of emerging businesses, the Company is speeding up the

transformation from an engineering contractor to a construction service provider to provide customers with services of whole life cycle of construction.

3. 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.

4. Promote industrial modernization with scientific and technological innovation, forming the technological advantages. The Group has made considerable progress in "trinity" development of industrialization, digitalization and greening, actively participated in national scientific research projects and made breakthroughs, led to win series of national science and technology awards, established a diversified research and development platform. The construction level of its national enterprise technology center is leading the industry.

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
Qualification of real estate development enterprises	Grade I
General construction contracting of road engineering	Grade I
General construction contracting of M&E installation works	Grade I
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	Grade 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 contracting overseas projects	Ungraded

Section IV Discussion and Analysis on Operations

I. Discussion and Analysis on Operations

In 2020, according to the requirements of “Aiming at international first-class level, and focusing on core competencies”, Shanghai Construction Group Co., Ltd. made overall arrangement for epidemic prevention and control and resumption of work and production, strengthened five business groups, cultivated six emerging businesses, steadily promoted the “Three Aspects” strategy, and promoted scientific and technological innovation, digital transformation and service provider transformation. In 2020, the scale of operation maintained a double-digit growth, drawing a successful full stop for the development of the “13th Five-Year Plan”. The orders in hand were further expanded, laying a solid foundation for the development of the “14th Five-Year Plan”. In the year, the Group entered Fortune Global 500 for the first time, ranking No. 423. It ranked 9th in ENR “250 Largest Contractors in the World” for four consecutive years, and ranked the forefront in the industry in the number of the Luban Award, Zhan Tianyou Award and national outstanding awards won.

II. Main Operation Condition in the Report Period

During the report period, based on its comprehensive advantages and correct measures, the Company has made achievements in economic development in four aspects:

Firstly, the sustainable growth in operating revenue, new contract and other key scale indicators. During the “13th Five-Year Plan” period, the compound growth rates of all these factors reached double digits. The orders in hand were further expanded, laying a solid foundation for the development of next five years. While focusing on epidemic control, the Company focused on promoting the development of core business groups of construction, construction industry and design consulting, and vigorously promoted the resumption of more than 2,300 projects under construction nationwide. In the second half of the year, the Company effectively reversed the bad start caused by the COVID-19, and achieved annual operating revenue of RMB 231.327 billion, with YoY increase of 12.57%. The net profit attributable to shareholders of listed companies was RMB 3.351 billion. At the end of 2020, the Group's orders in hand for construction business were further enriched, with a total amount of RMB 460.454 billion, with YoY increase of 19.6%.

Secondly, stable share in market of Shanghai. The market expansion of key provinces and cities was better than the expectation. During the report period, the new contract amount of the Company was RMB 386.784 billion in total, up 7.2% in the same period of previous year; during the “13th Five-Year Plan”, the annual compound growth rate of new contracts reached up to 18.1%. The amount of new contracts signed in other provinces and cities outside Shanghai accounted for 36.6% of the total amount of such new contracts. New contracts in overseas markets account for 1.1% of the total amount of such new contracts. The proportion between amounts of new contracts signed in other provinces and cities and that in Shanghai was about 6:4.

Thirdly, five major business groups made progress while maintaining stability. The amount of new contracts in six emerging businesses (urban renewal, ecological environment, water conservation and water affairs, industrial construction, construction services and new infrastructure) maintained a rapid growth. In terms of construction, the total amount of new construction contracts in the year was RMB 312.915 billion, with YoY of 3.4%. During the “13th Five-Year Plan”, the compound growth rate was 18.3%.

In terms of design consulting, the total amount of new design consulting contracts in the year was RMB 20.967 billion, with YoY increase of 11.7%. During the “13th Five-Year Plan”, the compound growth rate was 26.9%.

In terms of construction industry, the total amount of new sales contracts was RMB 20.6 billion in the whole year, up 17.5% over the previous year. During the “13th Five-Year Plan”, the compound growth rate was 23.5%. The total production of commercial concrete exceeded 42,467,000 cubic meters; the production of concrete prefabricated members was about 608,000 cubic meters; and the production of steel members was about 271,000 tons.

In terms of real estate business, the total amount of new sales contracts was RMB 9.242 billion, corresponding to a total sales area of 495,800 square meters (including RMB 2.394 billion of sales contracts and 233,300 square meters of sales area for indemnificatory housing). During the year, 80,000 square meters of

construction area for new projects to be developed and 334,300 square meters of construction area for new projects to be started were added.

In terms of urban construction investment, the Company has signed 2 new PPP projects in Qingdao and Changshu and participated in 2 urban renewal project in Shanghai and Hainan, with a total investment contract amount of RMB 8.527 billion.

Fourthly, clear targets have been set for scientific and technological innovation, digital transformation and service provider transformation. The practice effect is beginning to show. New industries and new technologies have become new scale growth poles and profit growth points in the process of cultivation, growth and industrialization. New business forms, such as construction technology services, intelligent operation and maintenance of construction facilities and equipment, urban road maintenance, maintenance of rail traffic stations, nuclear energy construction, e-commerce and financial leasing have gradually become the supporting point for SCG becoming a service provider for the whole life cycle of construction.

During the report period, the gross profit of the three core businesses of construction, design consulting and construction industry increased significantly, with the growth rate of 19.64%, 35.20% and 68.14% respectively. In addition, the growth rate of gross profit of urban construction investment also reached up to 18.21%. 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 million

Sub-sector	Gross operation profit in 2018	Annual proportion	Gross operation profit in 2019	Annual proportion	Gross operation profit in 2020	Annual proportion
Building construction	9,946	51.85%	12,105	57.24%	14,482	64.72%
Construction industry	576	3.00%	1,017	4.81%	1,710	7.64%
Design consultation	1,343	7.00%	1,247	5.90%	1,686	7.53%
Urban construction investment	847	4.42%	1,154	5.46%	1,363	6.09%
Real estate development	5,010	26.12%	3,733	17.65%	1,320	5.90%

(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 revenue	231,327,232,008.89	205,496,707,808.35	12.57
Operating cost	208,950,708,151.71	184,357,931,024.01	13.34
Selling and distribution expenses	712,042,721.52	678,938,451.35	4.88
General and administrative expenses	5,947,554,185.11	5,609,792,081.53	6.02
Research and development expenditures	8,114,047,327.65	6,219,718,567.98	30.46
Financial expenses	1,879,589,399.46	1,699,515,535.68	10.60
Net cash flows from operating activities	315,988,944.87	4,549,212,209.80	-93.05
Net cash flows from investing activities	-8,176,045,934.10	-3,008,307,413.56	171.78
Net cash flows from financing activities	14,280,864,745.14	9,719,481,520.07	46.93

2. Income and Cost Analysis

√ Applicable □ Not applicable

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

Unit: RMB million

Sub-sector	Operating revenue in 2018	Annual proportion	Operating revenue in 2019	Annual proportion	Operating revenue in 2020	Annual proportion
Building construction	128,364	75.27%	166,342	80.95%	193,928	83.83%
Construction industry	5,025	2.95%	12,187	5.93%	14,877	6.43%
Real estate development	22,882	13.42%	10,062	4.90%	6,311	2.73%
Design consultation	4,228	2.48%	4,337	2.11%	5,405	2.34%

Urban construction investment	859	0.50%	1,195	0.58%	1,431	0.62%
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From the above operating revenue 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 27.6 billion. The operating revenue of construction industry, design consulting and urban construction investment business achieved YoY increase of about 20%, laying a foundation for the annual revenue growth of the company. Under the impact of COVID-19 and control policies, the income of the real estate development business decreased significantly due to the decrease in the scale of housing sales and 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 million

Sub-sector	Operating cost in 2018	Annual proportion	Operating cost in 2019	Annual proportion	Operating cost in 2020	Annual proportion
Building construction	118,417	78.23%	154,237	83.66%	179,446	85.88%
Construction industry	4,450	2.94%	11,170	6.06%	13,167	6.30%
Real estate development	17,872	11.81%	6,329	3.43%	4,991	2.39%
Design consultation	2,885	1.91%	3,090	1.68%	3,719	1.78%
Urban construction investment	12	0.01%	42	0.02%	68	0.03%

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. The operating costs of construction, construction industry, design consulting, and urban construction investment businesses increased along with the scale, which was consistent with the proportion of their respective revenue.

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

Unit: RMB

Currency: RMB

Main businesses (by industry)						
Industry	Operating revenue	Operating cost	Gross profit rate (%)	Increase or decrease in operating revenue 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	193,927,690,782.42	179,445,962,043.93	7.47	16.58	16.34	An increase of 0.19 percentage points
Design consulting service	5,405,374,291.19	3,719,023,302.69	31.20	24.63	20.34	An increase of 2.45 percentage points
Construction industry	14,877,198,888.51	13,166,804,267.25	11.50	22.07	17.87	An increase of 3.15 percentage points
Real estate development	6,310,680,728.11	4,990,720,901.65	20.92	-37.28	-21.15	A decrease of 16.18 percentage points
Urban infrastructure investment and construction	1,431,457,869.68	68,106,682.19	95.24	19.74	63.89	A decrease of 1.28 percentage points
Import and export of complete equipment and other merchandise	4,960,199,915.49	4,858,065,439.85	2.06	-24.32	-23.85	A decrease of 0.60 percentage points
Project management consulting, labor dispatch and other services	2,427,918,613.03	1,511,361,487.57	37.75	-16.63	-7.95	A decrease of 5.87 percentage points
Gold sales business	963,351,053.16	368,904,657.67	61.71	51.91	-13.68	An increase of 29.10 percentage points
Main businesses (by product)						
Product	Operating revenue	Operating cost	Gross profit rate (%)	Increase or decrease in operating revenue 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	63,135,706,937.95	58,920,959,163.83	6.68	5.01	5.33	A decrease of 0.28 percentage points

30-50 floors of civil buildings	1,395,194,689.98	1,282,214,761.56	8.10	24.18	23.27	An increase of 0.68 percentage points
Above 50 floors of civil buildings	309,158,569.72	278,101,660.70	10.05	-84.42	-84.61	An increase of 1.13 percentage points
Industrial buildings	7,797,762,410.16	7,245,014,686.41	7.09	27.61	26.89	An increase of 0.53 percentage points
Civic building	15,304,185,073.00	14,099,184,148.61	7.87	5.51	4.05	An increase of 1.29 percentage points
Public facility building	49,096,659,843.59	44,985,787,881.27	8.37	24.57	22.96	An increase of 1.20 percentage points
Building decoration engineering	7,120,405,318.83	6,320,890,047.07	11.23	39.97	43.35	A decrease of 2.09 percentage points
EPC	41,645,432,093.53	38,948,851,143.88	6.48	38.17	38.01	An increase of 0.11 percentage points
Sales of building stones	287,867,642.72	70,996,856.17	75.34	-31.38	-59.41	An increase of 17.03 percentage points
Urban infrastructure investment and construction	1,431,457,869.68	68,106,682.19	95.24	19.74	63.89	A decrease of 1.28 percentage points
Design consulting service	5,405,374,291.19	3,719,023,302.69	31.20	24.63	20.34	An increase of 2.45 percentage points
Sales of commercial concrete materials	12,762,954,144.87	11,492,389,312.98	9.96	27.24	20.96	An increase of 4.67 percentage points
Concrete member	1,126,653,084.90	1,009,528,880.95	10.40	-5.51	-6.10	An increase of 0.56 percentage points
Concrete processing equipment	2,734,057.23	2,167,065.36	20.74	-70.71	-74.17	An increase of 10.63 percentage points
Landscaping	8,123,185,845.66	7,364,958,550.60	9.33	3.41	5.62	A decrease of 1.90 percentage points
Real estate development	6,310,680,728.11	4,990,720,901.65	20.92	-37.28	-21.15	A decrease of 16.18 percentage points
Other construction industry	696,989,958.79	591,722,151.79	15.10	30.17	43.86	A decrease of 8.08 percentage points
Import and export of complete equipment and other merchandise	4,960,199,915.49	4,858,065,439.85	1.76	-12.77	-12.23	A decrease of 0.60 percentage points
Other merchandise trade	134,251,955.52	117,166,714.64	12.73	-86.87	-88.02	An increase of 8.43 percentage points
Gold sales business	963,351,053.16	368,904,657.67	61.71	51.91	-13.68	An increase of 29.10 percentage points
Others	2,427,918,613.03	1,511,361,487.57	37.75	-16.63	-7.95	A decrease of 5.87 percentage points
Main businesses (by area)						
Area	Operating revenue	Operating cost	Gross profit rate (%)	Increase or decrease in operating revenue 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 (%)
China Mainland	224,194,544,475.99	202,851,899,755.27	9.52	12.45	13.08	A decrease of 0.50 percentage points
Other countries and areas	6,109,327,665.60	5,277,049,027.53	13.62	26.01	34.35	A decrease of 5.36 percentage points

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

1. The operating cost of municipal infrastructure investment and construction increased by 63.89% compared with the previous year, mainly due to the increase of various loans of the Company and project companies with the expansion of investment scale. The financial expenses (loan interest expense) increased by RMB 350 million compared with the previous year.

2. The operating revenue of gold sales business increased by 51.91% compared with the previous year, and the operating cost decreased by 13.68% compared with the previous year, mainly due to the significant increase in 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) over the previous year and decrease in gold exploration expenditure over the previous year.

Based on the proven reserves of Koka Gold Mine (See Notice No. L. 2020-066 for details), the Company is expected to continue to provide stable profit contributions to the Company in subsequent years.

Unit: RMB 10,000

Gold business	2018	2019	2020
Operating revenue	90,687	63,417	96,335
Operating cost	76,499	42,736	36,890
Gold sales (ounce)	107,356	65,700	80,069

(2). Analytical statement of production and sales volume
☐ Applicable ☒ Not applicable
(3). Cost analysis

Unit: RMB

Condition (by industry)							
Industry	Cost items	Amount in 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		179,445,962,043.93	86.22	154,237,141,952.92	84.14	16.34	
Design consulting service		3,719,023,302.69	1.79	3,090,481,333.39	1.69	20.34	
Construction industry		13,166,804,267.25	6.33	11,170,361,379.70	6.09	17.87	
Real estate development		4,990,720,901.65	2.40	6,329,207,234.56	3.45	-21.15	
Urban infrastructure investment and construction		68,106,682.19	0.03	41,556,384.10	0.02	63.89	
Import and export of complete equipment and other merchandise		4,858,065,439.85	2.33	6,379,891,325.36	3.48	-23.85	
Other business		1,511,361,487.57	0.73	1,641,825,176.65	0.90	-7.95	
Gold sales business		368,904,657.67	0.18	427,364,550.91	0.23	-13.68	
By products							
Product	Cost items	Amount in 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	Sub-total	58,920,959,163.83	100	55,940,239,690.89	100.00	5.33	
	Labor cost	10,959,298,404.47	18.6	13,145,956,327.36	22.05	-16.63	
	Material cost	41,598,197,169.66	70.6	32,954,395,201.90	60.49	26.23	
	Machinery cost	1,001,656,305.79	1.7	2,824,982,104.39	5.02	-64.54	
	Other direct costs	1,237,340,142.44	2.1	2,584,439,073.72	4.59	-52.12	
	Indirect cost	4,124,467,141.47	7	4,430,466,983.52	7.85	-6.91	
Industrial buildings	Sub-total	7,245,014,686.41	100	5,709,802,046.55	100.00	26.89	
	Labor cost	2,340,139,743.72	32.3	1,867,105,269.23	31.31	25.34	
	Material cost	3,412,401,917.31	47.1	2,680,181,080.65	48.62	27.32	
	Machinery cost	485,415,984.00	6.7	375,704,974.66	6.69	29.20	
	Other direct costs	420,210,851.82	5.8	332,310,479.11	5.82	26.45	
	Indirect cost	586,846,189.61	8.1	454,500,242.91	7.56	29.12	
Civic building	Sub-total	14,099,184,148.61	100	13,550,375,718.91	100.00	4.05	
	Labor cost	3,792,680,535.99	26.9	3,532,582,949.92	27.30	7.36	

	Material cost	7,599,460,256.11	53.9	6,321,250,272.87	45.78	20.22	
	Machinery cost	845,951,048.93	6	1,524,417,268.38	11.03	-44.51	
	Other direct costs	211,487,762.24	1.5	905,165,098.02	6.68	-76.64	
	Indirect cost	1,649,604,545.40	11.7	1,266,960,129.72	9.21	30.20	
Public building	Sub-total	44,985,787,881.27	100	36,584,926,294.41	100.00	22.96	
	Labor cost	15,115,224,728.11	33.6	14,085,196,623.35	37.50	7.31	
	Material cost	23,932,439,152.84	53.2	15,241,280,294.25	43.52	57.02	
	Machinery cost	1,709,459,939.49	3.8	3,003,622,448.77	7.92	-43.09	
	Other direct costs	1,619,488,363.73	3.6	2,238,997,489.22	5.55	-27.67	
	Indirect cost	2,609,175,697.11	5.8	2,015,829,438.82	5.51	29.43	
Above 30 floors of buildings	Sub-total	1,282,214,761.56	100	1,040,175,064.82	100.00	23.27	
	Labor cost	476,983,891.30	37.2	471,407,339.37	40.25	1.18	
	Material cost	561,610,065.56	43.8	373,214,813.26	40.92	50.48	
	Machinery cost	91,037,248.07	7.1	72,812,254.54	6.98	25.03	
	Other direct costs	66,675,167.60	5.2	54,713,208.41	5.26	21.86	
	Indirect cost	85,908,389.02	6.7	68,027,449.24	6.59	26.28	
Above 50 floors of buildings	Sub-total	278,101,660.70	100	1,807,514,818.30	100.00	-84.61	
	Labor cost	103,175,716.12	37.1	726,982,459.92	40.20	-85.81	
	Material cost	121,252,324.07	43.6	723,548,181.77	41.25	-83.24	
	Machinery cost	29,200,674.37	10.5	193,404,085.56	10.80	-84.90	
	Other direct costs	20,301,421.23	7.3	150,385,232.88	7.02	-86.50	
	Indirect cost	4,171,524.91	1.5	13,194,858.17	0.73	-68.39	
Decoration engineering	Sub-total	6,320,890,047.07	100	4,409,544,971.03	100.00	43.35	
	Labor cost	2,117,498,165.77	33.5	983,328,528.54	24.52	115.34	
	Material cost	3,982,160,729.65	63	3,239,692,690.22	71.25	22.92	
	Other direct costs	56,888,010.42	0.9	79,371,809.48	1.80	-28.33	
	Indirect cost	164,343,141.22	2.6	107,151,942.80	2.43	53.37	
EPC	Sub-total	38,948,851,143.88	100	28,221,391,043.07	100.00	38.01	
	Labor cost	10,438,292,106.56	26.8	6,349,812,984.69	21.22	64.39	
	Material cost	22,512,435,961.16	57.8	16,537,735,151.24	59.56	36.13	
	Machinery cost	1,363,209,790.04	3.5	2,497,593,107.31	9.15	-45.42	
	Other direct costs	2,336,931,068.63	6	1,981,141,651.22	7.04	17.96	
	Indirect cost	2,297,982,217.49	5.9	855,108,148.61	3.03	168.74	
Sales of building stones	Sub-total	70,996,856.17	100	174,925,518.61	100.00	-59.41	
	Labor cost	11,288,500.13	15.9	26,886,052.21	15.37	-58.01	
	Material cost	39,829,236.31	56.1	95,509,333.16	54.60	-58.30	
	Machinery cost	19,879,119.73	28	52,530,133.24	30.03	-62.16	
Municipal infrastructure investment and construction	Sub-total	68,106,682.19	100	41,556,384.10	100.00	63.89	
	Other costs	68,106,682.19	100	41,556,384.10	100.00	63.89	
Design and services	Sub-total	3,719,023,302.69	100	3,090,481,333.39	100.00	20.34	
	Labor cost	2,216,537,888.40	59.6	1,798,660,136.03	58.23	23.23	
	Subcontracting cost of design	587,605,681.83	15.8	521,673,249.08	16.85	12.64	
	Others	914,879,732.46	24.6	770,147,948.28	24.92	18.79	
Sales of commercial concrete materials	Sub-total	11,492,389,312.98	100	9,500,622,604.86	100.00	20.96	

	Labor cost	666,558,580.15	5.8	684,994,889.81	7.22	-2.69	
	Material cost	8,837,647,381.68	76.9	7,624,249,640.40	80.24	15.91	
	Transportation cost	1,149,238,931.30	10	686,895,014.33	7.23	67.31	
	Manufacturing cost	838,944,419.85	7.3	504,483,060.32	5.31	66.30	
Concrete member	Sub-total	1,009,528,880.95	100	1,075,095,868.35	100.00	-6.10	
	Labor cost	115,086,292.43	11.4	121,055,794.78	11.38	-4.93	
	Material cost	724,841,736.52	71.8	775,144,121.08	72.02	-6.49	
	Machinery cost	126,191,110.12	12.5	135,032,041.06	12.52	-6.55	
	Manufacturing cost	43,409,741.88	4.3	43,863,911.43	4.08	-1.04	
Concrete processing equipment	Sub-total	2,167,065.36	100	8,391,279.15	100.00	-74.17	
	Labor cost	294,720.89	13.6	1,132,822.69	13.50	-73.98	
	Material cost	1,774,826.53	81.9	6,889,240.18	82.10	-74.24	
	Manufacturing cost	97,517.94	4.5	369,216.28	4.40	-73.59	
Landscaping	Sub-total	7,364,958,550.60	100	6,973,172,304.94	100.00	5.62	
	Labor cost	2,253,677,316.48	30.6	2,581,468,387.29	36.11	-12.70	
	Material cost	4,728,303,389.49	64.2	3,522,846,648.46	50.75	34.22	
	Machinery cost	81,014,544.06	1.1	161,777,597.47	2.99	-49.92	
	Other direct costs	213,583,797.97	2.9	196,643,459.00	2.83	8.61	
	Indirect cost	88,379,502.61	1.2	510,436,212.72	7.32	-82.69	
Real estate development	Sub-total	4,990,720,901.65	100	6,329,207,234.56	100.00	-21.15	
	Land cost	1,886,492,500.82	37.8	2,957,005,619.99	48.02	-36.20	
	Upfront expense	104,805,138.93	2.1	107,596,522.99	1.70	-2.59	
	Costs of construction and installation	2,116,065,662.30	42.4	2,164,588,874.22	33.85	-2.24	
	Supporting cost	304,433,975.00	6.1	367,094,019.60	5.02	-17.07	
	Expenses for the period	264,508,207.79	5.3	194,939,582.82	3.01	35.69	
	Interest cost	314,415,416.80	6.3	537,982,614.94	8.40	-41.56	
Imports and exports	Sub-total	4,740,898,725.21	100	5,401,582,757.55	100.00	-12.23	
	Material cost	4,105,618,296.03	86.6	4,770,677,891.47	88.32	-13.94	
	Labor cost	635,280,429.18	13.4	630,904,866.08	11.68	0.69	
Others	Sub-total	2,589,155,011.67	100	3,458,824,404.10	100.00	-25.14	
	Labor cost	1,214,313,700.47	46.9	1,622,880,410.40	46.92	-25.18	
	Material cost	1,374,841,311.20	53.1	1,835,943,993.70	53.08	-25.12	

(4). Information on major sales customers and suppliers

√ Applicable □ Not applicable

The sales amount of the top five customers was RMB 7,497,190,700, accounting for 3.24% of the total annual sales amount; where, the sales volume of related party in the sales volume of top five customers is RMB 0, accounting for 0% of the total annual sales.

The purchase amount of the top five suppliers was RMB 9,117,059,100, accounting for 4.44% of the total annual purchase amount; wherein, the purchase amount of related party in the sales volume of top 5 suppliers is RMB 0, accounting for 0% of the total annual purchase amount.

Other notes

During the report period, the Company's total operating revenue from the top five customers was RMB 7.497 billion, accounting for 3.24% of the operating revenue, 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. The details are as follows:

Unit: RMB

Customer name	Sales amount	Proportion to the total operating revenue (%)
Shenzhen Housing Project Management Station	1,661,339,935.76	0.72%
New Galaxy Entertainment Co., Ltd.	1,616,472,896.20	0.70%
Shanghai Lingang New City Investment & Construction Co., Ltd.	1,485,996,973.71	0.64%
Shanghai Pudong Engineering Construction Management Co., Ltd.	1,404,871,962.72	0.61%
Shanghai Chengtou Water Group Co., Ltd.	1,328,508,947.21	0.57%
Total	7,497,190,715.60	3.24%

During the report period, the Company's total purchase amount from the top five suppliers was RMB 9.117 billion, accounting for 4.44% of the operating cost, with a relatively low proportion. 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

Customer name	Purchase amount	Proportion to the total operating revenue (%)
Shanghai Donglu Construction Labor Services Co., Ltd.	3,116,372,583.12	1.52%
Shanghai Jinshu Building Labor Co., Ltd.	1,796,475,782.42	0.87%
Shanghai Jianfu Construction Engineering Co., Ltd.	1,470,051,168.99	0.72%
Shanghai First Construction Service Co., Ltd.	1,387,648,119.16	0.68%
Shanghai Huxin Construction Labor Services Co., Ltd.	1,346,511,427.98	0.66%
Total	9,117,059,081.67	4.44%

3. Cost

☐ Applicable ☒ Not applicable

4. Investment in R&D

(1). R&D investment Table

☒ Applicable ☐ Not applicable

Unit: RMB

Current expensing R&D investment	8,114,047,327.65
Current capitalized R&D investment	0
Total R&D investment	8,114,047,327.65
Proportion of total R&D investment in the operating revenue (%)	3.51
Number of the Company R&D personnel (persons)	8,826
Proportion of the number of R&D personnel in the Company's headcount (%)	18.05
Percentage of the capitalized R&D investment (%)	0

(2). Description Notes

☐ Applicable ☒ Not applicable

5. Cash flow

☒ Applicable ☐ Not applicable

Unit: RMB million

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 Notes
Net cash flows from operating activities	315.99	4,549.21	-93.05	Net cash flow from operating activities in the current period decreased by RMB 4.2

				billion, mainly due to a net increase of RMB 26 billion in cash for paying for purchasing goods and receiving services.
Net cash flows from investing activities	-8,176.05	-3,008.31	171.78	Net cash flow from investment activities in the current period decreased by RMB 5.1 billion, mainly due to an increase of RMB 5 billion in the principal of proposed held-to-maturity fixed time deposits paid for investment activities of the Company.
Net cash flows from financing activities	14,280.86	9,719.48	46.93	Net cash flow from investment and financing activities increased by RMB 4.56 billion in the current period, mainly due to an increase of RMB 16.3 billion in cash received from corporate loans, including RMB 12.1 billion of all kinds of bonds received.

(II) Explanation on material changes in profits resulted from non-principal activities

☐ Applicable ☒ Not applicable

(III) Analysis on assets and liabilities

☒ Applicable ☐ Not applicable

1. Information on assets-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 Notes
Other receivables	6,946,573,201.09	2.16	5,102,371,191.66	1.98	36.14	This is mainly due to the increase in transaction payments of third party during the report period compared with the previous year.
Contract assets	38,907,929,592.58	12.11			100.00	This is due to the implementation of new income standards during the report period and new contract assets in the current period.
Non-current assets due within one year	1,412,712,280.97	0.44	1,069,584,919.54	0.42	32.08	This is mainly due to the increase in long-term receivables of BT and PPP project due within one year during the report period.
Other current assets	3,528,719,842.13	1.10	2,672,010,768.48	1.04	32.06	This is mainly due to the reclassification of increase in prepaid taxes during the report period.
Long-term receivables	14,029,622,542.28	4.37	21,917,628,153.86	8.52	-35.99	This is mainly due to the decrease in receivables of BT and PPP project during the report period.
Other non-current financial assets	3,095,849,556.52	0.96	1,857,439,448.52	0.72	66.67	This is mainly due to the increase in financial assets measured at fair value during the report period.
Construction in progress	718,450,768.50	0.22	484,838,908.75	0.19	48.18	This is mainly due to the new self-built Herrenknecht air cushion type shield machine during the report period.
Intangible assets	3,041,990,174.45	0.95	2,132,311,762.17	0.83	42.66	This is mainly due to the new franchising for PPP projects during the report period.
Goodwill	570,255,405.77	0.18	114,133,452.08	0.04	399.64	This is mainly due to the acquisition of Shanghai Greenment Environmental Technology Co., Ltd. and Tianjin House Construction Development Group Co., Ltd. during the report period.

Long-term unamortized expenses	523,843,058.86	0.16	338,060,116.44	0.13	54.96	This is mainly due to the improvement of fixed assets under operating lease during the report period.
Deferred income tax assets	1,088,658,109.69	0.34	809,000,233.14	0.31	34.57	This is mainly due to the increase of provision for impairment of assets and provision for credit impairment during the report period.
Other non-current assets	22,069,078,127.89	6.87	389,581,467.60	0.15	5,564.82	This is due to the reclassification of contract assets added in the current period when the Company implements the new income standards during the report period.
Short-term borrowings	9,686,608,793.49	3.02	5,821,804,016.21	2.26	66.39	This is mainly due to the increase of credit borrowings of RMB 1.2 billion and guaranteed borrowings of RMB 1.3 billion of the Company and subsidiaries during the report period.
Accounts payable	124,425,316,865.01	38.72	76,541,684,887.28	29.75	62.56	This is mainly due to the increase in outstanding payments from third parties during the report period.
Advances from customers	25,675,592.26	0.01	56,141,342,203.04	21.82	-99.95	This is due to the reclassification of payment settled but not completed to contract liabilities instead of advances from customers when the Company implements the new income standards during the report period.
Contract liabilities	33,604,335,962.05	10.46			100.00	This is due to the reclassification of new contract liabilities and partial advances from customers to this account when the Company implements the new income standards during the report period.
Employee compensation payable	1,374,679,936.05	0.43	830,501,601.75	0.32	65.52	This is mainly due to the increase in accrued short-term salaries for employees during the report period.
Non-current liabilities due within one year	18,039,510,454.41	5.62	7,991,541,778.41	3.11	125.73	This is mainly due to the increase of long-term borrowing due within one year which is reclassified to this account during the report period.
Other current liabilities	862,982,063.20	0.27	188,535,677.61	0.07	357.73	This is due to the increase in tax on the items to be written off during the report period.
Bonds payable	6,385,005,454.97	1.99	96,984,000.00	0.04	6,483.57	This is due to the issuance of overseas US dollar bonds of USD 600 million and domestic bonds of RMB 2.5 billion during the report period.
Long-term payables	2,455,682,031.23	0.76	1,140,089,000.80	0.44	115.39	This is due to the increase in the financial leasing amount payable during the report period.
Estimated liabilities	13,096,936.42	0.00	6,002,194.11	0.00	118.20	This is due to the increase in pending litigation during the report period.
Deferred income tax liabilities	868,892,192.66	0.27	429,763,249.68	0.17	102.18	This is due to the increase in business combination under different control during the report period.
Other equity instruments	8,690,000,000.00	2.71	6,500,000,000.00	2.53	33.69	This is mainly due to the insurance of bonds of RMB 5.19 billion during the report period.
Other comprehensive incomes	-159,514,148.62	-0.05	-85,530,145.70	-0.03	86.50	This is mainly due to the increase in changes in fair value of other equity instrument investments during the report period.
Special reserve	6,761,132.95	0.00	2,384,562.98	0.00	183.54	This is mainly due to the increase in balance of work safety expenses during the report period.
Minority shareholder's equity	7,218,000,245.82	2.25	3,118,906,998.63	1.21	131.43	This is mainly due to the investment of RMB 4.3 billion to subsidiaries from minority shareholders 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

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 (Nr.)	203	58	325	110	141	837
Total amount	5,218,581.43	1,250,747.18	1,586,917.31	225,201.91	366,551.27	8,647,999.10

☒ Applicable ☐ Not applicable

Unit: RMB 10,000 Currency: RMB

Project area	Quantity (Nr.)	Total amount
Domestic	826	8,522,366.67
Overseas	11	125,632.43
Wherein:		
Laos	1	244.03
Cambodia	1	40,166.45
Samoa	1	5,953.59
Comorin	1	12,876.28
Zambia	2	8,210.52
Mongolia	1	36,837.81
Kenya	1	7,629.36
Cambodia	1	5,343.42
Nepal	1	4,184.73
Maldives	1	4,186.24
Total	837	8,647,999.10

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.)	1,300	241	1,677	589	195	4,002
Total amount	59,892,059.45	6,486,756.87	16,010,250.16	2,210,956.38	1,927,604.23	86,527,627.09

☒ Applicable ☐ Not applicable

Unit: RMB 10,000 Currency: RMB

Project area	Quantity (Nr.)	Total amount
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Domestic	3,955	84,510,623.35
Overseas	47	2,017,003.74
Wherein:		
Macao	6	475,246.00
East Timor	5	60,704.95
Guinea	2	1,108.93
Canada	4	15,962.95
Cambodia	7	336,448.51
America	4	390,783.71
Samoa	2	16,656.96
Senegal	1	6,117.37
Trinidad and Tobago	1	101,993.39
Vanuatu	1	2,181.92
Hong Kong	3	86,099.00
Zimbabwe	1	62,626.71
Vietnam	1	89,236.52
Uzbekistan	3	247,092.00
Myanmar	1	20,097.09
Malaysia	1	24,591.47
Laos	1	998.26
Kazakhstan	3	79,058.00
Total	4,002	86,527,627.09

Other notes

☐ Applicable ☒ Not applicable

3. Status of Major Projects under Construction

☒ Applicable ☐ Not applicable

Unit: RMB 100,000,000 Currency: RMB

Item name	Business Mode	Item name Amount	Construction period	Percentage of completion	Income Recognized in Current Period	Accumulative Recognized Revenue	Cost Input in Current Period	Accumulative Cost Input	Accumulated amount of collection as of the end of the period	Whether the project progress meets expectations	Whether the payment progress meets expectations
Changzhou City Wujin District Longjiang Elevated Road South Extension Engineering Project	Financing contract mode	14.33	2010.5-2013.1	100	1.26	12.92	-	14.33	12.97	Yes	Yes
Changzhou Zhongwu Road Project and other projects	Financing contract mode	4.67	2010.5-2014.4	100	0.01	5.04	-	4.67	6.24	Yes	Yes
Yanghu Road Project in Hudai, Wuxi and other road projects	Financing contract mode	4.79	2012.6-2017.10	100	-	1.09	-	4.79	5.91	Yes	Yes
Municipal Infrastructure Project (Phase I and Phase II) of Jiulonghu New City Starting Area	Financing contract mode	8.04	2013.5-2019.3	57	-	0.58	-	4.61	4.21	No	Yes
Nanchang Qianhu Avenue Expressway Project (Western Outer Ring - Chaoyang Bridge)	Financing contract mode	20.42	2014.9-2019.8	86	0.73	1.91	-	17.64	8.14	Yes	Yes
Expressway Qianhu Interchange Project at Qianhu Avenue in Nanchang	Financing contract mode	5.22	2016.11-2019.8	89	0.01	0.01	-	4.63	3.55	Yes	Yes
Reconstruction and Expansion Engineering Project of Tianxu Line in Gaogang District of Taizhou City	Financing contract mode	8.69	2014.3-2018.1	100	0.01	2.16	0.29	8.69	9.47	Yes	Yes
Jinwu Road Reconstruction Engineering (Wujin Section) Investment Construction	Financing contract mode	5.20	2014.5-2017.11	100	0.10	1.27	-	5.20	4.63	Yes	Yes

Project											
Transportation Reconstruction and Landscape Engineering From Daxikou to Nanguang in Yibin	Financing contract mode	7.20	2015.4-2018.1	100	-	1.74	-	7.70	9.06	Yes	Yes
Infrastructure and Public Construction Investment and Financing Construction Projects of Minjiang New Zone Starting Area in Cuiping District of Yibin	Financing contract mode	30.00	2015.12-2018.12	44	0.70	2.93	2.13	13.31	5.43	No	Yes
Municipal Engineering PPP Project Phase I in Oujiangkou New Zone of Wenzhou	Financing contract mode	85.33	2015.11-2021.11	53	2.75	8.35	0.93	44.94	7.23	No	Yes
Financing Construction Projects of Financing Construction Bid Section I of Sanhe New House Phase I Project, Xinmiao Xinqu Project and Jiuhua Community	Financing contract mode	4.54	2016.3-2018.6	89	0.20	0.92	-	4.05	2.21	Yes	Yes
Infrastructure PPP Project in Binjiang New Zone of Dujiangyan	Financing contract mode	46.00	2016.8-2018.8	63	1.25	6.28	0.38	29.10	5.08	No	Yes
PPP Project of New Urbanization Construction of Anji Economic Development Zone	Financing contract mode	38.37	2016.8-2020.7	50	0.74	2.53	2.08	19.31	3.79	Yes	Yes
Investment and Financing Construction Project of Fengqi Lake Scenic Spot in Gaogang District of Taizhou City	Financing contract mode	13.00	2016.7-2019.7	33	0.23	1.45	0.59	4.31	0.31	Yes	Yes
North Branch Bridge Project of Qidu Bridge in Wenzhou	Financing contract mode	21.13	2017.5-2021.3	61	0.66	1.50	2.28	12.94	-	Yes	Yes
Zhaoqing Railway Station Complex Construction PPP Project	Financing contract mode	15.26	2016.12-2019.12	76	0.84	0.85	0.05	11.57	0.45	Yes	Yes
Sihui City Commercial Avenue Reconstruction PPP Project	Financing contract mode	18.97	2017.10-2019.10	23	0.12	0.25	0.19	4.41	0.85	No	Yes
Meishan Transportation and Social Undertakings Construction Project (PPP Mode)	Financing contract mode	69.99	2018.11-2022.11	69	2.57	6.64	7.56	48.24	-	No	Yes
Changhe Expressway Maoshan Interchange to Jintan Binhu New Town Connecting Line Work (PPP)	Financing contract mode	22.08	2017.9-2019.9	87	1.36	1.36	-	19.28	3.00	Yes	Yes
Nanjing Qiaolin New Town Hospital Project (PPP Mode)	Financing contract mode	11.80	2017.3-2019.3	0	-	-	-	-	-	No	Yes
Nursery Upgrading and Reconstruction (Fenghuangtai Botanical Park) PPP Project in Western Suburbs of Jining	Financing contract mode	7.16	2018.7-2019.12	64	0.54	0.54	0.01	4.62	-	Yes	Yes
Relocation and Resettlement Housing PPP Project in Qinwang District	Financing contract mode	24.30	2018.9-2021.9	37	-	-	2.37	9.01	-	Yes	Yes
Cultural and Sports Center Construction PPP Project in Zhili Town	Financing contract mode	8.40	2018.12-2020.12	57	-	-	2.79	4.80	-	No	Yes
Sponge City Pilot PPP Project in Western Central City (Jinwan District) of Zhuhai	Financing contract mode	17.07	2019.1-2021.1	20	-	-	0.01	3.38	-	No	Yes
Dongtou Lingkun Section PPP Project of 228 National Highway	Financing contract mode	20.95	2018.12-2021.12	42	0.33	0.40	1.64	8.78	-	Yes	Yes
PPP Project of Westlake University Construction Project	Financing contract mode	43.63	2019.2-2021.12	60	-	-	14.86	26.21	-	Yes	Yes
PPP Project of Supporting Infrastructure for Shantytown Transformation in Dongguan Area, Donggang District, Rizhao City	Financing contract mode	17.68	2019.7-2022.7	3	-	-	0.30	0.53	-	No	Yes
PPP Project of Jiangchuan Sports Center	Financing contract mode	3.06	2019.5-2021.5	42	-	-	0.71	1.29	-	No	Yes

Other notes

√ Applicable □ Not applicable

The progress of some projects falls behind the schedule due to the planning of government, contractual adjustment and other factors.

4. Accumulated New Projects Signed during the Report Period

√ Applicable □ Not applicable

During the report period, a total of 9,021 new projects were signed, with a total amount of RMB 333,882 million. Among these newly signed projects, there are 4,585 projects in respect of building business, with the contractual amount up to RMB 312.915 billion; a total of 4,436 new contracts have been signed in the design consulting business, with a contract value of RMB 20.967 billion.

5. Orders in hand by the end of the report period

√ Applicable ☐ Not applicable

By the end of the report period, the orders in hand amount to RMB 460.454 billion. Among these orders, the amount of projects for which contract has been signed but not put into commencement is up to RMB 48.082 billion, and the amount of projects under construction is up to RMB 412.372 billion.

Other notes

☐ Applicable √ Not applicable

6. 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 associates and joint ventures, as well as other long-term equity investments during the report period are as follows:

Unit: RMB

Item name	Beginning balance	Ending balance	Growth rate (%)
Joint ventures	38,871,197.11	69,466,303.95	78.71%
Associates	4,496,311,036.10	5,599,307,626.57	24.53%
Sub-total	4,535,182,233.21	5,668,773,930.52	25.00%

(1) Major equity investment

√ Applicable ☐ Not applicable

On April 20, 2020, the 9th Meeting of the 8th Board of Directors of SCG deliberated and passed the *Resolution of SCG for the Acquisition of 51% Shares in Tianjin House Group*, intending to purchase the 51% shares held by Tianjin Jincheng State-Owned Capital Investment and Operations Co., Ltd. ("Jincheng Capital") in Tianjin House Construction Development Group Co., Ltd. (Tianjin House Group).

On May 22, 2020, the Company signed the *Share Transfer Agreement for the Mixed-Ownership Reform of Tianjin House Construction Development Group Co., Ltd. with Jincheng Capital and Tianjin House Group*.

On October 9, 2020, this share acquisition completed the registration of share transfer closing and shareholder change at industrial and commercial administration. Tianjin House Group obtained its *Business License* renewed by Tianjin Administration for Market Regulation. Upon this acquisition, SCG holds 51% shares in Tianjin House Group and Jincheng Capital Holds 49%. (See *Notice on the Registration of Shares Acquisition by SCG at Industrial and Commercial Administration* (Notice No. L 2020-071) disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn))

(2) Major non-equity investment

√ Applicable ☐ Not applicable

Unit: RMB 10,000 Currency: RMB

Item name	Project amount	Item name Project schedule	Investment in the report period	Cumulative actual invested amount	Project income situation (RMB 10,000)	
					Realized gains in the report period	Accumulated Realized Gains
Changzhou City Wujin District Longjiang Elevated Road South Extension Engineering Project	143,266.04	Completed settlement	-	143,266.04	12,550.83	129,152.77
Changzhou Zhongwu Road Project and other projects	46,650.23	Completed settlement	-	46,650.23	88.53	50,412.31
Yanghu Road Project in Hudai, Wuxi and other road projects	47,948.58	Completed settlement	-	47,948.58	-	10,941.22

Municipal Infrastructure Project (Phase I and Phase II) of Jiulonghu New City Starting Area	80,400.00	Completed but unsettled	-	46,143.68	-	5,823.57
Nanchang Qianhu Avenue Expressway Project (Western Outer Ring - Chaoyang Bridge)	204,200.00	Completed but unsettled	-	176,370.22	7,316.21	19,132.00
Expressway Qianhu Interchange Project at Qianhu Avenue in Nanchang	52,200.00	Completed but unsettled	-	46,276.25	70.61	70.61
Reconstruction and Expansion Engineering Project of Tianxu Line in Gaogang District of Taizhou City	86,905.50	Completed settlement	2,895.27	86,905.50	1,176.23	21,649.22
Jinwu Road Reconstruction Engineering (Wujin Section) Investment Construction Project	51,970.29	Completed settlement	-	51,970.29	976.27	12,733.01
Transportation Reconstruction and Landscape Engineering From Daxikou to Nanguang in Yibin	72,047.30	Completed but unsettled	-	76,991.84	-	17,363.02
Infrastructure and Public Construction Investment and Financing Construction Projects of Minjiang New Zone Starting Area in Cuiping District of Yibin	300,000.00	Under construction	21,263.54	133,132.26	6,983.12	29,298.39
Municipal Engineering PPP Project Phase I in Oujiangkou New Zone of Wenzhou	853,360.00	Under construction	9,331.37	449,404.50	27,467.18	83,541.16
Financing Construction Projects of Financing Construction Bid Section I of Sanhe New House Phase I Project, Xinmiao Xinqu Project and Jiuhua Community	45,407.33	Completed but unsettled	-	40,517.35	1,990.67	9,196.48
Infrastructure PPP Project in Binjiang New Zone of Dujiangyan	460,000.00	Under construction	3,752.73	290,968.23	12,450.72	62,790.77
PPP Project of New Urbanization Construction of Anji Economic Development Zone	383,725.00	Under construction	20,760.07	193,078.86	7,416.41	25,256.03
Investment and Financing Construction Project of Fengqi Lake Scenic Spot in Gaogang District of Taizhou City	130,000.00	Under construction	5,942.86	43,072.38	2,261.13	14,466.85
North Branch Bridge Project of Qidu Bridge in Wenzhou	211,310.12	Under construction	22,813.63	129,429.27	6,644.24	14,986.99
Zhaoqing Railway Station Complex Construction PPP Project	152,600.00	Completed but unsettled	500.00	115,705.32	8,440.21	8,450.93
Sihui City Commercial Avenue Reconstruction PPP Project	189,700.00	Under construction	1,687.43	44,104.13	1,171.05	2,519.53
Meishan Transportation and Social Undertakings Construction Project (PPP Mode)	699,879.00	Under construction	75,627.65	482,377.65	25,705.01	66,436.40
Changhe Expressway Maoshan Interchange to Jintan Binhu New Town Connecting Line Work (PPP)	220,838.00	Completed but unsettled	-	192,779.35	13,608.93	13,608.93
Nanjing Qiaolin New Town Hospital Project (PPP Mode)	118,036.20	Not Yet Started	-	-	-	-
Nursery Upgrading and Reconstruction (Fenghuangtai Botanical Park) PPP Project in Western Suburbs of Jining	71,647.22	Completed but unsettled	143.36	46,157.95	5,383.38	5,383.38
Relocation and Resettlement Housing PPP Project in Qinwang District	243,000.00	Under construction	23,707.79	90,057.22	-	-
Cultural and Sports Center Construction PPP Project in Zhili Town	83,980.00	Under construction	27,882.00	48,008.40	-	-
Sponge City Pilot PPP Project in Western Central City (Jinwan District) of Zhuhai	170,720.35	Under construction	1,304.82	33,751.74	-	-
Dongtou Lingkun Section PPP Project of 228 National Highway	209,512.27	Under construction	16,429.10	87,772.32	3,329.07	3,990.11

PPP Project of Westlake University Construction Project	436,284.00	Under construction	148,559.53	262,104.06	-	-
PPP Project of Supporting Infrastructure for Shantytown Transformation in Dongguan Area, Donggang District, Rizhao City	176,823.48	Under construction	3,028.59	5,331.98	-	-
PPP Project of Jiangchuan Sports Center	30,622.00	Under construction	7,096.09	12,854.06	-	-
Qingdao Rail Transit Industrial Demonstration Zone Phase I PPP Project	478,172.00	Under construction	78,913.60	78,913.60	-	-

(3) Financial assets at fair value

√ Applicable ☐ Not applicable

Unit: RMB

Name of investee	Nature of equity	Number of shares	Ending fair value	Beginning fair value	Accounting subject
SPD Bank	Tradable shares of listed companies	8,913,521	86,282,883.3	110,260,254.77	Financial assets held for trading
Bank of Communications	Tradable shares of listed companies	6,082,626	27,250,164.5	34,245,184.38	Financial assets held for trading
Chengtou Holding	Tradable shares of listed companies	0	0.0	7,733,291.28	Financial assets held for trading
Shanghai Oriental Pearl (Group) Co., Ltd.	Tradable shares of listed companies	0	0.0	278,815.68	Financial assets held for trading
Orient Securities Co., Ltd.	Restricted Shares of Listed Company	133,523,008	1,552,872,583.0	1,436,707,566.08	Financial assets held for trading
Powerchina	Tradable shares of listed companies	51,480,051	199,803,228.4	223,338,414.74	Financial assets held for trading
Zhangjiajie Tourism Group Co., Ltd.	Tradable shares of listed companies	11,930,164	57,770,351.5	62,362,795.07	Financial assets held for trading
SDIC Capital	Tradable shares of listed companies	39,973,351	553,000,551.7	605,517,252.33	Financial assets held for trading
Zhejiang NHU Co., Ltd.	Tradable shares of listed companies	0	0.0	166,408,137.97	Financial assets held for trading
Taiji Group	Tradable shares of listed companies	6,510,416	86,770,312.0	74,101,893.24	Financial assets held for trading
Kangni Mechanical and Electrical	Tradable shares of listed companies	7,249,126	40,565,852.6	38,365,152.30	Financial assets held for trading
GEM Co., Ltd	Tradable shares of listed companies	0	0.0	44,547,871.97	Financial assets held for trading
Pujiang International	Tradable shares of listed companies	11,362,000	29,715,147.7	43,239,505.25	Financial assets held for trading
JINMAO INV ORD NPV	Tradable shares of listed companies	0	0.0	103,810,678.80	Financial assets held for trading
Total			2,634,031,074.66	2,950,916,813.86	

(VI) Sales of Major Assets and Equity

☐ Applicable √ Not applicable

(VII) Analysis of Main Holding Companies and Joint-stock Companies

√ Applicable ☐ Not applicable

During the report period, there were 5 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 Construction Building Materials Technology Group Co., Ltd.	30,000	2,865,966.98	252,757.32	57,938.61
Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.	50,000	1,183,210.60	327,298.86	53,856.15
Shanghai Construction No. 4 (Group) Co., Ltd.	100,000	1,886,757.75	203,402.69	43,346.17

Shanghai Construction No. 1 (Group) Co., Ltd.	100,000	2,095,849.77	178,501.08	41,670.73
Shanghai Construction No. 7 (Group) Co., Ltd.	100,000	1,691,984.39	190,009.76	38,023.19

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

Shanghai Construction Building Materials Technology Group Co., Ltd. (Logo)

1. Shanghai Construction Building Materials Technology Group Co., Ltd. was founded in 1953, and mainly engages in the manufacturing and sale of pre-mixed concrete, prefabricated components and stone materials. It is a pre-mixed concrete producer with the production and sale ranking at the third place in China and the sixth place in the world. It is also one of the leading enterprises engaging in the production and sale of prefabricated components in Shanghai. The business of the Company is concentrated in large and medium-scaled cities in Yangtze River Delta, such as Shanghai, Nanjing, Suzhou and Jiaxing, and gradually expands to other regions in China, such as Chengdu and Nanchang.

From the time of founding, the Company insists on scientific and technological innovation and adheres to the principles of clean production, green production and factorized production. Based on the tenet of digital, smart and informationized development, the Company enhances independent innovation and key topic research in respect of cutting-edge technology and key projects. Based on many advanced technology, such as concrete in mass and super high concrete pouring, the Company has developed a batch of competitive, green, high-end and superior concrete, special concrete and new pre-mixed concrete, as well as relevant production processes. The Company has registered 179 national patents, including 57 inventions, and the performance of relevant product has reached the world-leading level.

The Company insists on scientific and technological innovation in respect of cutting-edge technology related to pre-mixed concrete, aiming to develop core technology for its two major product lines: pre-mixed concrete and prefabricated components. The Company has several R&D and application bases for new product, process, technology and materials, giving full support for major projects and difficult projects. The Company has undertaken and participated in 4 national research projects and over 10 provincial research projects; The Company has won 3 National S&T Progress Awards, over 30 provincial S&T progress awards and 4 Zhan Tianyou Awards of Civil Engineering in China. The Company has prepared or co-prepared 5 national standards, 6 industrial standards and over 40 Shanghai local standards.

SHANGHAI MUNICIPAL ENGINEERING DESIGN INSTITUTE (GROUP) CO., LTD. (LOGO)

2. 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, and its comprehensive strength ranks first among its peers 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 academican 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, academican 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 academican 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 revenue 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.

Shanghai Construction No. 4 (Group) Co., Ltd. (Logo)

3. Shanghai Construction No. 4 (Group) Co., Ltd. was founded in February 1964, and engages in building design, housing construction, municipal utilities, special road contracting, etc. The group has special qualification of housing construction EPC, Grade I qualification of municipal utilities EPC, Grade I qualification of electromechanical installation EPC, Class A qualification of building industry (construction project), and many other special qualifications.

By virtue of leading technology, cutting-edge construction equipment, advanced construction process and strict, refined and scientific management, the Company has delivered many fine projects, such as Shanghai Museum, Shanghai Grand Theater, Shanghai Stadium, Shanghai Science and Technology Museum, World Expo Chinese Hall, World Expo Cultural Center, Shanghai Oriental Art Center and Grand Gateway. It has also participated in the construction of many urban infrastructure projects, such as the Rail Transit Project, Maglev Demonstration Line, Comprehensive Transformation of the Bund, Comprehensive Hub of Hongqiao Airport, and Middle and Outer-Rings. Rooted in Shanghai, the group strives to explore the market in Yangtze River Delta and South China outside Shanghai, and has undertaken a batch of landmark buildings, such as Nanjing Zifeng Tower, Changzhou Passenger Transport Center, Wuxi Hongdou International Plaza, Hangzhou Raffles, Huzhou Moon Hotel, Jinan Greenland Puli Center, and Guangzhou Foshan Dongping Square, as well as many municipal projects in Nanjing, Wuxi, Changzhou and Wenzhou.

The quality of those projects constructed by the company is widely recognized by owners, peers and various circles. It has won nearly 200 Shanghai Magnolia Awards, and 27 National Luban Awards, and once won Luban Award Outstanding Contribution Prize for three times. By virtue of good reputation and outstanding performance, the Company has been honored as National Customer Satisfaction Enterprise, National Advanced Civilized Enterprise, China Top 100 Comprehensive Enterprise in Building Industry, and Shanghai Civilized Organization. It is awarded Wuyi Labor Medal twice, and is named as Pioneer of Quality Projects. Besides, it is also prized by the CPC Central Committee and the State Council as Shanghai World Expo Advanced Collective.

SHANGHAI CONSTRUCTION NO. 1 (GROUP) CO., LTD. (Logo)

4. Shanghai Construction No. 1 (Group) Co., Ltd. was founded in 1953, and engages in housing construction, municipal utilities construction, chemical and oil-related construction, electromechanical installation and road construction. It has special qualification of housing construction EPC and Class A design qualification of building industry (building project). The number of the company's staff exceeds 4,500, with over 2,000 economic and technical staff and over 400 Level I and II constructors.

Adhering to the core idea "Harmony First and Strive for Excellence and", the core value "To Be Number 1" and the guideline "Superior Project Quality", the company has delivered many landmark buildings in Shanghai, and it has constructed many major and famous projects, such as Oriental Pearl Tower, 88-layer Jinmao Tower, 101-layer World Financial Center, Shimao International Plaza, Hang Lung Plaza, Pudong International Airport, Yangpu Bridge, East Sea Bridge, Lupu Bridge, and Guangzhou New TV Tower. Shanghai Tower, the highest building (632m) in China constructed by No. 1 Group, has shattered the height record of urban architecture in Shanghai for the 6th time, and also enables No. 1 Group to maintain its height record in the construction of super-high building in China. Many projects constructed by No. 1 Group have won many awards, including national gold prize, silver prize, Luban Award, municipal gold prize, 100 Classic & Superior Building Projects in 60 Years Since the Foundation of PRC and Shanghai Magnolia Award, making it become one of those construction enterprises in Shanghai which have won both the highest and most engineering awards.

By virtue of high overall quality and superior performance, the company has been widely recognized by various circles. It has won National Quality Management Award, National Enterprise Management Excellence Award (Golden Horse Award), China Enterprise Management Outstanding Contribution Award, National Excellent Construction Enterprise, National Customer Satisfaction Enterprise, National Quality-Driven and Profit-Oriented Advanced Construction Enterprise, China Top 100 Comprehensive Enterprise in Building Industry, National Civilized Organization, National Wuyi Labor Medal, Shanghai Quality Gold Prize Enterprise, Shanghai Quality Management Award, Shanghai Excellence Performance Management Advanced Enterprise, and Shanghai Top 100 Creditable Enterprise. Besides, it is also honored by the People's Government of Shanghai Municipality as Pioneer Construction Enterprise of Key People-Benefit Projects.

SCG SHANGHAI CONSTRUCTION NO.7 (GROUP) CO., LTD. (Logo)

5. Shanghai Construction No. 7 (Group) Co., Ltd. was founded in 1964. Its main business covers all kinds of large-scale industrial, public and civil construction engineering, decoration engineering, municipal engineering, highway engineering and other general contract construction, professional contract construction and construction engineering design. It has the special-grade general construction contracting of construction projects in China, and Grade A design qualification for construction.

The company has set up the enterprise development strategic goal of "being a leading company in Shanghai, first-class company in China, and internationally famous company". Taking market as the orientation, serving customers as the purpose, project as the focus and innovation as the driving force, it has improved the management level constantly, and undertaken many major national, provincial and municipal projects as well as overseas engineering, including Huating Hotel, Expo Center, Expo axis, National Convention and Exhibition Centre, Hongqiao Comprehensive Transportation Hub, Pudong International Airport, Yangpu Bridge, Shanghai Maglev Project, Disney Resort, Beijing Jingxi Hotel, Tianjin Cultural Center Commercial Building, Russia Baltic Sea Pearl Project, etc. It is well recognized in the industry with excellent project quality, fast construction progress, civilized construction, hardworking and sincerity service.

The Company has explored markets externally and focuses on management internally. Based on the market of Shanghai, the Company's businesses are cover 14 provinces and municipalities, including Beijing, Tianjin, Hebei, Shaanxi, Shandong, Anhui and Hainan. After passing the certification of GB/T national quality, occupational health and safety and environmental management system, it has actively introduced and implemented the excellent performance management model, promoted the sustainable and rapid development of the construction scale, brand and comprehensive strength, and has won over 300 awards, including Luban Prize (National Prime-quality Project), Silver Prize (National Prime-quality Project), Zhan Tianyou Award, National Municipal Project Gold Award, National Customer Satisfied Project, Shanghai Magnolia Award and Shanghai Municipal Project Gold Award. It has won over 100 United Nations, national, ministerial, municipal awards for scientific and technological advancement.

(VIII) Structured Entities Controlled by the Company

√ Applicable □ Not applicable

Name of Partnership	Total subscription amount	Paid-in amount up to the end of 2020	Paid Amount of the Company and Subsidiaries	General partner	Limited partner	Projects Invested or to be Invested	Information disclosure index
SCG Anying Investment Management Center (Limited Partnership)	50.10	7.62	3.00	SCG Equity Investment Fund Management Co., Ltd.	SCG Jianheng Equity Investment Funds Partnership (Limited Partnership), Ping An Asset Management Co., Ltd., CITIC Trust Co., Ltd.	Xuhui Guokai Binjiang Dream Center Project (quit yet)	Announcement 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), Taiping Asset Management Co., Ltd.	PPP Project of New Urbanization Construction of Anji Economic Development Zone	Announcement L 2016—020, L 2016—058
SCG Hexi Enterprise Management Center (Limited Partnership)	50.51	45.75	5.05	SCG Equity Investment Fund Management Co., Ltd.	Shanghai Construction Real Estate Co., Ltd., Shanghai International Trust Co., Ltd., SCG Investment Co., Ltd.	Real Estate Development Project of No. 38 and 39 Hexi Plot of SCG Real Estate	Announcement L 2016—021, 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), E Fund Asset Management Co., Ltd.		Announcement L 2015—036, 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), Zhongyin Asset Management Co., Ltd.	Infrastructure PPP Project in Binjiang New Zone of Dujiangyan	Announcement L 2015—036, L 2016—067
Ningbo Meishan Bonded Port Zone Minyao	1.01	1.001	1.001	SCG Equity Investment Fund	SCG Jianheng Equity Investment Funds Partnership (Limited Partnership)	Hongkou Scientific Innovation Center	Announcement L 2017 - 020 and L 2017-032

Investment Management Partnership (Limited Partnership)				Management Co., Ltd.	Partnership), Shanghai Construction No. 4 (Group) Co., Ltd.		
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 Gardens (Group) Co., Ltd., Shanghai Municipal Engineering Design Institute (Group) Co., Ltd., Shanghai Construction Group Co., Ltd., Shanghai Installation Engineering Group Co., Ltd., Shanghai Building 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 Zone Minyao Investment Management Partnership (Limited Partnership), Suzhou Jianying Purui Venture Capital Center (Limited Partnership)	Announcement L 2015-024 and L 2015-054
SCG Angong Equity Investment Funds Partnership (Limited Partnership)	20.20	11.04	6.56	SCG Anhao Equity Investment Funds Management Co., Ltd.	SCG Investment Co., Ltd., Zhuhai Anshi Yiyiing Investment Center (Limited Partnership)	Yangshupu Power Plant Project	L 2018 — 040
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—005
Suzhou Jianying Ruixin Venture Capital Center (Limited Partnership)	3.01	0.21	0.21	SCG Equity Investment Fund Management Co., Ltd.	SCG Investment Co., Ltd., Shanghai Building Decoration Engineering Group Co., Ltd.	Shanghai Lingang Xinyefang Shangchuang Equity Investment Fund Partnership (Limited Partnership)	L 2019—021
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—022
Shanghai Xijiu Enterprise Management Partnership (Limited Partnership)	10.21	9.45	9.45	SCG Equity Investment Fund Management Co., Ltd.	SCG Investment Co., Ltd., Shanghai Construction Group Co., Ltd.	Lingang West Jiugongge Project	L 2020—047
Shanghai Tonghang Enterprise Management Partnership	3.00	2.18	2.18	SCG Equity Investment Fund Management Co., Ltd.	Shanghai Construction Group Co., Ltd., SCG Jianheng Equity Investment Funds Partnership (Limited Partnership), Shanghai	International Tourism And Consumption Center Project of Hainan Pilot Free Trade Zone	

(Limited Partnership)					Shenya Real Estate (Group) Co., Ltd.		
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 (Notice No.)
Ruiyi Asset - SCG No. 1 Special Asset Management Plan	21.76	12.16	Shanghai Ruiyi Assets Management Co., Ltd.	SCG Jianheng Equity Investment Funds Partnership	China Construction Bank Co., Ltd. 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

I. Domestic macroeconomic analysis

In 2020, under the strong leadership of the CPC Central Committee, all walks of life in the field of national economy has further implemented the spirits of the 19th National Congress of the Communist Party of China, the Second, Third, Fourth and Fifth Plenary Sessions of the 19th CPC Central Committee, addressed risks and challenges calmly, strictly adhered to the high-quality development, arranged the epidemic prevention and control and socio-economic development overall, made solid efforts for “Six stabilization” and fully implemented “Six guarantee” tasks, according to the decisions and arrangements of the CPC Central Committee and the State Council. China's economic performance has been improved quarter by quarter and returned to normal status gradually. China is the only major economy that achieved positive economic growth. China has achieved the all-around victory in poverty alleviation, and made decisive achievements in building a moderately prosperous society in all respects.

In 2020, China's GDP totaled RMB 101.60 trillion, with a year-on-year growth rate of 2.3%, being the only major economy that achieved positive economic growth in the world. China made decisive achievements in three critical battles. 5.51 million rural residents have gotten rid of poverty. New industries, new forms of business and new models achieved growth against the trend. The coordinated urban and rural development was promoted steadily. Looking forward to 2021, China will focus on promoting high-quality development, and deepening supply-side structural reform, take reform and innovation as the fundamental driving force, adhere to the system concept, consolidate and expand achievements in epidemic prevention and control and in economic and social development, better coordinate development and safety, implement macro policies in a scientific and precise manner, strive to keep the economic operation within an appropriate range, adhere to the strategy of expanding domestic demand, strengthen the strategic support of science and technology, expand high-quality opening up, maintain social harmony and stability, to ensure the good start of the “14th Five-Year Plan”.

II. Analysis of China's Construction Industry

Under the continuous influence of COVID-19 in 2020, 2021 will be a crucial year for economic recovery. Under the profound changes unseen in a century, international mechanisms and order are being restructured, and relations between major powers are undergoing profound adjustments. At the current stage, the construction of the new development pattern in which domestic and foreign markets reinforce each other with the domestic market as the mainstay is accelerated. The long-term steady and positive trend of China's economic development has not changed. 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.

According to the National Bureau of Statistics, the gross output value of China's construction industry in 2020 was RMB 26.4 trillion, which was a 6.2% YoY increase, and the added value of construction industry was RMB 7.30 trillion, which was a 3.5% YoY increase, showing that the construction industry in China maintained a steady development trend.

The profit of the qualified construction enterprises engaged in general contracting and special contracting was RMB 830.3 billion, which was a 0.3% YoY increase, including RMB 287.1 billion from state-controlled enterprises, which was a 4.7% YoY increase. In the whole year, the fixed asset investment of the whole society was RMB 52.73 trillion (2.7% YoY increase), in trillion (7.0% YoY increase) throughout the year; The industry as a whole has maintained a steady development trend.

In 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", "Integration of Yangtze River Delta" and "Construction of Hainan Free Trade Port", 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.

From January to March 2021, investment in national fixed assets (excluding peasant household) reached RMB 9,599.4 billion, which increased by 25.6% compared with January to March 2020 and 6.0% compared with January to March 2019, achieving the two-year average growth rate of 2.9%, in which infrastructure investment (excluding electricity, heating power, gas and water production and supply industries) increased significantly by 29.7%. From January to March 2021, the investment in real estate development nationwide totaled RMB 2.7576 trillion, which was a 25.6% YoY increase (including RMB 2.0624 trillion of the investment in residential houses, which was a 28.8% increase), increased by 15.9%, compared with January to March 2019, achieving the two-year average growth rate of 7.6%. The construction area, completed area and newly-built area of houses increased by 11.2%, 22.9% and 28.2% YoY (in which, construction area, completed area and newly-built area of residential houses increased by 11.6%, 27.1% and 30.1%). The strong recovery of the fixed asset investment of the whole society will provide sufficient customer demand for the Group to achieve its business objectives in the year.

The 2021 working conference of the Ministry of Housing and Urban-Rural Development shows that it will accelerate the development of "China Building" and promote the transformation and upgrading of the construction industry in the future; Accelerate and promote the coordinated development of intelligent construction and new building industrialization, and build an Internet platform for the construction; Improve the standard system for prefabricated buildings, vigorously promote steel structure buildings, and intensify efforts to build green buildings. These policies have provided favorable policy conditions for the transformation and development of the Group.

III. Analysis of the Market in Shanghai

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 2020, with a total investment of RMB 170.8 billion for major projects, an increase of 16.8% YoY. Shanghai's 2021 investment plan for major projects shows that it plans to invest RMB 173 billion in 2021, involving 166 formal projects, including 18 new projects, 20 completed projects and 47 preparatory projects. These major projects are focused on key areas, such as the demonstration zones for ecological and green integrated development in the Yangtze River Delta, the Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone, and Hongqiao International Open Hub, and aim at accelerating the construction of scientific and technological innovation industries, major infrastructure projects and other important sectors. 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.

Unit: RMB 100,000,000

	2018	2019	2020
Investment in national fixed assets (excluding peasant household)	635,63	551,478	518,907
Investment in primary industry	22,413	12,633	13,302
Investment in secondary industry	237,899	163,070	149,154
Investment in Tertiary Industry	375,324	375,775	356,451
Investment in major projection construction in Shanghai	1,419	1,462	1,708

To sum up, the fundamentals for the sustainable and healthy development of the construction market have not changed, and the main businesses of the Company are still in an important period of strategic opportunities. In the future, we will continue to strengthen our confidence, promote and deepen reform, accelerate the transformation and upgrading, and strive to become an international first-class service provider for the whole life cycle of construction.

(II) Company's Development Strategy

√ 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 six emerging businesses, namely, urban renewal, ecological environment, water conservation and water affairs, digital industrial construction, construction services and new infrastructure.

To achieve the above strategic goal, the Company has established a series of management strategies with respect to scientific and technological innovation, digital transformation, service providers transformation, etc., which are progressing year by year. In terms of scientific and technological innovation, the Company will comply with the nation's strategies and industrial development, continue to promote the development with innovation, strengthen the awareness of "National team" and vigorously implement the strategy of driving by scientific and technological innovation with the national enterprise technology center as the platform and with the standards of being a world-class company and leading in China. The Company will move forward to the world's leading edge of science and technology, focus on core businesses and emerging businesses, enhance the Group's scientific and technological innovation capacity, and strongly support the implementation of the "Three Aspects" strategy. In terms of digital transformation, the Company has completed the i.SCG information engineering covering the management business of the Group; realized the pattern of integration of informationization and digitization construction and industrial Internet application; explored the Group's industrial Internet ecological platform; built the big data application capability, to support the development of the whole industrial chain of the Group. In terms of the transformation of service provider, the Company has promoted the development of core businesses by service value creation, laid out the construction service industry based on digital construction, and built an ecological industrial circle guided by customer service, formed the business model of "construction + service + platform" and realized the migration of enterprises to the high end of the value chain by accelerating the transformation process from builder to service provider.

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

2021 is the first year of the "14th Five-Year Plan". The Company's production and operation are expected to achieve operating revenue of RMB 246.4 billion and a new contract amount of RMB 440 billion. In the new year, SCG 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. Grasp the opportunities at the beginning of the "14th Five Year Plan" and act proactively in the national market

The "14th Five Year Plan" of the Group is to comply with the development blueprint of national strategies, find the joint point and the power point, accelerate the action in the overall development, act proactively in the "1+7+X" market layout, fully understand the meaning of the new development pattern, enhance the nationwide resource allocation capacity, continue to improve the management systems for information, talents, technology, capital and other elements, to form more competitive systems and mechanisms, and integrate into and lead the local markets.

II. Strengthen scientific and technological innovation to create opportunities for the enterprise development

On the one hand, we will pay attention to the current situation and do well in the deep application, subject study and standard compilation of existing technologies, to provide support for the implementation of projects. On the other hand, we will look to the future, carry out prospective studies and increase technical reserves; Strive to improve the R&D and application capability of digital technologies, create a digital platform for smart design, smart processing, smart construction, smart operation and smart renewal and accelerate the digital transformation of SCG.

III. Grasp the positioning, and adhere to high-quality sustainable development

The Company will make greater efforts in improving the core competitiveness, industry leadership and global influence and strive to become a world first-class enterprise. In accordance with the objectives of the third congress of party representatives of the Group, we will accelerate the construction of "six first-class" industry benchmarking enterprise, focus on promoting the gathering of resource elements to the strategic objectives, to achieve higher quality, higher efficiency and more sustainable development.

IV. Continue to build a high-quality cadre team that adapts to the new development pattern

The Company will continue to strengthen the cultivation of the cadre team, and make cultivation and practice in major projects, major regions, major development areas, and difficult circumstance as an important basis for selecting cadres. The Company will adhere to the talent selection criteria of "Being passionate about work, loyal to the enterprise, responsible and care of employees" and accelerate the training of young cadres. The Company will continue to optimize and innovate the incentive mechanisms, and improve incentive systems at different levels according to the strategic guidance.

(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: Due to the spread of the coronavirus pneumonia epidemic in January 2020, there are still uncertainties in the future. Various countries and regions have adopted active prevention and control measures, and the vaccine injection has been popularized. However, the construction schedule of some projects is still affected. 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 business development, and continuously evaluate the epidemic's impact on the Group's future financial situation and operating results.

(V) Others

☐ Applicable √ Not applicable

IV. Description of 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 2019 was entrusted to the China Securities Depository and Clearing Co., Ltd., which was completed in July 2020.

(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 bonus (tax included)	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 (%)
2020	0	1.45	0	1,291,137,670.56	3,350,849,267.70	38.53
2019	0	1.40	0	1,246,615,681.92	3,930,207,378.10	31.72
2018	0	1.35	0	1,202,093,693.28	2,779,866,799.83	43.24

(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 (%)
2020	8,581,756.32	0.26

Note: In 2020, the amount of shares repurchased by the Company through centralized bidding was RMB 8,581,756 (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 38.79%.

(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
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 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.	Long-term	No	Yes
	Others	Construction Corporation	For the asset reorganization implemented in 2011, Construction Corporation has implemented relevant equity transfer for the purpose of 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.	During the validity period of legal proceedings	No	Yes

	Solution of horizontal competition	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 avoid horizontal competition, Guosheng Group issues the following commitments: "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 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."	Long-term	No	Yes
	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, Guosheng Group issues the following commitments: "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 for all losses incurred to SCG due to its failure to fulfill the commitments made herein."	Long-term	No	Yes
Commitments related to major asset reorganization	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 has implemented the *Accounting Standards for Business Enterprises No. 14 – Incomes* since January 1, 2020. Financial statements have been disclosed according to the new standard since the first quarter of 2020. No retroactive restatement of the comparable data in 2019 was made. The beginning retained earnings, inventory, contract assets, contract liabilities, advance payment and other relevant items in the financial statements were adjusted. This change in accounting policies is a reasonable change in accordance with the relevant regulations of the Ministry of Finance and has no significant impact on the financial statements of the Company (See Notice No. L 2020-029 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 Certified Public Accountants

☐ Applicable ☒ Not applicable

(IV) Other notes

☐ Applicable ☒ Not applicable

VI. 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	1,912
Audit period of domestic accounting firm	8 years

	Name	Remuneration
Accounting firm for internal control and audit	BDO China Shu Lun Pan Certified Public Accountants LLP	280
Finance consultant	Haitong Securities Co., Ltd.	47.7

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
<p>On December 12, 2018, a wholly-owned subsidiary of the Company, Shanghai Construction No. 7 (Group) Co., Ltd. (Plaintiff) filed an action for confirming the rights in project funds against Shanjia Industry for the cause that during the performance of the Contract, Shanghai Pudong Shanjia Industry Co., Ltd. (hereinafter referred to as "Shanjia Industry") (the owner in the <i>General Construction Contract of Plot C-04 (Partial) Residential and Hotel Project A Plot (Plot C-04-20) of Chuansha New Town</i>) failed to make project settlement on account of that 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 (case No.: H.0115Q.Q. [2018] No. 4), requesting to order the defendant to pay the project funds of RMB 322,320,062 and overdue interest and confirm that the plaintiff should enjoy the priority right to be repaid with respect to above construction project funds, and the defendant shall bear the legal costs.</p> <p>As of December 31, 2020, the case has not yet been heard.</p>	<p><i>Notice of SCG on Litigations Involving the Subsidiaries</i> (Notice No. L 2018-039)</p>
<p>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) J01 MC 1312). 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.</p> <p>As of December 31, 2020, the case has not yet been heard.</p>	<p><i>Notice of SCG on Litigations Involving the Subsidiaries</i> (Notice No. L 2019-057)</p>
<p>On July 16, 2020, the Company filed an arbitration to Shanghai Arbitration Commission against Suzhou Qianning Real Estate Co., Ltd. (Respondent) for the arrears of projects by and other serious breaches of contract of the Respondent (the owner to the <i>General Construction Contract for Oriental Arc Project</i>), requesting to order the</p>	<p><i>Notice of SCG on Arbitrations Involving the Company</i> (Notice No. L 2020-055)</p>

<p>Respondent to pay the Applicant with the project funds of RMB 482 million and overdue interest of RMB 52 million, confirm that the Applicant should enjoy the priority right to be repaid with respect to above construction project funds, and the Respondent shall bear the attorney fee of RMB 1.7 million of the Applicant and the arbitration fees of the case.</p> <p>On February 4, 2021, Shanghai Arbitration Commission issued HZA Z (2020) No. 1713 Award which supports all claims of the Company. To date, the case has been heard and has not been implemented.</p>	<p><i>Notice of SCG on Arbitration Results</i> (Notice No. L 2021-012).</p>
<p>In August 2018, a wholly-owned subsidiary of the Company, Shanghai Construction No. 4 (Group) Co., Ltd. (Plaintiff) filed a lawsuit with Shanghai High People's Court against the proprietors of Shanghai Jiacheng Plaza Complex including Shanghai Jiacheng Enterprise Development Co., Ltd. (Defendant I) and Shanghai Xukuan Enterprise Development Co., Ltd. (Defendant II) and its shareholder Beijing Jiacheng Real Estate Development Co., Ltd. (Defendant III), for the arrears of projects by Shanghai Jiacheng and Shanghai Xukuan and other serious breaches of contract, requesting the judgment to cancel the relevant EPC agreement, and pay the project progress payment, idle cost, overdue interest and other related payments.</p> <p>On August 2, 2018, Shanghai High People's Court issued H.M.C. [2018] No. 60 Notice of Acceptance and formally accepted this case.</p> <p>In September 2020, the Plaintiff submitted the <i>Application for Alteration of Litigation Claims</i> to Shanghai High People's Court to change the litigation claims of the case, requesting the judgment to pay the project funds, idle cost and overdue interest (temporarily calculated) of RMB 583,821,427.72 by Defendant I and Defendant II.</p> <p>On December 30, 2020, Shanghai High People's Court made a civil judgment (H.M.C. [2018] No. 60). The first instance judgment supports key claims of the Plaintiff, and supports that the Plaintiff should enjoy the priority right to be repaid with respect to construction project funds.</p> <p>In January 2021, Shanghai High People's Court informed No. 4 Group that Shanghai Jiacheng Enterprise Development Co., Ltd. filed an appeal against H.M.C. [2018] No. 60 civil judgment.</p>	<p><i>Notice of SCG on Litigations Involving the Subsidiaries</i> (Notice No. L 2018-027)</p> <p><i>Notice of SCG on Progress of Litigation</i> (Notice No. L 2020-070)</p> <p><i>Notice of SCG on Progress of Litigation</i> (Notice No. L 2021 - 001)</p> <p><i>Notice of SCG on Progress of Litigation</i> (Notice No. L 2021 - 011)</p>
<p>In January 2020, a wholly-owned subsidiary of the Company, Shanghai Construction No. 4 (Group) Co., Ltd. (Plaintiff) filed a lawsuit with Shanghai No. 1 Intermediate People's Court (No. 1200, Hongqiao Road, Xuhui District) against the owner of Shanghai Meilong South Business Zone Project, Shanghai Chengkai Group Longcheng Property Co., Ltd. (Defendant) for the arrears of large amounts of project funds after the completion, acceptance and settlement of the project, requesting the judgment to cancel the relevant agreement, and order the Defendant to pay remaining project funds of the settled project and overdue interest of RMB 388,690,064.59 to the Plaintiff and bear the legal costs.</p> <p>On January 14, 2020, Shanghai No. 1 Intermediate People's Court issued H.01M.C. [2020] No. 18 Notice of Acceptance and formally accepted this case. On August 21, 2020, Shanghai Construction No. 4 (Group) Co., Ltd. received H.01 M.C. [2020] No. 18 civil judgment issued by Shanghai No. 1 Intermediate People's Court. The first instance judgment supports the claims of the Plaintiff</p> <p>On August 27, 2020, Shanghai Chengkai Group Longcheng Property Co., Ltd. filed an appeal against the H.01 M.C. [2020] No. 18 civil judgment, requesting to: 1. Order to revoke Item 2 in the first instance judgement and order not to pay the warranty and guarantee amount of RMB 70 million. 2. The case acceptance fee shall be borne by the Appellee.</p> <p>On January 21, 2021, No. 4 Group received the H.M.Z. [2020] No. 600 <i>Civil Judgment</i> issued by the Shanghai High People's Court. Judgment of the Shanghai High People's Court: The appeal is rejected, and the original judgment is maintained. Shanghai High People's Court has issued the final judgement for the case. The execution of final judgement has not been completed.</p>	<p><i>Notice of SCG on Litigations Involving the Subsidiaries</i> (Notice No. L 2020 - 007)</p> <p><i>Notice of SCG on Progress of Litigation</i> (Notice No. L 2020 - 064)</p> <p><i>Notice of SCG on Progress of Litigation</i> (Notice No. L 2020 - 076)</p> <p><i>Notice of SCG on Progress of Litigation</i> (Notice No. L 2021 - 009)</p>

(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

Summary of the Matters	Query index
The Board of Directors of Shanghai Construction Group Co., Ltd. and the 2019 Annual Shareholders' Meeting adopted the <i>SCG Core Employee Stock Ownership Plan (2020-2022)</i> . As of September 10, 2020, the security account of the Company's employee stock ownership plan has completed the stock purchase in 2020 according to the plan, and has purchased a total of 3,319,456 shares of the Company in the secondary market trading system of Shanghai Stock Exchange, accounting for about 0.037% of total share capital of the Company, in the amount of RMB 10,635,998.86 (excluding handling fees), at the price of about RMB 3.20 / share. The shares purchased through the current employee stock ownership plan will be locked for 24 months in accordance with the plan, with a lockup period from September 11, 2020 to September 10, 2022.	<i>Notice of SCG on Completing the Stock Purchase of Core Employee Stock Ownership Plan (2020-2022)</i> (Notice No. L 2020-068).
Approved by the CSRC 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

(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

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, 2020, the review by the compensation and assessment committee

of the 8th Board of Directors of the Company adopted the *Implementation Scheme for the Incentive Fund Plan of the Company (2019)*, 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 2019.

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 June 23, 2020, the review by the compensation and assessment committee of the 8th Board of Directors of the Company adopted the *Performance Assessment and Compensation Plan for Professional Managers (2019)*, which agreed the 2019 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 Interim 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 Interim 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 Interim 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 Interim Notice

☐ Applicable ☒ Not applicable

(V) Others

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

2. About the contracting

☐ Applicable ☒ Not applicable

3. About the leasing

☐ Applicable ☒ Not applicable

(II) Guarantee

☒ Applicable ☐ Not applicable

Unit: RMB 100,000,000 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
SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	Wholly-owned subsidiary	Zhejiang Jiangnen Construction Co., Ltd.	0.02	2017.4.1	2017.4.1		Joint liability guarantee	No	No		Yes	No	
Tianjin House Construction Development Group Co., Ltd.	Holding subsidiaries	Tianjin Tianzhu Construction Material Co., Ltd.	0.53	2016.9.13	2016.9.13	2021.9.18	Joint liability guarantee	No	No		Yes	No	
Tianjin House	Holding subsidiaries	Tianjin Tianzhu	0.05	2020.4.10	2020.4.10	2021.4.7	Joint liability	No	No		Yes	No	

Construct ion Develop ment Group Co., Ltd.	s	Construct ion Material Co., Ltd.					y guaran tee						
Tianjin House Construct ion Develop ment Group Co., Ltd.	Holding subsidiarie s	Tianjin Tianzhu Construct ion Material Co., Ltd.	0.10	2019.4. 19	2019.4. 19	2021.4. 1	Joint liabilit y guaran tee	No	No		Yes	No	
Tianjin House Construct ion Develop ment Group Co., Ltd.	Holding subsidiarie s	Tianjin Industrial ized Building Co., Ltd.	0.20	2019.12 .24	2019.12 .24	2021.12 .24	Joint liabilit y guaran tee	No	No		Yes	No	
Tianjin House Construct ion Develop ment Group Co., Ltd.	Holding subsidiarie s	Tianjin Industrial ized Building Co., Ltd.	0.40	2020.1. 13	2020.1. 13	2021.1. 13	Joint liabilit y guaran tee	No	No		Yes	No	
Tianjin House Construct ion Develop ment Group Co., Ltd.	Holding subsidiarie s	Tianjin Industrial ized Building Co., Ltd.	0.05	2020.4. 9	2020.4. 9	2021.4. 7	Joint liabilit y guaran tee	No	No		Yes	No	
Tianjin House Construct ion Develop ment Group Co., Ltd.	Holding subsidiarie s	Tianjin Industrial ized Building Co., Ltd.	0.08	2020.4. 23	2020.4. 23	2021.4. 22	Joint liabilit y guaran tee	No	No		Yes	No	
Tianjin House Construct ion Develop ment Group Co., Ltd.	Holding subsidiarie s	Tianjin Xin'an Creative Industry Investme nt Co., Ltd.	1.97	2019.1. 11	2019.1. 11	2024.1. 14	Joint liabilit y guaran tee	No	No		Yes	No	
Tianjin House Construct ion Develop ment Group Co., Ltd.	Holding subsidiarie s	Tianjin House Group Real Estate Investme nt Co., Ltd.	10.74	2015.4. 20	2015.4. 20	2025.4. 20	Joint liabilit y guaran tee	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)											14.14		
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)	387.51
Total guarantee amount of the Company (including the guarantee to subsidiaries)	
Total guarantee amount (A+B)	401.65
Proportion (%) of total guarantee amount in the Company's net assets (%)	
Wherein:	
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)	14.14
Total guarantee amount exceeding 50% of the net assets (E)	218.25
Total amount of above three guarantees (C+D+E)	232.39
Description of possible liability for satisfaction (the guarantee not yet due)	
Guarantee description	<p>As of the end of 2020, the Company's total guarantee amount which was still in the guarantee period was RMB 40.165 billion, which was lower than the total external guarantee amount of RMB 83.1 billion approved by the Company's 2019 Annual Shareholders' Meeting, where: the balance of guarantee issued due to financing of the Company (or its subsidiaries) was RMB 17.845 billion; the balance of bid guarantee's counter-guarantee, performance guarantee's counter-guarantee, advance payment refund guarantee's counter-guarantee, project maintenance quality 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 22.320 billion.</p> <p>Among the above guarantees, the external guarantee of the Company (subsidiaries) was RMB 1.414 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 2020, the outstanding balance of the guarantee was RMB 2 million. The guaranteed party has no association relationship with the Company. Tianjin House Construction Development Group Co., Ltd. has provided joint liability guarantee for its subsidiaries which had peeled off before the acquisition before October 2020. As of the end of 2020, the outstanding balance was RMB 1.412 billion.</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) 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 loan

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

(2) Entrusted loans

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

(3) Depreciation reserves of entrusted loans

☐ Applicable ☒ Not applicable

3. Other information

☐ Applicable ☒ Not applicable

(IV) Other Major Contracts

☐ Applicable ☒ Not applicable

XVI. Clarification on Other Material Events

☐ 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 CSRC 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 5.9 million to Shizong County in Guangxi, Huining County in Gansu, Chongming District and Songjiang District in Shanghai, etc.; actively participated in social poverty alleviation, and donated totally about RMB 600,000 to Shanghai Charity Foundation, charity donation of the Benevolence under Blue Sky, Wuhan Jiang'an District Charity Federation, Red Cross Society of Zhejiang Shaoxing Branch and other social charity organizations.

3. Achievement in targeted poverty alleviation

☒ Applicable ☐ Not applicable

Unit: RMB 10,000 Currency: RMB

Index	Quantity and development
I. General situation	
Wherein: 1. Funds	650.32
2. Material discount	213.14
3. Number of poverty-stricken people archived and registered to eliminate poverty (person)	11
II. Investment of items	
1. Poverty elimination by industrial development	
Wherein: 1.1 Type of industrial poverty alleviation project	<input checked="" type="checkbox"/> Poverty alleviation in agriculture and forestry industry <input type="checkbox"/> Poverty alleviation through tourism <input checked="" type="checkbox"/> Poverty alleviation through e-commerce <input type="checkbox"/> Poverty alleviation through asset incomes <input type="checkbox"/> Poverty alleviation with technology <input type="checkbox"/> Others

1.2	Number of industrial poverty alleviation projects (number)	6
1.3	Amount invested in industrial poverty alleviation projects	559.69
2.	Poverty elimination by diverting employment	
2.2	Number of vocational skill training (person /times)	8
2.3	Number of employment of poor households archived and registered (person)	8
3.	Poverty elimination by relocation	
4.	Poverty elimination through education	
Wherein: 4.1	Amount of investment for subsidizing for poverty-stricken students	0.92
4.2	Number of poverty-stricken students subsidized (person)	5
4.3	Amount of investment in improving educational resources in poor areas	10.20
5.	Health poverty alleviation	
Wherein: 5.1	Investment amount of medical and health resources in poverty-stricken areas	55.22
6.	Ecological protection poverty alleviation	
7.	Minimum security	
8.	Poverty alleviation through social work	
8.2	Amount of investment in fixed-point poverty alleviation work	111.06
9.	Other projects	
Wherein: 9.1	Number of projects (number)	12
9.2	Invested amount	126.37
9.3	Number of poverty-stricken people archived and registered to eliminate poverty (person)	11
9.4	Description of other projects	Renovation of dilapidated rural houses, house building, floor casting, etc.
III.	Awards (content, level)	
"National Outstanding Entity for Poverty Alleviation"		
Commendation for Advanced Model in Poverty Alleviation and Award for Poverty Alleviation of Rongjiang New District, Ganzhou City		

4. Follow-up plan of targeted poverty alleviation

√ Applicable ☐ Not applicable

In 2021, 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 Social Responsibilities (2020)* 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. Explanation on 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 and Shareholders

(I) Common stock and its equity movement table

1. Common stock and its equity movement table

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

2. Description for 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

The 4th Meeting of the 8th Board of Directors of the Company adopted the *Proposal on Repurchasing Company Shares through Centralized Bidding*, and the first repurchase was made on December 3, 2019. In 2019, the Company repurchased a total of 15,800,000 shares; In 2020, the Company repurchased a total of 2,657,984 shares. As of May 20, 2020, the expiry of the repurchase period, the Company has actually repurchased a total of 18,457,984 company shares, accounting for 0.21% of the total share capital of the Company, at the price of RMB 3.45 /share, in the total amount of RMB 63.69 million (excluding transaction expenses). (See Notice No. L 2020-042 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 Staff

☐ 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.)	169,604
Total number (Nr.) of common shareholders at the end of the previous month before disclosure of the annual report	164,437
Total number (Nr.) of preferred shareholders with the voting rights recovered as of the end of report period	0
Total number (Nr.) of preferred shareholders with the voting right recovered at the end of the previous month before the disclosure date of annual report	0

(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(s)

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	0	State-owned legal person
Guosheng Group- International Finance - 15 Guosheng EB Guarantee and Special Trust Property Account	0	1,200,943,893	13.49	0	None	0	Others
Shanghai Guosheng (Group) Co., Ltd.	0	836,759,155	9.40	0	None	0	State-owned legal person
Changjiang Pension Insurance Co., Ltd. - Special Pension Security Management Product of Employee Stock Ownership Plan of Changjiang Pension- SCG	-7,975,173	409,512,626	4.60	0	None	0	Others
China Securities Finance Corporation Limited	0	266,241,736	2.99	0	None	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	-144,032,537	162,398,887	1.82	0	None	0	Overseas legal person
Industrial and Commercial Bank of China Limited- CSI Shanghai State-owned Enterprise ETF	-5,091,143	60,979,240	0.68	0	None	0	Others
Central Huijin Asset Management Co., Ltd.	0	53,950,982	0.61	0	None	0	State-owned legal person
Bosera Funds - Agricultural Bank of China - Bosera CSI Financial Assets Management Plan	0	43,766,883	0.49	0	None	0	Others
E Fund - Agricultural Bank of China - E Fund CSI Financial Assets Management Plan	0	43,766,883	0.49	0	None	0	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			1,200,943,893	Common stock (A shares)		1,200,943,893	
Shanghai Guosheng (Group) Co., Ltd.			836,759,155	Common stock (A shares)		836,759,155	
Changjiang Pension Insurance Co., Ltd. - Special Pension Security Management Product of Employee Stock Ownership Plan of Changjiang Pension- SCG			409,512,626	Common stock (A shares)		409,512,626	
China Securities Finance Corporation Limited			266,241,736	Common stock (A shares)		266,241,736	
Hong Kong Securities Clearing Company Limited			162,398,887	Common stock (A shares)		162,398,887	
Industrial and Commercial Bank of China Limited- CSI Shanghai State-owned Enterprise ETF			60,979,240	Common stock (A shares)		60,979,240	
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	
Explanations of relationships between or concerted actions of the aforementioned shareholders	Shanghai Construction (Group) Corporation is the controlling shareholder of the Company. "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. "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. The Company is not aware of any relationships or concerted actions among other shareholders.						

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

☐ Applicable ☒ Not applicable

(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	January 6, 1994
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	As of the end of 2020, in addition to holding the Company's shares, Construction Corporation holds 54.6624 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

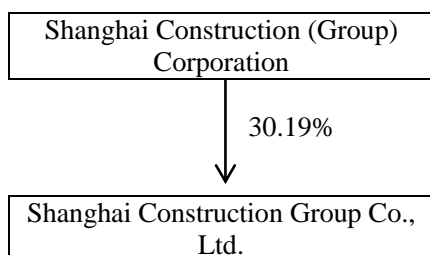
☐ Applicable ☒ Not applicable

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
------	--

2 Natural person

☐ Applicable ☒ Not applicable

3 Special statement for the condition that the Company has no actual controller

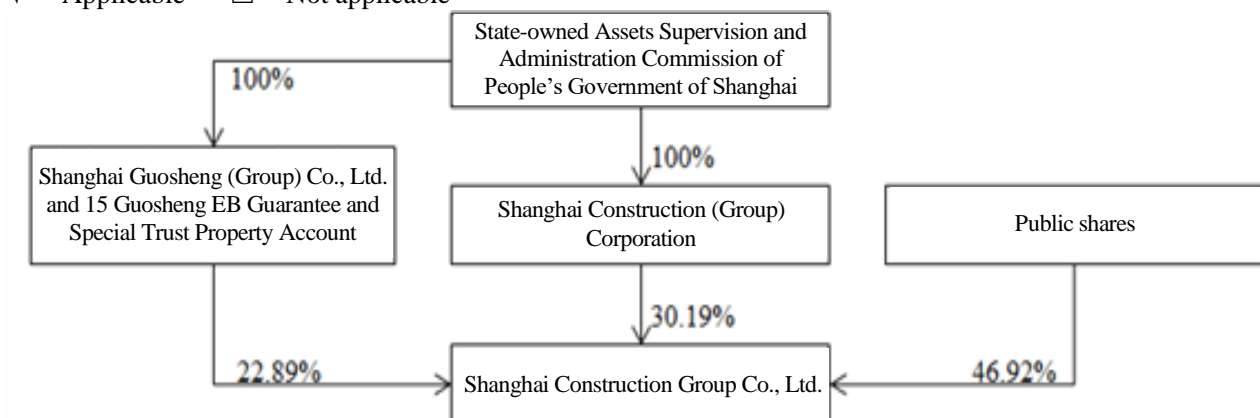
☐ Applicable ☒ Not applicable

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.

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(s)

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 the 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	Chairman	Male	60	2019-06-28	2022-06-28	72,642	72,642	0		142.44	No
Bian Jiajun	Director and President	Male	59	2019-06-28	2022-06-28	264,700	264,700	0		165.00	No
Fan Xiping	Director	Male	65	2019-06-28	2022-06-28	0	0	0		-	No
Pan Jiuwen	Director	Male	57	2019-11-20	2022-06-28	0	0	0		-	No
Hu Yiming	Independent Director	Female	57	2019-11-20	2022-06-28	0	0	0		8.50	No
Liang Weibin	Independent Director	Female	49	2019-06-28	2022-06-28	0	0	0		8.50	No
Li Ming	Independent Director	Male	57	2019-06-28	2022-06-28	0	0	0		8.50	No
Yin Hongxia	Employee director	Female	46	2020-11-17	2022-06-28	0	0	0		111.17	No
Zhou Ping	Chairman of Board of Supervisors	Male	61	2019-06-28	2022-06-28	0	0	0		-	No
Shao Zhemin	Supervisor	Female	53	2019-06-28	2022-06-28	0	0	0		-	No
Shi Zhengfeng	Employee Supervisor	Male	58	2019-11-20	2022-06-28	0	0	0		110.85	No
Lian Yongmei	Employee Supervisor	Female	49	2020-11-17	2022-06-28	0	0	0		79.30	No
Ye Weidong	Vice President	Male	54	2019-06-28	2022-06-28	245,000	245,000	0		147.00	No
Cai Guoqiang	Vice President	Male	58	2019-06-28	2022-06-28	245,800	245,800	0		147.00	No
Xue Yongshen	Vice president and chief economic manager	Male	52	2019-06-28	2022-06-28	164,300	164,300	0		147.00	No
Xu Jiandong	Vice President	Male	50	2019-06-28	2022-06-28	393,227	393,227	0		147.00	No
Gong Jian	Chief Engineer	Male	60	2019-06-28	2022-06-28	248,200	248,200	0		148.50	No
Yin Keding	Chief Accountant	Male	57	2019-06-28	2022-06-28	248,600	248,600	0		148.50	No
Li Sheng	Secretary of the Board of Directors	Male	45	2019-06-28	2022-06-28	0	0	0		100.34	No
Zhang Lixin	Former Director	Male	60	2019-06-28	2020-11-17	0	0	0		119.85	No

He Shilin	Former Supervisor	Male	56	2019-06-28	2020-07-28	0	0	0		127.74	No
Zhang Chao	Former Employee supervisor	Male	56	2019-06-28	2020-11-17	0	0	0		65.22	No
Lin Jinsheng	Former Vice President	Male	60	2019-06-28	2021-01-28	248,100	248,100	0		141.08	No
Fang Qingqiang	Former Vice President	Male	61	2019-06-28	2021-01-28	248,400	388,400	140,000	Secondary Market Overweight	141.08	No
Tang Wei	Former Vice President	Male	60	2019-06-28	2021-01-28	248,400	248,400	0		141.08	No
Total	/	/	/	/	/	2,627,369	2,767,369	140,000	/	2,355.65	/

Name	Main Work Experiences
Xu Zheng	Once served as the director and general manager of Shanghai Construction (Group) Corporation, president of Shanghai Construction Group Co., Ltd., chairman of the 6th and 7th Board of Directors. Now serves as the chairman of Shanghai Construction (Group) Corporation, secretary of CPC Committee and the chairman of the 8th Board of Directors of Shanghai Construction Group Co., Ltd.
Bian Jiajun	Once served as the general manager of Shanghai No. 4 Construction Co., Ltd., deputy secretary of CPC Committee, general manager assistant and deputy general manager of Shanghai Construction (Group) Corporation, director of the 7th Board of Directors, vice president and chief economic manager of Shanghai Construction Group Co., Ltd. Now serves as the director of the 8th Board of Directors, deputy secretary of CPC Committee and president of Shanghai Construction Group Co., Ltd.
Fan Xiping	Once served as the secretary of CPC Committee and Chairman of Shanghai Shendi (Group) Co., Ltd. Now serves as the director of the 8th Board of Directors of Shanghai Construction Group Co., Ltd. and director of Shanghai Alliance Investment Ltd.
Pan Jiuwen	Once served as the chief accountant of Shanghai Pudong Audit Firm. Now serves as the chairman and chief accountant of Shanghai Shangshen Accounting Firm Co., Ltd., the director of the 8th Board of Directors of Shanghai Construction Group Co., Ltd.
Hu Yiming	Once served as the professor of Shanghai University of Finance and Economics and independent director of MOBI GARDEN Co., Ltd. and 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 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, Deputy Chairman of Klenzan Chemical Co., Ltd. and the independent director of the 7th Board of Directors of Shanghai Construction Group Co., Ltd. Now serves as the partner of Shanghai Bioengineering and Pharmaceutical Equity Investment Fund Management 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.
Yin Hongxia	Once served as the deputy secretary of CPC Committee and secretary of committee for discipline inspection of Shanghai Construction No. 4 (Group) Co., Ltd. Now serves as the employee director of the 8th Board of Directors, union chairman, director of organization department of CPC Committee, general manager of the HR dept., and director of foreign affairs department of Shanghai Construction Group Co., Ltd., and chairman of Shanghai Construction Education & Training Service Center Co., Ltd.
Zhou Ping	Once served as the deputy committee secretary of CPC Committee and district chief of Shanghai Zhabei District; deputy committee secretary of CPC Committee 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. and chairman of Board of Supervisors of Bailian Group Co., Ltd.
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 and deputy division chief of property rights management office. Now serves as the level-2 researcher of corporate governance division 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 and deputy director of CPC Committee office of Shanghai Construction (Group) Corporation, supervisor of the 6th Board of Supervisors and employee supervisor of the 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, general manager of president affairs dpt. and deputy director of CPC Committee office of Shanghai Construction Group Co., Ltd.
Lian Yongmei	Once served as the union chairman of Shanghai Foundation Engineering Group Co., Ltd. and employee supervisor of the 7th Board of Supervisors 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.
Ye Weidong	Once served as the general manager and deputy secretary of CPC Committee of Shanghai No. 2 Construction Co., Ltd.; secretary of CPC Committee and Chairman 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 vice president of Shanghai Construction Group Co., Ltd.
Cai Guoqiang	Once served as the deputy general manager of Shanghai Installation Engineering Group Co., Ltd.; general manager, 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 vice president of Shanghai Construction Group Co., Ltd.
Xue Yongshen	Once served as the general manager, deputy secretary of CPC Committee of Shanghai No. 1 Construction Co., Ltd; secretary of CPC Committee, and chairman of Shanghai Construction No. 1 (Group) Co., Ltd. Now serves as the vice president and chief economic manager of Shanghai Construction Group Co., Ltd.
Xu Jiandong	Once served as the general manager, deputy secretary of CPC Committee of Shanghai Installation Engineering Co., Ltd.; secretary of CPC Committee, and chairman of Shanghai Installation Engineering Group Co., Ltd. Now serves as the vice president 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 economic 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 general manager of asset & finance dpt. of Shanghai Construction Group Co., Ltd., Supervisor of Orient Securities Co., Ltd. Now serves as the chief accountant of Shanghai Construction Group Co., Ltd. and director of Shanghai Pudong BOC Fullerton Community Bank Co., Ltd.
Li Sheng	Once served as the security affairs representative of the 5th and 6th Board of Directors of Shanghai Construction Group Co., Ltd. and secretary of the 6th and 7th Board of Directors of Shanghai Construction Group Co., Ltd. Now serves as the secretary of the 8th Board of Directors of Shanghai Construction Group Co., Ltd.
Zhang Lixin	Once served as the general manager, deputy chairman, chairman, secretary of the party committee of Shanghai Mechanized Construction Group Co., Ltd., employee director of the 5th Board of Directors, director of the 6th, 7th and 8th Board of Directors, union chairman, deputy secretary of CPC Committee, and director of organization department 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; deputy chairman of the 6th, 7th and 8th Board of Supervisors of Shanghai Construction Group Co., Ltd. Now serves as the secretary of committee for discipline inspection 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 and the 7th and 8th Board of Supervisors and deputy union chairman of Shanghai Construction Group Co., Ltd. Now serves as the chairman of Shanghai Engineering Construction Consultant & Supervision Co., Ltd.
Lin Jinsheng	Once served as the deputy general manager of Shanghai No. 7 Construction Co., Ltd.; general manager assistant and deputy general manager of Shanghai Construction (Group) Corporation; and director of the 4th Board of Directors and general manager and deputy chairman 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 general manager assistant, deputy chief engineer and deputy general manager of Shanghai Construction (Group) Corporation, and deputy chairman 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; president (chairman), deputy secretary of CPC Committee and Chairman of Shanghai Municipal Engineering Design Institute (Group) Co., Ltd., and deputy chairman of Shanghai Construction Group Co., Ltd.

Description of other information

☐ Applicable ☒ Not applicable

(II) Equity Incentive Awarded to Directors and Senior Managers in 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) Conditions on service in shareholder unit**

☒ 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	Chairman	February 2015	
Ye Weidong	Shanghai Construction (Group) Corporation	Director	March 2017	
Cai Guoqiang	Shanghai Construction (Group) Corporation	Director	March 2017	

(II) Conditions on service in other units

☒ Applicable ☐ Not applicable

Name of employees	Name of other organizations	Position held in other organizations	Starting date of tenure	Ending date of tenure
Fan Xiping	Shanghai Alliance Investment Ltd.	Director	March 2021	
Pan Jiuwen	Shanghai Shangshen Certified Public Accountants Co., Ltd.	Chief Accountant and chairman	August 1998	
Hu Yiming	Shanghai Jiao TONG University	Professor	January 2005	
Hu Yiming	Yestar Healthcare Holdings Company Limited	Independent Director	February 2016	
Hu Yiming	Tebon Securities Co. Ltd.	Independent Director	October 2017	
Hu Yiming	Bright Food (Group) Co., Ltd.	External Director	February 2018	
Hu Yiming	MOBI GARDEN Co., Ltd.	Independent Director	October 2018	March 2020
Liang Weibin	Shanghai Bioengineering and Pharmaceutical Equity Investment Fund Management Co., Ltd.	Partner	October 2020	
Liang Weibin	Klenzan Chemical Co., Ltd.	Deputy chairman	March 2020	December 2020
Li Ming	Sloma & Co. Law Firm	Partner	November 1995	
Li Ming	West Shanghai Automotive Service Co., Ltd.	Independent Director	February 2015	
Yin Hongxia	Shanghai Construction Education & Training Service Center Co., Ltd.	Chairman	August 2019	
Zhou Ping	Bailian Group Co., Ltd.	Chairman of Board of Supervisors	July 2020	
Yin Keding	Shanghai Pudong BOC Fullerton Community Bank Co., Ltd.	Director	June 2014	
Yin Keding	Orient Securities Co. Ltd.	Supervisor	October 2014	March 2021
Zhang Chao	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Chairman	March 2020	

III. Conditions on Compensation of Directors, Supervisors and Senior Managers

√ Applicable □ Not applicable

Decision-Making Process of Compensation of Directors, Supervisors and Senior Managers	The income of directors, supervisors and senior managers who receive remuneration from the Company is their income as the Company's management personnel. The Company 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.
Decision Basis of Compensation of 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.</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.</p>
Compensation Paid to Directors, Supervisors and Senior Managers	<p>On April 29, 2020, the review by the compensation and assessment committee of the 8th Board of Directors of the Company adopted the <i>Implementation Scheme for the Incentive Fund Plan of the Company (2019)</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 2019.</p> <p>On June 23, 2020, the review by the compensation and assessment committee of the 8th Board of Directors of the Company adopted the <i>Performance Assessment and Compensation Plan for Professional Managers (2019)</i>, which agreed the 2019 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 2020, directors, supervisors and senior managers of the Company received a total of RMB 23.5565 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
Yin Hongxia	Employee director	Elected	Elected to take the post through the Company's Shareholders' Meeting.
Lian Yongmei	Employee Supervisor	Elected	Elected to take the post through the Company's Shareholders' Meeting.
Zhang Lixin	Director	Resigned	Resign from the post due to age
He Shilin	Deputy Chairman of Board of Supervisors	Resigned	Resign from the post of deputy chairman of the Board of Supervisors and supervisor due to job duty change.
Zhang Chao	Employee Supervisor	Resigned	Resign from the post of employee supervisor due to job change.
Lin Jinsheng	Vice President	Resigned	Resign from the post of senior manager due to age
Fang Qingqiang	Vice President	Resigned	Resign from the post of senior manager due to age
Tang Wei	Vice President	Resigned	Resign from the post of senior manager due to age

V. Explanation on 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	1,709
Number of employees on active duty in the main subsidiaries	46,900
Number of employees on active duty in total	48,609

Number of the retired staff with expenses borne by the parent company and main subsidiaries	10,749
Type of professions	
Professions	Number of professional persons
Production personnel	23,029
Technician	19,457
Financial personnel	1,996
Administrative personnel	4,127
Total	48,609
Education background	
Education level	Quantity (headcount)
Postgraduate and above	4,543
Bachelor	26,737
Junior college	11,913
Technical secondary school	2,369
Senior high school and below	3,047
Total	48,609

(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 Shanghai salary growth guide lines; III. Strictly observe the minimum salary guarantee line for on-the-job employees of Shanghai 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 foundation of the talent cultivation system has been tamped constantly. Since its release, it has continuously promoted the close integration of the talent cultivation system plan of each unit with the strategic development needs of the Group. In 2020, training classes for various lines were held, including human resources, business management, safety engineering, guard and fire protection, financial practice, etc. In 2020, the number of participants of group-level training classes exceeded 5,000.

II. Excellent and core training courses have been launched constantly. As of the end of 2020, the Group has developed and launched nearly 300 compulsory courses and more than 100 general management courses, and released a course system that covers enterprise development strategy, spiritual civilization construction and other modules. Out-of-town employees have realized synchronous learning in all fields through online learning. The training pattern that takes the group management school as the center and the sub-group management schools as the foundation is basically formed. In 2020, the online learning platform has opened a total of 63 courses, and the total number of trainees has exceeded 80,000.

III. The pattern scale of management school/branches has entered a new level. In 2020, the Group started the commencement ceremony of development project of the Party School and Chongming Campus of School of Management. The Chongming Campus of School of Management is an important measure for the Group to build a high-end professional talent cultivation platform, accelerate the "SCG-E" talent cultivation plan and promote the full coverage of "national" employee training. In September 2020, No. 4 Branch, Basic Specialty Branch and Building Materials Science and Technology Branch were authorized and established. At present, the Group is led by the School of Management/Party School. A total of nine units have set up management branches.

(IV) Information about Labor Outsourcing

☒ Applicable ☐ Not applicable

Sum of working hours of labor outsourcing	175,359,970 work days
Remuneration sum paid for labor outsourcing	RMB 30,973,710,000

VII. Others

☐ Applicable ☒ Not applicable

Section IX Corporate Governance**I. Explanation on the corporate 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 2020, 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 (No. 1 Group, No. 2 Group, No. 4 Group, No. 5 Group, 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 86.52% that of the Company's consolidated financial statement; and total operating revenues account for 97.15% that of the Company's consolidated financial statement.

While carrying out internal control and self-assessment, the Company engaged BDO China Shu Lun Pan Certified Public Accountants LLP 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. Summary of Shareholders' Meeting

Session number of meetings	Holding Date	Query Indexes on Specified Website for Published Resolutions	Date for Disclosure of Published Resolutions
1st Extraordinary General Meeting of 2020	February 25, 2020	http://static.sse.com.cn/disclosure/listedinfo/announcement/c/2020-02-26/600170_20200226_4.pdf	February 26, 2020
2019 Shareholders' Meeting	June 23, 2020	http://static.sse.com.cn/disclosure/listedinfo/announcement/c/2020-06-24/600170_20200624_1.pdf	June 24, 2020

Description of Shareholders' Meeting

☐ Applicable ☒ Not applicable**III. About Directors' Performance of Duties****(I) Situation of directors attending the Board of Directors and Shareholders' Meeting**

Director Name	Independent director or not	Attendance at the Board of Directors						Attendance at Shareholders' Meeting
		Time(s) of Supposed 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	10	10	0	0	0	No	2
Bian Jiajun	No	10	10	0	0	0	No	2
Fan Xiping	No	10	9	1	0	0	No	2
Pan Jiuwen	No	10	10	0	0	0	No	2
Hu Yiming	Yes	10	9	1	0	0	No	2
Liang Weibin	Yes	10	10	0	0	0	No	2
Li Ming	Yes	10	10	0	0	0	No	2
Yin Hongxia	No	0	0	0	0	0	No	0
Zhang Lixin	No	10	10	0	0	0	No	2
Zhang Chao	No	10	10	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	10
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	2

(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, 2020, the review by the compensation and assessment committee of the 8th Board of Directors of the Company adopted the *Implementation Scheme for the Incentive Fund Plan of the Company (2019)*, 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 2019.

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 June 23, 2020, the review by the compensation and assessment committee of the 8th Board of Directors of the Company adopted the *Performance Assessment and Compensation Plan for Professional Managers (2019)*, which agreed the 2019 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 *2020 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 Auditors' Report

☐ Applicable ☒ Not applicable

Internal control auditors' report disclosed or not: Yes

Type of internal control audit report opinion: Standard unqualified opinion

X. Others

☐ Applicable ☒ Not applicable

Section X Corporate Bonds

☒ Applicable ☐ Not applicable

I. Basic Information of Corporate Bonds

Unit: RMB 100,000,000 Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Guarantee expiry date	Bond Balance	Interest rate (%)	Means of Principal And Interest Repayment	Transaction place
Shanghai Construction Group Co., Ltd. publicly issued 2018	18 H.J. Y1	143977	August 20, 2018	August 20, 2021	20	5.15	If the issuer does not exercise the option of deferred interest	Shanghai Stock Exchange

renewable corporate bonds (phase I)							payment, interest shall be paid once a year.	
Shanghai Construction Group Co., Ltd. publicly issued 2018 renewable corporate bonds (phase II)	18 H.J. Y3	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 August 20, 2020, the Company paid the bond holders of "18 H.J. Y1" the interest from August 20, 2019 to August 19, 2020 at a nominal interest rate of 5.15%. (See Notice No. 18 H.J. Y12020 for details)

On October 12, 2020, the Company paid the bond holders of "18 H.J. Y3" the interest from October 10, 2019 to October 9, 2020 at a nominal interest rate of 5.45%. (See Notice No. 18 H.J. Y32020 for details)

Description of Other Situations of Corporate Bonds

☐ Applicable ☒ Not applicable

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 and 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. Use of Funds Raised by Corporate Bonds

☒ Applicable ☐ Not applicable

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, 2020, 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 1,935,100. (The said bonds of three phases share one special account for raised funds)

IV. About Corporate Bond Rating

☒ Applicable ☐ Not applicable

The follow-up rating report by Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. (rated on: June 19, 2020) maintained the Company's AAA corporate credit rating with a stable rating outlook; and maintained the credit rating of the bond "18 H.J. Y1" as AAA; the bond "18 H.J. Y3" as AAA. (For details, please refer to the *Follow-up Rating Report of Shanghai Construction Group Co., Ltd. and 18 H.J. Y1 and 18 H.J. 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	2020	2019	Increase & decrease in this period over the same period of last year (%)	Reasons for change
Earnings before interest, tax, depreciation and amortization (EBITDA)	9,169,553,630.86	9,951,522,676.22	-7.86	
Liquidity ratio	1.16	1.21	-4.13	
Quick ratio	0.63	0.67	-5.97	
Asset-liability ratio (%)	86.34	85.94	0.47	
EBITDA-Total Debts Ratio	0.03	0.05	-33.33	This is mainly due to the increase in company obligation by RMB 56.3 billion over the same period of last year.
Interest Protection Multiples	1.74	2.72	-36.03	This is mainly due to the decrease in earnings before interest and tax by RMB 2.4 billion over the same period of last year.
Cash Interest Protection Multiples	1.28	3.07	-58.31	This is mainly due to the decrease in net cash flows from operating activities in this period by RMB 4.2 billion.
EBITDA Interest Protection Multiples	2.37	3.47	-31.70	This is mainly due to the decrease in earnings before interest and tax over the same period of last year.
Loan repayment rate (%)	1	1.00	0.00	
Interest coverage ratio (%)	1	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 241.342 billion, where RMB 95.804 billion had been used and RMB 145.538 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. Auditors' Report

√ Applicable □ Not applicable

P.C.P.A.R.[2021] No. ZA11822

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, 2020, 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, 2020, and their business performance and cash flows in 2020.

II. Basis for Opinion

We conducted our audit in accordance with the Auditing Standards for Chinese Certified Public Accountants. The section in the auditors' 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 Auditors' Report.

Key Audit Matters	How to deal with those matters in this audit
(I) Recognition of revenues related to construction contract	
As indicated in Notes III, (XXVII) and III, (XXXIII) to the financial statements, for the project contracting services provided, SCG confirms the income in a period based on the performance progress. The performance progress is mainly determined based on the proportion of completed work confirmed in accordance with the output value statistics provided by the project management department to the estimated total work according to the project nature. The management estimates the estimated total revenue of the project at the beginning, and evaluates and revises it constantly during the execution of the contract. On account of that determination of the estimated total revenue and the performance progress involves material accounting estimates of the management, we intend to identify them as key audit items.	(1) Testing of internal controls related to project contracting service contract budgeting and revenue recognition; (2) Obtain samples of main project contracting service contracts, check the estimated total revenue, and evaluate whether the management's estimation is appropriate; (3) Select samples of project contracting service contracts, check the relevant data on which the estimated total work amount and the completed work amount is based, and review the contract performance progress; (4) Take samples of relevant project contracting service contracts, conduct on-site inspection on the project visual progress, discuss with the project management 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;

(II) Impairment of accounts receivable and contract assets	
As indicated in Notes III, (X), III, (XII) and III, (XXXIII) to the financial statements, SCG carries out impairment accounting treatment on the accounts receivable and contract assets 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 and contract assets is identified as a key audit matter.	<p>(1) Testing the management's key internal controls related to the daily management and impairment test of accounts receivable and contract assets;</p> <p>(2) Re-checking the relevant considerations and objective evidence for the management assessing the expected credit losses of accounts receivable and contract assets;</p> <p>(3) For accounts receivable and contract assets with credit losses recognized separately, selecting the samples to re-check the management's basis and rationality for assessing the cash flow expected to be acquired;</p> <p>(4) For accounts receivable and contract assets 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.</p>

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 2020 Annual Report of SCG, but does not include the financial statements and our Auditors' 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. Auditors' Responsibility for the Financial Statements

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 Auditors' 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 Auditors' 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 Auditors' 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 Auditors' 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: Xiang Qi

Shanghai, China

April 22, 2021

II. Financial Statements**Consolidated Balance Sheet**

December 31, 2020

Prepared by: Shanghai Construction Group Co., Ltd.

Unit: RMB

Currency: RMB

Item name	Note V	December 31, 2020	December 31, 2019
Current assets:			
Monetary funds	(I)	78,466,377,542.86	66,093,788,808.80
Balances with clearing companies			
Loans to banks and other financial institutions			
Financial assets held for trading	(II)	2,634,031,074.66	3,152,499,005.64
Derivative financial assets			
Notes receivable	(III)	844,560,853.34	992,645,290.83
Accounts receivable	(IV)	44,187,510,101.16	36,382,708,474.79
Receivables financing	(V)	5,208,463,581.36	5,116,834,432.35
Advance payment	(VI)	2,547,946,558.06	2,609,985,958.70
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	(VII)	6,946,573,201.09	5,102,371,191.66
Wherein: Interest receivable			87,185,010.47
Dividends receivable		7,379,185.36	10,286,720.03
Financial assets purchased under resale agreements			
Inventories	(VIII)	71,171,702,665.48	88,042,901,462.95
Wherein: outstanding payments for construction completed			44,584,658,091.77
Contract assets	(IX)	38,907,929,592.58	
Assets held for sale			
Non-current assets due within one year	(X)	1,412,712,280.97	1,069,584,919.54
Other current assets	(XI)	3,528,719,842.13	2,672,010,768.48
Total current assets		255,856,527,293.69	211,235,330,313.74
Non-current assets:			
Disbursement of loans and advances			
Creditor's right investment			
Other creditor's right investment			
Long-term receivables	(XII)	14,029,622,542.28	21,917,628,153.86
Long-term equity investment	(XIII)	5,668,773,930.52	4,535,182,233.21
Other equity instrument investments	(XIV)	682,259,037.41	764,007,075.93
Other non-current financial assets	(XV)	3,095,849,556.52	1,857,439,448.52
Investment properties	(XVI)	5,908,503,416.62	4,969,343,961.23
Fixed assets	(XVII)	8,102,922,128.89	7,734,039,382.43
Construction in progress	(XVIII)	718,450,768.50	484,838,908.75
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	(XIX)	3,041,990,174.45	2,132,311,762.17
Development expenditures			
Goodwill	(XX)	570,255,405.77	114,133,452.08

Long-term unamortized expenses	(XXI)	523,843,058.86	338,060,116.44
Deferred income tax assets	(XXII)	1,088,658,109.69	809,000,233.14
Other non-current assets	(XXIII)	22,069,078,127.89	389,581,467.60
Total non-current assets		65,500,206,257.40	46,045,566,195.36
Total assets		321,356,733,551.09	257,280,896,509.10
Current liabilities:			
Short-term borrowings	(XXIV)	9,686,608,793.49	5,821,804,016.21
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	(XXV)	11,870,782,144.18	11,131,206,593.91
Accounts payable	(XXVI)	124,425,316,865.01	76,541,684,887.28
Advances from customers	(XXVII)	25,675,592.26	56,141,342,203.04
Wherein: Payment settled but not completed			45,447,289,088.80
Contract liabilities	(XXVIII)	33,604,335,962.05	
Financial assets sold under repurchase agreements			
Absorption of deposits and interbank deposits			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employee compensation payable	(XXIX)	1,374,679,936.05	830,501,601.75
Taxes and surcharges payable	(XXX)	4,714,386,355.48	3,954,255,488.92
Other payables	(XXXI)	15,544,005,646.92	12,121,558,314.82
Wherein: Interest payable			223,679,985.67
Dividends payable		11,403,775.36	3,649,372.24
Handling charges and commissions payable			
Accounts payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	(XXXII)	18,039,510,454.41	7,991,541,778.41
Other current liabilities	(XXXIII)	862,982,063.20	188,535,677.61
Total current liabilities		220,148,283,813.05	174,722,430,561.95
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	(XXXIV)	47,081,681,791.36	44,189,370,794.24
Bonds payable	(XXXV)	6,385,005,454.97	96,984,000.00
Wherein: Preferred stock			
Perpetual bonds			
Lease liabilities			
Long-term payables	(XXXVI)	2,455,682,031.23	1,140,089,000.80
Long-term employee compensation payable	(XXXVII)	289,444,116.00	296,488,097.00
Estimated liabilities	(XXXVIII)	13,096,936.42	6,002,194.11
Deferred income	(XXXIX)	165,922,638.94	173,018,009.04
Deferred income tax liabilities	(XXII)	868,892,192.66	429,763,249.68
Other non-current liabilities	(XL)	50,231,681.65	53,705,996.65
Total non-current liabilities		57,309,956,843.23	46,385,421,341.52
Total liabilities		277,458,240,656.28	221,107,851,903.47
Owners' equity (or shareholders' equity):			

Paid-in capital (or share capital)	(XLI)	8,904,397,728.00	8,904,397,728.00
Other equity instruments	(XLII)	8,690,000,000.00	6,500,000,000.00
Wherein: Preferred stock			
Perpetual bonds		8,690,000,000.00	6,500,000,000.00
Capital reserves	(XLIII)	2,208,850,005.41	2,200,006,546.37
Minus: Treasury stock	(XLIV)	63,704,768.29	55,121,123.98
Other comprehensive incomes	(XLV)	-159,514,148.62	-85,530,145.70
Special reserve	(XLVI)	6,761,132.95	2,384,562.98
Surplus reserves	(XLVII)	1,896,263,993.70	1,513,091,171.63
General risk reserves			
Undistributed profits	(XLVIII)	15,197,438,705.84	14,074,908,867.70
Total equities attributable to owners (shareholders) of the parent company		36,680,492,648.99	33,054,137,607.00
Minority shareholder's equity		7,218,000,245.82	3,118,906,998.63
Total owners' equity (or shareholders' equity)		43,898,492,894.81	36,173,044,605.63
Total liabilities and owners' equity (or shareholders' equity)		321,356,733,551.09	257,280,896,509.10

Legal representative: Xu Zheng Accounting Principal: Yin Keding

Head of the Accounting Department: Wang Hongshun

Balance Sheet of the Parent Company

December 31, 2020

Prepared by: Shanghai Construction Group Co., Ltd.

Item name	Note XIV	Unit: RMB	Currency: RMB
		December 31, 2020	December 31, 2019
Current assets:			
Monetary funds		15,681,038,163.67	14,012,876,302.42
Financial assets held for trading		1,552,872,583.04	1,436,707,566.08
Derivative financial assets			
Notes receivable			
Accounts receivable	(I)	4,172,828,318.53	3,769,461,530.09
Receivables financing	(II)	472,764,580.63	523,039,438.58
Advance payment		393,371,205.55	266,338,448.36
Other receivables	(III)	7,743,640,763.04	3,847,615,312.01
Wherein: Interest receivable			9,442,286.34
Dividends receivable		244,247,450.17	222,137,450.17
Inventories		433,407,426.18	10,985,623,053.70
Wherein: outstanding payments for construction completed			10,503,554,739.48
Contract assets		7,367,135,767.63	
Assets held for sale			
Non-current assets due within one year			
Other current assets		6,136,546,749.42	6,202,147,870.02
Total current assets		43,953,605,557.69	41,043,809,521.26
Non-current assets:			
Creditor's right investment		50,000,000.00	
Other creditor's right investment			
Long-term receivables			
Long-term equity investment	(IV)	28,506,975,889.68	21,821,905,134.58
Other equity instrument investments		676,316,843.68	792,070,898.93
Other non-current financial assets		2,372,319,742.35	475,540,713.36

Investment properties		39,023,772.31	40,850,191.03
Fixed assets		935,936,385.34	1,023,609,074.35
Construction in progress		122,469,620.18	9,033,446.70
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		25,526,155.19	26,199,112.51
Development expenditures			
Goodwill			
Long-term unamortized expenses			
Deferred income tax assets			
Other non-current assets		1,580,789,120.23	44,145.32
Total non-current assets		34,309,357,528.96	24,189,252,716.78
Total assets		78,262,963,086.65	65,233,062,238.04
Current liabilities:			
Short-term borrowings		3,792,485,398.71	2,492,947,655.79
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		6,122,535.07	
Accounts payable		19,572,701,904.39	13,817,401,023.50
Advances from customers		1,742,976.19	11,863,761,668.88
Wherein: Payment settled but not completed			10,468,230,664.30
Contract liabilities		5,764,732,055.93	
Employee compensation payable		22,676,639.98	22,009,995.92
Taxes and surcharges payable		46,205,450.13	20,163,689.65
Other payables		12,539,740,754.86	11,144,886,057.73
Wherein: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		113,510,977.93	1,500,000,000.00
Other current liabilities		5,913,793.30	4,875,700.11
Total current liabilities		41,865,832,486.49	40,866,045,791.58
Non-current liabilities:			
Long-term borrowings		5,700,000,000.00	
Bonds payable		2,000,000,000.00	
Wherein: Preferred stock			
Perpetual bonds			
Lease liabilities			
Long-term payables			195,186,336.16
Long-term employee compensation payable			
Estimated liabilities			
Deferred income		213,274,327.87	15,357,698.34
Deferred income tax liabilities		189,097,267.07	214,863,159.56
Other non-current liabilities			
Total non-current liabilities		8,102,371,594.94	425,407,194.06
Total liabilities		49,968,204,081.43	41,291,452,985.64
Owners' equity (or shareholders' equity):			

Paid-in capital (or share capital)		8,904,397,728.00	8,904,397,728.00
Other equity instruments		8,690,000,000.00	6,500,000,000.00
Wherein: Preferred stock			
Perpetual bonds		8,690,000,000.00	6,500,000,000.00
Capital reserves		3,695,151,297.49	3,695,151,297.49
Minus: Treasury stock		63,704,768.29	55,121,123.98
Other comprehensive incomes		-91,464,410.83	-41,867,344.85
Special reserve			
Surplus reserves		1,884,783,233.13	1,501,610,411.06
Undistributed profits		5,275,595,925.72	3,437,438,284.68
Total owners' equity (or shareholders' equity)		28,294,759,005.22	23,941,609,252.40
Total liabilities and owners' equity (or shareholders' equity)		78,262,963,086.65	65,233,062,238.04

Legal representative: Xu Zheng Accounting Principal: Yin Keding

Head of the Accounting Department: Wang Hongshun

Consolidated Profit Statement

From January 2020 to December 2020

Unit: RMB

Currency: RMB

Item name	Note V	2020	2019
I. Total operating revenue		231,327,232,008.89	205,496,707,808.35
Wherein: Operating revenue	(XLIX)	231,327,232,008.89	205,496,707,808.35
Interest income			
Premium earned			
Revenue from handling charges and commissions			
II. Total operating costs		226,414,091,643.34	200,419,181,866.34
Wherein: Operating cost	(XLIX)	208,950,708,151.71	184,357,931,024.01
Interest expenditures			
Expenses from handling charges and commissions			
Surrender value			
Net amount of compensation payout			
Net provisions for policy reserves			
Policy dividend expenses			
Reinsurance expenses			
Taxes and surcharges	(L)	810,149,857.89	1,853,286,205.79
Selling and distribution expenses	(LI)	712,042,721.52	678,938,451.35
General and administrative expenses	(LII)	5,947,554,185.11	5,609,792,081.53
Research and development expenditures	(LIII)	8,114,047,327.65	6,219,718,567.98
Financial expenses	(LIV)	1,879,589,399.46	1,699,515,535.68
Wherein: Interest expenses		2,311,100,848.54	2,100,898,202.94
Interest income		634,430,434.57	551,420,819.24
Plus: Other income	(LV)	158,608,691.57	96,396,818.81
Investment income (loss to be listed with "-")		358,631,409.96	248,043,837.24
Wherein: Income from investment in associates and joint ventures		34,957,712.07	84,858,065.29
Gains from derecognition of financial assets measured at amortized cost			
Gains from foreign exchange (loss to be listed with "-")			
Gains from net exposure hedging ("- for losses)			
Gains from changes in fair value (loss to be listed with "-")		390,455,957.37	869,049,911.02
Losses from credit impairment ("- for losses)		-1,209,705,574.57	-922,808,234.94

Losses from impairment of assets ("-" for losses)		-539,565,887.41	-1,923,695.01
Gains from disposal assets (loss to be listed with "-")		20,891,691.31	27,338,175.05
III. Operating profits (loss to be listed with "-")		4,092,456,653.78	5,393,622,754.18
Plus: Non-operating revenue		377,913,812.66	318,139,572.37
Minus: Non-operating expenses		56,640,138.83	28,301,095.66
IV. Total profit ("-" for total losses)		4,413,730,327.61	5,683,461,230.89
Minus: Income tax expenses		1,191,420,721.67	1,371,213,950.69
V. Net profit ("-" for net loss)		3,222,309,605.94	4,312,247,280.20
(I) Classified by operating sustainability			
1. Net profit from continued operation ("-" for net loss)		3,222,309,605.94	4,312,247,280.20
2. Net profit from discontinued operations ("-" for net loss)			
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company ("-" for net loss)		3,350,849,267.70	3,930,207,378.11
2. Profits and losses of minority shareholders ("-" for net loss)		-128,539,661.76	382,039,902.09
VI. Net after-tax amount of other comprehensive incomes		-96,603,907.00	-69,333,286.28
(I) After-tax net amount of other comprehensive incomes attributable to the owner of the parent company		-73,984,002.92	-65,920,988.36
1. Other comprehensive income that cannot be transferred to profit or loss		-67,207,987.97	-49,644,863.11
(1) Changes in re-measurement of the defined benefit plan		-11,893,235.20	1,407,355.13
(2) Other comprehensive income that cannot be transferred to profit or loss under the equity method			
(3) Changes in fair value of other equity instrument investments		-55,314,752.77	-51,052,218.24
(4) Changes in the fair value of the Company's own credit risk			
2. Other comprehensive income that will be reclassified into profit or loss		-6,776,014.95	-16,276,125.25
(1) Other comprehensive income that can be transferred to profit or loss under the equity method			
(2) Changes in fair value of other creditor's right investment			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for credit impairment of other creditor's right investment			
(5) Reserves of cash flow hedges			
(6) Translation differences of foreign currency financial statements		-6,776,014.95	-16,276,125.25
(7) Others			
(II) Other comprehensive income, net of tax attributable to minority shareholders		-22,619,904.08	-3,412,297.92
VII. Total comprehensive incomes		3,125,705,698.94	4,242,913,993.92
(I) Total comprehensive income attributable to owners of the parent company		3,276,865,264.78	3,864,286,389.75
(II) Total comprehensive income attributable to minority shareholders		-151,159,565.84	378,627,604.17
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.34	0.41
(II) Diluted earnings per share (RMB/share)		0.34	0.41

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 Accounting Principal: Yin Keding Head of the Accounting Department: Wang Hongshun

Income Statement of the Parent Company

From January 2020 to December 2020

		Unit: RMB	Currency: RMB
Item name	Note XIV	2020	2019
I. Operating revenue	(V)	44,155,928,977.35	39,640,931,751.04

Minus: Operating cost	(V)	42,507,782,917.83	38,556,974,285.93
Taxes and surcharges		63,626,996.66	67,119,193.27
Selling and distribution expenses			
General and administrative expenses		579,733,897.49	523,193,560.01
Research and development expenditures		312,679,037.74	101,771,682.88
Financial expenses		208,243,080.66	95,745,568.22
Wherein: Interest expenses		293,330,673.60	169,844,371.82
Interest income			94,739,853.34
Plus: Other income		14,717,255.28	10,731,364.82
Investment income (loss to be listed with “-”)	(VI)	3,372,721,400.57	1,516,797,164.89
Wherein: Income from investment in associates and joint ventures		-17,097,214.51	-159,492.25
Gains from derecognition of financial assets measured at amortized cost			
Gains from net exposure hedging (“-” for losses)			
Gains from changes in fair value (loss to be listed with “-”)		107,944,045.95	372,815,848.38
Losses from credit impairment (“-” for losses)		-98,799,111.25	-71,650,749.99
Losses from impairment of assets (“-” for losses)		-5,961,730.24	
Gains from disposal assets (loss to be listed with “-”)		171,757.21	-11,694.16
II. Operating profits (loss to be listed with “-”)		3,874,656,664.49	2,124,809,394.67
Plus: Non-operating revenue		29,956,620.78	51,068,473.85
Minus: Non-operating expenses		12,004,339.66	12,445,371.60
III. Total profit (“-” for total losses)		3,892,608,945.61	2,163,432,496.92
Minus: Income tax expenses		32,665,681.08	77,610,376.23
IV. Net profit (“-” for net loss)		3,859,943,264.53	2,085,822,120.69
(I) Net profit from continued operation (“-” for net loss)		3,859,943,264.53	2,085,822,120.69
(II) Net profit from discontinued operations (“-” for net loss)			
V. Net after-tax amount of other comprehensive incomes		-49,597,065.98	-59,315,578.96
(I) Other comprehensive income that cannot be transferred to profit or loss		-49,534,839.70	-59,338,858.28
1. Changes in re-measurement of the defined benefit plan			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments		-49,534,839.70	-59,338,858.28
4. Changes in the fair value of the Company's own credit risk			
(II) Other comprehensive income that will be reclassified into profit or loss		-62,226.28	23,279.32
1. Other comprehensive income that can be transferred to profit or loss under the equity method			
2. Changes in fair value of other creditor's right investment			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of other creditor's right investment			
5. Reserves of cash flow hedges			
6. Translation differences of foreign currency financial statements		-62,226.28	23,279.32
7. Others			
VI. Total comprehensive incomes		3,810,346,198.55	2,026,506,541.73
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		0.40	0.23
(II) Diluted earnings per share (RMB/share)		0.40	0.23

Legal representative: Xu Zheng Accounting Principal: Yin Keding

Head of the Accounting Department: Wang Hongshun

Consolidated Statement of Cash Flows
From January 2020 to December 2020

		Unit: RMB	Currency: RMB
Item name	Note V	2020	2019
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		223,255,757,042.76	201,066,734,483.96
Net increase in deposits from customers and deposits in banks and other financial institutions			
Net increase in borrowings from central bank			
Net increase in loans from other financial institutions			
Cash received from receiving insurance premiums of original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits and investments from policyholders			
Cash received from interest, handling charges and commissions			
Net increase in loans from banks and other financial institutions			
Net capital increase in repurchase business			
Net cash from receivings from vicariously traded securities			
Refund of taxes and surcharges		87,841,028.44	81,179,080.02
Cash received from other operating activities	(LXV)	11,028,663,277.46	10,686,144,780.27
Sub-total of cash inflows from operating activities		234,372,261,348.66	211,834,058,344.25
Cash paid for purchase of goods and rendering of of services		195,094,532,331.94	169,095,363,687.76
Net increase in loans and advances to customers			
Net increase in deposits in central bank and other banks and financial institutions			
Cash paid for original insurance contract claims			
Net increase in loans to banks and other financial institutions			
Cash paid for interest, handling charges and commissions			
Cash paid for policy dividends			
Cash paid to and on behalf of employees		12,909,948,146.85	12,271,900,853.87
Cash paid for taxes and surcharges		5,596,668,274.69	6,651,870,995.37
Cash paid for other operating activities	(LXV)	20,455,123,650.31	19,265,710,597.45
Sub-total of cash outflows from operating activities		234,056,272,403.79	207,284,846,134.45
Net cash flows from operating activities		315,988,944.87	4,549,212,209.80
II. Cash flows from investing activities:			
Cash received from disinvestment		833,957,537.07	999,427,555.96
Cash received from investment income		303,095,362.17	145,777,307.07
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		84,957,639.49	60,174,559.59
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities	(LXV)	2,006,045,574.57	893,258,366.66
Sub-total of cash inflows from investing activities		3,228,056,113.30	2,098,637,789.28
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		2,511,584,519.26	2,271,255,328.85
Cash paid for investments		2,949,443,151.68	2,706,831,130.15
Net increase in pledge loans			
Net cash paid to acquire subsidiaries and other business units		175,752,258.95	19,475,405.83
Cash paid for other investing activities	(LXV)	5,767,322,117.51	109,383,338.01
Sub-total of cash outflows from investing activities		11,404,102,047.40	5,106,945,202.84
Net cash flows from investing activities		-8,176,045,934.10	-3,008,307,413.56

III. Cash flows from financing activities:			
Cash received from investors		4,377,261,036.05	332,905,600.00
Wherein: Cash received by subsidiaries from the absorption of minority shareholders' investments		4,377,261,036.05	332,905,600.00
Cash received from borrowings		44,647,512,245.57	28,313,126,133.46
Cash received from other financing activities			
Sub-total of cash inflows from financing activities		49,024,773,281.62	28,646,031,733.46
Cash paid for debt repayments		28,873,879,288.95	14,344,707,538.33
Cash paid for distribution of dividends and profits or payment of interest		5,368,042,646.62	4,568,136,850.62
Wherein: Dividends and profits paid to minority shareholders by subsidiaries		15,480,284.03	40,134,421.98
Cash paid for other financing activities	(LXV)	501,986,600.91	13,705,824.44
Sub-total of cash outflows from financing activities		34,743,908,536.48	18,926,550,213.39
Net cash flows from financing activities		14,280,864,745.14	9,719,481,520.07
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		-46,906,526.95	31,910,908.94
V. Net increase in cash and cash equivalents		6,373,901,228.96	11,292,297,225.25
Plus: Beginning balance of cash and cash equivalents		65,143,203,984.03	53,850,906,758.78
VI. Ending balance of cash and cash equivalents		71,517,105,212.99	65,143,203,984.03

Legal representative: Xu Zheng Accounting Principal: Yin Keding

Head of the Accounting Department: Wang Hongshun

Statement of Cash Flows of the Parent Company

From January 2020 to December 2020

Unit: RMB

Currency: RMB

Item name	Note XIV	2020	2019
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		41,471,659,723.60	43,328,038,026.23
Refund of taxes and surcharges			
Cash received from other operating activities		6,443,063,204.58	6,220,346,195.85
Sub-total of cash inflows from operating activities		47,914,722,928.18	49,548,384,222.08
Cash paid for purchase of goods and rendering of services		39,460,577,468.76	40,364,651,097.03
Cash paid to and on behalf of employees		833,099,301.41	794,831,830.15
Cash paid for taxes and surcharges		277,910,466.75	341,920,551.73
Cash paid for other operating activities		7,229,308,693.90	3,101,273,051.51
Sub-total of cash outflows from operating activities		47,800,895,930.82	44,602,676,530.42
Net cash flows from operating activities		113,826,997.36	4,945,707,691.66
II. Cash flows from investing activities:			
Cash received from disinvestment		258,034,644.41	2,578,365,892.16
Cash received from investment income		3,367,708,615.08	1,510,092,077.44
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,793,010.28	3,282,556.25
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities		4,098,416,213.46	1,549,567,342.45
Sub-total of cash inflows from investing activities		7,725,952,483.23	5,641,307,868.30
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		469,463,625.23	451,083,434.74
Cash paid for investments		8,680,111,482.20	2,648,436,644.91
Net cash paid to acquire subsidiaries and other business units			

Cash paid for other investing activities		5,177,215,529.82	1,444,700,000.00
Sub-total of cash outflows from investing activities		14,326,790,637.25	4,544,220,079.65
Net cash flows from investing activities		-6,600,838,154.02	1,097,087,788.65
III. Cash flows from financing activities:			
Cash received from investors			
Cash received from borrowings		15,883,100,000.00	1,009,024,357.00
Cash received from other financing activities			
Sub-total of cash inflows from financing activities		15,883,100,000.00	1,009,024,357.00
Cash paid for debt repayments		6,299,024,357.00	711,620,562.83
Cash paid for distribution of dividends and profits or payment of interest		1,821,554,365.15	1,683,014,624.93
Cash paid for other financing activities		46,459,142.30	4,933,153.72
Sub-total of cash outflows from financing activities		8,167,037,864.45	2,399,568,341.48
Net cash flows from financing activities		7,716,062,135.55	-1,390,543,984.48
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		4,218,114.83	-2,456,659.54
V. Net increase in cash and cash equivalents		1,233,269,093.72	4,649,794,836.29
Plus: Beginning balance of cash and cash equivalents		13,978,294,028.02	9,328,499,191.73
VI. Ending balance of cash and cash equivalents		15,211,563,121.74	13,978,294,028.02

Legal representative: Xu Zheng Accounting Principal: Yin Keding

Head of the Accounting Department: Wang Hongshun

Consolidated Statement of Changes in Owners' Equity

From January 2020 to December 2020

Unit: RMB Currency: RMB

Item name	2020														
	Equity attributable to owners of the parent company												Minority shareholder's equity	Total owner's equity	
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Minus: Treasury stock	Other comprehensive incomes	Special reserve	Surplus reserves	General risk reserves	Undistributed profits	Others			Sub-total
		Preferred stock	Perpetual bonds	Others											
I. Ending balance of previous year	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
Plus: Changes in accounting policies									-2,821,504.38		-231,927,344.50		-234,748,848.88	-5,090,241.87	-239,839,090.75
Correction of accounting errors in prior periods															
Business combination under common control															
Others															
II. Beginning balance of the current year	8,904,397,728.00		6,500,000,000.00		2,200,006,546.37	55,121,123.98	-85,530,145.70	2,384,562.98	1,510,269,667.25		13,842,981,523.20		32,819,388,758.12	3,113,816,756.76	35,933,205,514.88
III. Amount increase/decrease of the current period ("+" for increases)			2,190,000,000.00		8,843,459.04	8,583,644.31	-73,984,002.92	4,376,569.97	385,994,326.45		1,354,457,182.64		3,861,103,890.87	4,104,183,489.06	7,965,287,379.93
(I) Total comprehensive incomes							-73,984,002.92				3,350,849,267.70		3,276,865,264.78	-151,159,565.84	3,125,705,698.94
(II) Capital contributed or reduced by owners			2,190,000,000.00		8,843,459.04	8,583,644.31							2,190,259,814.73	4,521,599,234.05	6,711,859,048.78
1. Common stock contributed by owners														4,376,654,045.79	4,376,654,045.79
2. Capital invested by the holders of other equity instruments			2,190,000,000.00										2,190,000,000.00		2,190,000,000.00
3. Amounts of share-based payments recognized in owners' equity															
4. Others					8,843,459.04	8,583,644.31							259,814.73	144,945,188.26	145,205,002.99
(III) Profit Distribution									385,994,326.45		-1,996,392,085.06		-1,610,397,758.61	-266,256,179.15	-1,876,653,937.76
1. Withdrawal of surplus reserves									385,994,326.45		-385,994,326.45				
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)											-1,244,031,564.16		-1,244,031,564.16	-266,256,179.15	-1,510,287,743.31
4. Others											-366,366,194.45		-366,366,194.45		-366,366,194.45
(IV) Internal carry-forward of owners' equity															
1. Conversion of capital reserves into paid-in capital (or share capital)															
2. Conversion of surplus reserves into paid-in capital (or share capital)															
3. Surplus reserves offsetting losses															
4. Carry-forward of changes in the defined benefit plan for retained earnings															
5. Carry-forward of other comprehensive income for retained earnings															
6. Others															
(V) Special reserve								4,376,569.97					4,376,569.97		4,376,569.97
1. Amount withdrawn in the current period								3,098,322,067.25					3,098,322,067.25		3,098,322,067.25
2. Amount used in the current period								3,093,945,497.28					3,093,945,497.28		3,093,945,497.28
(VI) Others															
IV. Ending balance in the current period	8,904,397,728.00		8,690,000,000.00		2,208,850,005.41	63,704,768.29	-159,514,148.62	6,761,132.95	1,896,263,993.70		15,197,438,705.84		36,680,492,648.99	7,218,000,245.82	43,898,492,894.81

Item name	2019													
	Equity attributable to owners of the parent company													Minority shareholder's equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Minus: Treasury stock	Other comprehensive incomes	Special reserve	Surplus reserves	General risk reserves	Undistributed profits	Others	Sub-total	
		Preferred stock	Perpetual bonds	Others										
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
Plus: Changes in accounting policies							-580,801,725.81		61,896,016.25		198,983,749.04		-319,921,960.52	-17,496,009.21
Correction of accounting errors in prior periods														
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
III. Amount increase/decrease of the current period ("+" for increases)					-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
(I) Total comprehensive incomes							-65,920,988.36				3,930,207,378.11		3,864,286,389.75	378,627,604.17
(II) Capital contributed or reduced by owners					-864,428.38	55,121,123.98							-55,985,552.36	-1,437,464,971.62
1. Common stock contributed by owners														-1,430,169,400.00
2. Capital invested by the holders of other equity instruments														
3. Amounts of share-based payments recognized in owners' equity														
4. Others					-864,428.38	55,121,123.98							-55,985,552.36	-7,295,571.62
(III) Profit Distribution									208,582,212.07		-1,722,025,905.35		-1,513,443,693.28	-34,179,518.36
1. Withdrawal of surplus reserves									208,582,212.07		-208,582,212.07			
2. Withdrawal of general risk reserves														
3. Profit distributed to owners (or shareholders)											-1,202,093,693.28		-1,202,093,693.28	-34,179,518.36
4. Others											-311,350,000.00		-311,350,000.00	
(IV) Internal carry-forward of owners' equity														
1. Conversion of capital reserves into paid-in capital (or share capital)														
2. Conversion of surplus reserves into paid-in capital (or share capital)														
3. Surplus reserves offsetting losses														
4. Carry-forward of changes in the defined benefit plan for retained earnings														
5. Carry-forward of other comprehensive income for retained earnings														
6. Others														
(V) Special reserve								2,384,562.98					2,384,562.98	2,384,562.98
1. Amount withdrawn in the current period								2,622,168,202.64					2,622,168,202.64	2,622,168,202.64
2. Amount used in the 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

Legal representative: Xu Zheng

Accounting Principal: Yin Keding

Head of the Accounting Department: Wang Hongshun

Statement of Changes in Owner's Equity of the Parent Company

From January 2020 to December 2020

Unit: RMB Currency: RMB

Item name	2020										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Minus: Treasury stock	Other comprehensive incomes	Special reserve	Surplus reserves	Undistributed profits	Total owner's equity
		Preferred stock	Perpetual bonds	Others							
I. Ending balance of previous year	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
Plus: Changes in accounting policies									-2,821,504.38	-25,393,538.43	-28,215,042.81
Correction of accounting errors in prior periods											
Others											
II. Beginning balance of the current year	8,904,397,728.00		6,500,000,000.00		3,695,151,297.49	55,121,123.98	-41,867,344.85		1,498,788,906.68	3,412,044,746.25	23,913,394,209.59
III. Amount increase/decrease of the current period ("+" for increases)			2,190,000,000.00			8,583,644.31	-49,597,065.98		385,994,326.45	1,863,551,179.47	4,381,364,795.63
(I) Total comprehensive incomes							-49,597,065.98			3,859,943,264.53	3,810,346,198.55
(II) Capital contributed or reduced by owners			2,190,000,000.00			8,583,644.31					2,181,416,355.69
1. Common stock contributed by owners											
2. Capital invested by the holders of other equity instruments			2,190,000,000.00								2,190,000,000.00
3. Amounts of share-based payments recognized in owners' equity											
4. Others						8,583,644.31					-8,583,644.31
(III) Profit Distribution									385,994,326.45	-1,996,392,085.06	-1,610,397,758.61
1. Withdrawal of surplus reserves									385,994,326.45	-385,994,326.45	
2. Profit distributed to owners (or shareholders)										-1,244,031,564.16	-1,244,031,564.16
3. Others										-366,366,194.45	-366,366,194.45
(IV) Internal carry-forward of owners' equity											
1. Conversion of capital reserves into paid-in capital (or share capital)											
2. Conversion of surplus reserves into paid-in capital (or share capital)											
3. Surplus reserves offsetting losses											
4. Carry-forward of changes in the defined benefit plan for retained earnings											
5. Carry-forward of other comprehensive income for retained earnings											
6. Others											
(V) Special reserve											
1. Amount withdrawn in the current period											
2. Amount used in the current period											
(VI) Others											
IV. Ending balance in the current period	8,904,397,728.00		8,690,000,000.00		3,695,151,297.49	63,704,768.29	-91,464,410.83		1,884,783,233.13	5,275,595,925.72	28,294,759,005.22

Item name	2019										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Minus: Treasury stock	Other comprehensive incomes	Special reserve	Surplus reserves	Undistributed profits	Total owner's equity
		Preferred stock	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
Plus: Changes in accounting policies							-594,241,368.90		61,896,016.25	557,064,146.30	24,718,793.65
Correction of accounting errors in prior periods											
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 ("-" for decreases)					55,121,123.98		-59,315,578.96		208,582,212.07	363,796,215.34	457,941,724.47
(I) Total comprehensive incomes							-59,315,578.96			2,085,822,120.69	2,026,506,541.73
(II) Capital contributed or reduced by owners					55,121,123.98						-55,121,123.98
1. Common stock contributed by owners											
2. Capital invested by the holders of other equity instruments											
3. Amounts of share-based payments recognized 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. Withdrawal of surplus reserves									208,582,212.07	-208,582,212.07	
2. Profit distributed to 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 carry-forward of owners' equity											
1. Conversion of capital reserves into paid-in capital (or share capital)											
2. Conversion of surplus reserves into paid-in capital (or share capital)											
3. Surplus reserves offsetting losses											
4. Carry-forward of changes in the defined benefit plan for retained earnings											
5. Carry-forward of other comprehensive income for retained earnings											
6. Others											
(V) Special reserve											
1. Amount withdrawn in the current period											
2. Amount used in the 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	55,121,123.98	-41,867,344.85		1,501,610,411.06	3,437,438,284.68	23,941,609,252.40

Legal representative: Xu Zheng

Accounting Principal: Yin Keding

Head of the Accounting Department: Wang Hongshun

III. Company Profile

1. Company Profile

√ Applicable ☐ Not applicable

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 CSRC via the document Z.J.F.X.Z. [2001] No.73, the Company issued 3 new shares for every 10 shares on the basis of the total quantity of the shares of 537,000,000 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.* (H.G.Z.W.C. [2005] No. 641) and according to 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* (Z.J.X.K. [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* (Z.J.X.K. [2011] No. 1163), on 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 Shanghai SFECO(GROUP) 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 share capital 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 share capital 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 CSRC via the document *Reply on Approving Shanghai Construction Group Co., Ltd. to Issue Non-public Shares* (Z.J.X.K. [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 share capital 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 share capital 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 share capital 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* (Z.J.X.K. [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 share capital 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 share capital of the Company increased from 7,482,687,167.00 to 8,904,397,728.00.

As of December 31, 2020, 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 22, 2021.

2. Scope of consolidated financial statements

√ Applicable □ Not applicable

The subsidiaries and structured entities are as follows	
Shanghai Construction No. 1 (Group) Co., Ltd.	Zhuhai Shenji Construction Engineering Co., Ltd.
Shanghai Construction No. 1 Investment & Development Co., Ltd.	Shanghai Kangyi Marine Engineering Co., Ltd.
SCG (Macao) Co., Ltd.	Tianjin Shenji Construction Engineering Co., Ltd.
Shanghai Construction No. 1 (Group) Co., Ltd. - Installation Specialized Company	Jiangsu Shenji Heavy Industry Co., Ltd.
Shanghai Construction No. 1 (Group) Co., Ltd - Decoration Specialized Company	Shanghai Mechanized Construction Group Co., Ltd.
SCG Jiangsu Construction Co., Ltd.	Shanghai Hubei Building Decoration Engineering Co., Ltd.
Sichuan Shangjian Construction Co., Ltd.	Shanghai SMCC Architectural Design & Consulting Co., Ltd.
Shanghai Yijian Dongshun Construction Engineering Co., Ltd.	Shanghai Shuzhi Construction Engineering Co., Ltd.
Shanghai Construction No. 2 (Group) Co., Ltd.	SCG Underground Engineering Technology Co., Ltd.
Shanghai Construction No.2 (Group) Co., Ltd. - Mechanical Construction Company	SCG (Jiangsu) Steel Structure Co., Ltd.
Shanghai Yigao Decorative Engineering Co., Ltd.	Shanghai Gardens (Group) Co., Ltd.
Shanghai Xieli Building Service Company	Shanghai Landscape Architecture Design Research Institute Co., Ltd.
SCG Jiangxi Construction Co., Ltd	Shanghai Gardening Landscaping Construction Co., Ltd.

Hubei Shangjiangong Central China Construction Co., Ltd.	Shanghai Landscape Industrial Development Co., Ltd.
Shanghai Construction No. 4 (Group) Co., Ltd.	Shanghai Landscape Architecture Construction Co., Ltd.
Shanghai Construction No.4 (Group) Co., Ltd. - Engineering Equipment Company	Shanghai Hongqiao Flower Market Operation and Management Co., Ltd.
Shanghai Construction No. 4 (Group) Co., Ltd. - Installation Engineering Company	Shanghai Huapu Development Co., Ltd.
Shanghai Construction No. 4 (Group) Co., Ltd. - Decoration Engineering Company	Shanghai New Garden Industrial Co., Ltd.
Shanghai Construction No.4 (Group) Co., Ltd. - Industrial Company	Quanzhou Yuanqi Construction Management Co., Ltd.
Shanghai Xindu Decoration Engineering Co., Ltd.	Shanghai Linyi Landscape Construction Co., Ltd.
Shanghai Xinli Decoration Engineering Co., Ltd.	Shanghai Shangyuan Construction Labor Co., Ltd.
Guangdong Shenyue Construction Co., Ltd.	Shanghai Flowers Trading Center Co., Ltd.
Shanghai Municipal Construction Co., Ltd.	Shanghai Zhuoyu Environmental Engineering Co., Ltd.
Shanghai Xinsheng Urban Construction Engineering Co., Ltd.	Ganzhou Shenrong Landscape Engineering Co., Ltd.
Shanghai Xinzhi Construction Project Management Co., Ltd.	Ganzhou Shenhai Landscape Planning & Design Co., Ltd.
Shanghai Shengqin Architecture Decoration Consulting Co., Ltd.	Shanghai Zhuoyuan Water Ecological Environment Engineering Co., Ltd.
Hainan Shenhai Construction Co., Ltd.	Cixi Shenlong Garden Engineering Co., Ltd.
Shanghai Construction No. 5 (Group) Co., Ltd.	Shanghai Shangyuan Machine & Equipment Co., Ltd.
SCG (Liaoning) Construction Co., Ltd.	Shanghai Greenment Environmental Technologies Co., Ltd.
Shanghai Construction No. 5 (Group) Co., Ltd. - Decoration Engineering Company	Shanghai Shangyuan Seedlings Co., Ltd.
Shanghai Construction No. 5 (Group) Co., Ltd. - Decoration Engineering Company	SCG Changzhou Wujin Zhongwu Road Construction Co., Ltd.
Shanghai Construction No. 5 (Group) Co., Ltd. - Jilin Construction Company	SCG Dalian Construction Engineering Co., Ltd.
SCG Guangdong Construction Engineering Co., Ltd.	SCG Changzhou Wujin Viaduct Construction Co., Ltd.
Bengbu Hujian Construction Engineering Co., Ltd.	SCG Wuxi Yanghu Road Construction and Administration Co., Ltd.
Zhuhai Shenjian Construction Engineering Co., Ltd.	Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.
Guangxi Hujian Construction Engineering Co., Ltd.	Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.
SCG Shaanxi Construction Engineering Co., Ltd.	Shanghai Water Industry Design Engineering Co., Ltd.
Shanghai Construction No. 7 (Group) Co., Ltd.	Shanghai Municipal Engineering Cost Consulting Co., Ltd.
Shanghai Construction Group (Northwest) Co., Ltd.	Shanghai Simei Printing Co., Ltd.
Shanghai Wujiang Construction Labor Co., Ltd.	Shanghai Municipal Engineering Design Institute Group - Foshan Simei Design Institute Co., Ltd.
Shanghai Jiezu Equipment Leasing Co., Ltd.	Shanghai Municipal Engineering Inspection & Testing Center Co., Ltd.
Shanghai Yuxia Construction Engineering Co., Ltd.	Shanghai Municipal & Traffic Design Institute Co., Ltd.
Shanghai Construction No. 7 (Group) Co., Ltd. - Industrial Company	Shanghai Municipal Engineering Design Institute Group - Zhejiang Municipal Design Institute Co., Ltd.
SCG Tianjin Construction Co., Ltd.	Shanghai Simei Design and Drawing Review Consulting Co., Ltd.
Shanghai Building Decoration Engineering Group Co., Ltd.	Shanghai Municipal Engineering Design Institute Group - No. 7 Design Institute Co., Ltd.
Shanghai Disheng Wood Manufacturing Co., Ltd.	Shanghai Municipal Engineering Design Institute Group - No. 10 Municipal Design Institute Co., Ltd.
Shanghai Weilun Construction Design Co., Ltd.	Shanghai Municipal Engineering Design Institute Group - No. 6 Design Institute Co., Ltd.
Shanghai Dilun New Materials Co., Ltd.	Datong Municipal Engineering Design Institute Co., Ltd.
Shanghai Construction Design and Research General Institute Co., Ltd.	Shanghai Municipal Engineering Design Co., Ltd.
Shanghai Construction and Machinery Test Center Co., Ltd.	Shanghai Urban Transportation Design Institute Co., Ltd.
Shanghai Kaidi Engineering Consulting Co., Ltd.	Shanghai Municipal Engineering Design Institute Guangzhou Co., Ltd.
Shanghai Evertrans Construction Management Co., Ltd.	Zhaoqing Huijian Railway Station Complex Construction Development Co., Ltd.

Shanghai Jianhao Engineering Consultancy Co., Ltd.	Hohhot Municipal Engineering Design Institute Co., Ltd.
SCG Qingdao Design and Research Institute Co., Ltd.	Shanghai Municipal Engineering Design Institute Xinjiang Co., Ltd.
Shanghai Construction Real Estate Co., Ltd.	Shanghai Municipal Precast Technology Development Co., Ltd.
Shanghai Construction Jialong Real Estate Co., Ltd.	Shanghai Shenhuan Environmental Engineering Co., Ltd.
Shanghai Zhenxin Property Management Co., Ltd.	SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.
Shanghai Construction Jinlong Real Estate Co., Ltd.	Shanghai SFECO (GROUP)
Shanghai Construction Dalong Real Estate Co., Ltd.	Shanghai Machinery Complete Equipment (Group) Co., Ltd.
Shanghai Sanling Technology Entrepreneurship Co., Ltd.	Shanghai Mechanical and Electrical Equipment Tendering Co., Ltd.
Xuzhou Hujian Real Estate Co., Ltd.	Shanghai Pudong Equipment Tendering Co., Ltd.
Shanghai Construction Huifu Property Development Co., Ltd.	Shanghai Pudong Machinery Complete Equipment Co., Ltd.
Shanghai Construction Dongxu Real Estate Co., Ltd.	Shanghai Pucheng Mechanical and Electrical Equipment Tendering Co., Ltd.
Shanghai Shengtang Property Co., Ltd.	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.
Shanghai Construction Jiulong Real Estate Co., Ltd.	Shanghai Purification Technology Equipment Complete Co., Ltd.
Shanghai Construction Baolong Real Estate Co., Ltd.	Shanghai Equipment Leasing Co., Ltd.
Shanghai Yuehe Investment Development Co., Ltd.	Shanghai Machinery Complete Equipment (Group) Engineering Co., Ltd.
Shanghai Jiading Hi-Tech Park Construction Co., Ltd.	Aton Environment Water Treatment Jiangyin Co., Ltd.
Shanghai Construction Hongkou Real Estate Co., Ltd.	Shanghai SFECO International Business Service Co., Ltd.
Shanghai Construction Nanhui Real Estate Co., Ltd.	Shanghai SFECO International Human Resources Service Co., Ltd.
Shanghai Construction Yuejian Real Estate Co., Ltd.	Shanghai SFECO Private Exit-Entry Consulting Service Co., Ltd.
Shanghai Construction Dongyue Real Estate Co., Ltd.	Shanghai Shencheng Minxin Automobile Sales Service Co., Ltd.
Shanghai Dahao Real Estate Co., Ltd.	Shanghai Chengjia New Energy Co., Ltd.
Shanghai Construction Huirui Property Development Co., Ltd.	Shanghai Complete Puxing Car Sales Service Co., Ltd.
Shanghai Construction Chengmin Real Estate Co., Ltd.	Nantong Shencheng Automobile Sales Service Co., Ltd.
Shanghai Jianhao Real Estate Co., Ltd.	SCG (Hong Kong) Limited
Shanghai Elite Real Estate Co., Ltd.	Zara Mining Share Company of the State of Eritrea
Shanghai Haojiang Real Estate Co., Ltd.	Shanghai Chengyang New Energy Co., Ltd.
Suzhou Hengye Real Estate Development Co., Ltd.	Shanghai Complete Machinery Equipment Singapore Company
SCG Jiangxi Investment Development Co., Ltd.	Shanghai Chengchang New Energy Technology Co., Ltd.
SCG Jiangxi Jiulonghu No. 2 Municipal Construction Co., Ltd.	SCG America Group Inc.
Jiangxi Donghu No. 1 Construction Co., Ltd.	SCG Plaza Inc.
Shanghai Qingteng Real Estate Co., Ltd.	SCG American Construction Inc.
Shanghai Jianyi Investment Development Co., Ltd.	SCG Assets Holdings Inc.
Shanghai Dongyi Real Estate Co., Ltd.	Investel One LLC
Nanjing Aohe Real Estate Development Co., Ltd.	Investel Two LLC
Nanjing Aojian Property Co., Ltd.	SCG Mima Towers LLC
Xuzhou Hujian Quanshan Real Estate Co., Ltd.	SCG Mima One LLC
Shanghai Construction Huicheng Property Development Co., Ltd.	SCG Mima Holding LLC
Shanghai Qixian Property Co., Ltd.	Broadway Elite LLC
Suzhou Hengyi Real Estate Development Company Limited	Investel Resorts Management LLC
Jiangxi Xianye Real Estate Co., Ltd.	Investel Garden Holdings LLC
Nanjing Aoyi Real Estate Development Company Limited	Investel Garden Resorts LLC
Shanghai Elite Hotel Management Co., Ltd.	SCG Investel Harbor Resorts LLC
Jiangxi Jianhao Real Estate Co., Ltd.	Kuafu Mima LLC
Shanghai Jinteng Real Estate Co., Ltd.	Mima Towers LLC
Shanghai Construction Jinshan Construction Development Co.,	SCG Kunshan Middle-ring Road Construction Co., Ltd.

Ltd.	
Nanjing Aoying Real Estate Development Company Limited	SCG Jiangxi Jiulonghu Municipal Engineering Design Co., Ltd.
Nanjing Haiyue Property Management Co., Ltd.	Zhuhai Shenhai Construction Engineering Co., Ltd.
Shanghai Construction Shengxian Property Development Co., Ltd.	SCG Taizhou Tianxu Line Construction Co., Ltd.
Shanghai Construction Jingxian Property Development Co., Ltd.	SCG Changzhou Wujin Jinwu Road Construction Co., Ltd.
Shanghai Qingyue Real Estate Co., Ltd.	Shanghai International Tourism Resort Engineering Construction Co., Ltd.
Tianjin Jinyue Real Estate Development Company Limited	SCG Nanchang Qianhu Construction Co., Ltd.
Shanghai Jianyuan Real Estate Co., Ltd.	SCG Yibin Daxikou Construction Co., Ltd.
SCG Huixin Real Estate Development Co., Ltd.	SCG Chengdu Construction Engineering Co., Ltd.
Shanghai Yueheng Construction & Development Co., Ltd.	SCG Wenzhou Qidu Bridge Construction Co., Ltd.
Shanghai Yueming Construction & Development Co., Ltd.	SCG Wenzhou Oujiangkou Construction Co., Ltd.
Nanjing Aoyue Decoration Co., Ltd.	Sihui Huijian Road Reconstruction Construction Development Co., Ltd.
Shanghai Construction Building Materials Technology Group Co., Ltd. (formerly known as “Shanghai Construction Material Engineering Co., Ltd.”)	Shanghai Urban Space Architectural Design Co., Ltd. (formerly known as “Shanghai Zhengji Construction Design Co., Ltd.”)
Huzhou Xinkaiyuan Crushed Stones Co., Ltd.	SCG Meishan Construction Engineering Co., Ltd.
Shanghai Pudong Premixed Concrete Co., Ltd.	Changzhou Jintan Maoshan Traveling Road Construction Co., Ltd.
Shanghai Southeast Concrete Co., Ltd.	Nanjing Qiaoyuan Construction Management Co., Ltd.
Shanghai Tongjiu Concrete Co., Ltd.	SCG Wenzhou Oujiangkou Traffic Engineering Construction Co., Ltd.
Shanghai Tongshun Concrete Co., Ltd.	Zhuhai Jinwan District Jianjin Ecological City Construction Co., Ltd.
Shanghai Construction Jialuo Concrete Co., Ltd.	Huzhou Zhili Cultural and Sports Center Construction Development Co., Ltd.
Tianjin Shenyi Concrete Co., Ltd.	Shanghai Heyu Intellectual Property Agency Co., Ltd.
Shanghai Pulian Premixed Concrete Co., Ltd.	Jining Fenghuangtai Construction Co., Ltd.
Shanghai Fukang Construction Co., Ltd.	SCG Investment Co., Ltd.
Shanghai Puxin Premixed Concrete Co., Ltd.	SCG Taizhou Fengxihu Construction Co., Ltd.
Shanghai Pusheng Concrete Co., Ltd.	SCG Dujiangyan Construction Engineering Co., Ltd.
Shanghai Jianan Concrete Co., Ltd.	SCG Anji Construction Co., Ltd.
Shanghai Jiangong Materials Transport Co., Ltd.	Shanghai Zhongcheng Financial Leasing Co., Ltd.
Shanghai Construction Jiajian Premixed Concrete Co., Ltd.	SCG Equity Investment Fund Management Co., Ltd.
SCG Sichuan Concrete Co., Ltd.	SCG Jianheng Equity Investment Funds Partnership (Limited Partnership)
Shanghai Puyang Concrete Co., Ltd.	SCG Anying Investment Management Center (Limited Partnership)
Shanghai Construction Material Huangang Premixed Concrete Co., Ltd.	SCG Hexi Enterprise Management Center (Limited Partnership)
Shanghai Jiankang Concrete Co., Ltd.	SCG Taihe Enterprise Management Center (Limited Partnership)
Shanghai Hongxiang Concrete Co., Ltd.	SCG Zhongying Enterprise Management Center (Limited Partnership)
Kunshan Central Concrete Co., Ltd.	SCG Jianying Enterprise Management Center (Limited Partnership)
Kunshan Shenghua Concrete Co., Ltd.	Ningbo Meishan Bonded Port Zone Minyao Investment Management Partnership (Limited Partnership)
Shanghai Jiangong Changzhou Jianya Building Components Co., Ltd.	Suzhou Jianying Purui Venture Capital Center (Limited Partnership)
Jiangxi Shenhong New Materials Co., Ltd.	Suzhou Jianying Ruizhi Venture Capital Center (Limited Partnership)
Suzhou Industrial Park Yongsheng Concrete Co., Ltd.	Suzhou Jianying Ruixin Venture Capital Center (Limited Partnership)
Shanghai Construction Liren Concrete Co., Ltd.	Shanghai Xijiu Enterprise Management Partnership (Limited Partnership)
Shanghai Construction Jianhua Concrete Product Co., Ltd.	Shanghai Tonghang Enterprise Management Partnership (Limited Partnership)

Shanghai Construction Jiangxi Concrete Engineering Co., Ltd.	Jiaying Jianyi Investment Co., Ltd.
Huzhou Shangjian Concrete Co., Ltd.	Shanghai Jianfan Enterprise Management Partnership (Limited Partnership)
Shanghai Construction Nanqiao Concrete Co., Ltd.	Shanghai Yingdafang Assets Operation Management Co., Ltd.
Shanghai Construction Yijian Materials Engineering Co., Ltd.	SCG Overseas Holdings Co., Ltd.
Shanghai Jiansong Premixed Concrete Co., Ltd.	SCG Overseas (Hong Kong) Co., Ltd.
Nanjing Xinshan Hengji Concrete Co., Ltd.	Xianfeng Construction Engineering Co., Ltd.
Shanghai Sihe Property Management Co., Ltd.	Max China Engineering Limited
Jiaying Shangjian Shidong Concrete Co., Ltd.	Yongda Investment Limited
Nanjing Qibagang Commercial Concrete Co., Ltd.	Shanghai Construction Overseas Engineering Limited
Nantong Shangjian Shinan Concrete Co., Ltd.	Overseas (Mongolia) Limited Shanghai Construction Group
Shanghai Construction Ru'an Concrete Co., Ltd.	Shanghai Construction Group (M) Sdn. Bhd.
Jiaying Shangjian Shixi Concrete Co., Ltd.	SCG (Caribbean) Co., Ltd.
Shanghai Construction Longyu Building Materials Co., Ltd.	SCG (Canada) Co., Ltd.
Nantong Shangjian Building Component Product Co., Ltd.	SCG E-commerce Co., Ltd.
Suzhou Shangjian Concrete Co., Ltd.	Shanghai Xingyu Trade Co., Ltd.
Wuhu Shangjian Huaxing New Building Materials Co., Ltd.	Shanghai Xingyao Business Travel Service Co., Ltd.
Changxing Shangjian Changheng Concrete Co., Ltd.	Shanghai Xingli Information Consulting Services Co., Ltd.
Shanghai Yafu Cement Product Co., Ltd.	SCG Yiyun Technology Co., Ltd.
Taichang Shangjian Tonggao Concrete Co., Ltd.	SCG (Cambodia) Co., Ltd.
Maanshan Shangjian Shenma Concrete Co., Ltd.	Ruiyi Assets - Asset Management in SCG No. 1 Special Asset Management Plan
Huzhou Shangjian Huayu Concrete Co., Ltd.	SCG Equipment Engineering Co., Ltd.
Zhenjiang Shangjian Concrete Co., Ltd.	SCG Yibin Cuiping Construction Co., Ltd.
Jiangsu Shangjian Shunjie Prefabricated Components Co., Ltd.	Shanghai Minchuan Sports Development Co., Ltd.
Shangjian Guangya Engineering Materials Co., Ltd.	Rizhao Hujian Urban Development and Construction Co., Ltd.
Yangzhou Shangjian Concrete Co., Ltd.	Qingdao Rail Traffic Park Hujian Investment and Development Co., Ltd.
Suzhou Shangjian Hangxin Concrete Co., Ltd.	Hainan Hujian Construction Co., Ltd.
Wuxi Liangxing Concrete Co., Ltd.	Tianjin House Construction Development Group Co., Ltd.
Jiangxi Shangjian Shixi Concrete Engineering Co., Ltd.	Tianjin Huaxia Construction Development Co., Ltd.
Zhoushan Shangjian Haozhou Concrete Co., Ltd.	Tianjin Housing Group Jinbin Real Estate Co. Ltd.
Haimen Shangjian Concrete Co., Ltd.	Tianjin Huasha Jindian Property Co., Ltd.
Jiaying Shangjian Hexing Concrete Co., Ltd.	Binhai Property Co., Ltd., Tianjin House Group
Jiaying Shangjian Hongcheng Concrete Co., Ltd.	Qian 'an Huasha Real Estate Development Co., Ltd.
Maanshan Shangjian Shuangcheng Commodity Concrete Co., Ltd.	Tianjin Huaxia Shenglong Real Estate Co., Ltd.
Shanghai Qigou Concrete Components Co., Ltd.	Tianjin Wanrong Real Estate Development Co., Ltd.
Wuhu Shangjian Huaxing Lianqiang Concrete Co., Ltd.	Tianjin Meijiang Construction and Development Co., Ltd.
Yancheng Shangjian Wanyuan Concrete Co., Ltd.	Tianjin Huajia Real Estate Co., Ltd.
Jiangsu Hengji Concrete Co., Ltd.	Tianjin Housing Group Jincheng Real Estate Co., Ltd.
Changshu Shangjian Handong Building Science and Technology Co., Ltd.	Tianjin Wanjincheng Real Estate Co., Ltd.
Wuxi Lianyou Concrete Co., Ltd.	Xi'an Hua 'an Real Estate Co., Ltd.
Shaoxing Shangjian Shunxing Concrete Co., Ltd.	Tianjin Huaxing Real Estate Development Co., Ltd.
Shanghai Purong Concrete Co., Ltd.	Tianjin Huaqing Real Estate Co., Ltd.
Jiangxi Shangjian Changdong Concrete Engineering Co., Ltd.	Tianjin Huafu Real Estate Co., Ltd.
Nantong Tongzhou Husheng Concrete Co., Ltd.	Tianjin Jincheng Huaxin Real Estate Co., Ltd.
Shangrao Shangjian Tongtai Concrete Co., Ltd.	Tianjin Housing Group (Xi'an) Construction Co., Ltd.
Suzhou Aifuxi Commercial Concrete Co., Ltd.	Tianjin Tianyi Real Estate Co., Ltd.
Shanghai Yuegang Concrete Co., Ltd.	Tianjin Tianzhu Jiahe Real Estate Development Co., Ltd.

Ningbo Shangjian Global Building Materials Co., Ltd.	Tianjin Tianzhu Urban Construction Development Co., Ltd.
Ningbo Chengxi Shangjian Global Building Materials Co., Ltd.	Tianjin Housing Group Construction Engineering General Contracting Co., Ltd.
Ningbo Chengnan Shangjian Global Building Materials Co., Ltd.	Tianjin Zhuzong Electromechanical Equipment Installation Co., Ltd.
Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.	Tianjin Huahui Anxin Decoration Engineering Co., Ltd.
Shanghai Huadong Construction Machinery Factory Co., Ltd.	Tianjin Zhongwang Longteng Technology Development Co., Ltd.
Shanghai Huaji Industry & Trade Industrial Co., Ltd.	Tianjin Housing Group Building Materials Technology Co., Ltd.
Shanghai Zhouhai Construction Engineering Co., Ltd.	Tianjin Huaxia Property Management Development Co., Ltd.
Shanghai Installation Engineering Group Co., Ltd.	Tianjin Housing Science Research Institute Co. Ltd.
Shanghai Shang'an Mechanical and Electrical Design Office Co., Ltd.	Tianjin Municipality Zhuyan Jianke Engineering Technology Co., Ltd.
Shanghai Shang'an Machinery Construction Co., Ltd.	Tianjin Jianke Construction Energy Saving Environment Inspection & Testing Co., Ltd.
Shanghai JianAn Chemical Engineering Co., Ltd.	Tianjin Inspection and Testing Center for Housing Quality and Safety Co., Ltd.
Shanghai Installation (Dalian) Engineering Co., Ltd.	Tianjin Municipality Zhuyan Construction Research Design Co., Ltd.
Shanghai Huayi Construction Co., Ltd.	Tianjin Xintianzheng Information Technology Limited
Shanghai Shang'an Property Management Co., Ltd.	Tianjin Tianzheng Information System Engineering Consulting Co., Ltd.
Guangdong Shen'an Construction Technology Co., Ltd.	Tianjin Jincheng Housing Industry Investment Fund Management Co., Ltd.
Shanghai SINKO Air Conditioning Equipment Co., Ltd.	Tianjin Longcheng Investment Development Co. Ltd.
Shanghai SINKO Cooling Machinery Co., Ltd.	Tianjin Housing Group Real Estate Management Co., Ltd.
Shanghai SINKO Building Energy Efficiency Co., Ltd.	Tianjin Tianzhu Lingyu Real Estate Management Service Co., Ltd.
Shanghai SINKO Air Conditioning Equipment Installation Engineering Co., Ltd.	Tianjin Tianzhu Huajie Parking Management Co., Ltd.
Shanghai Foundation Engineering Group Co., Ltd.	Tianjin Huaxin Real Estate Management Co., Ltd.
Shanghai Shenbao Construction Engineering Co., Ltd.	Tianjin Tianzhu Bailing Health Industry Development Co., Ltd.
Shanghai Jibao Construction Labor Co., Ltd.	Jingu • Kaiyuan • Hengye Bojin Building Property Right Trust
Huadian Gaintime (Beijing) Investment Fund Management Co., Ltd. 2020 Series 1 Feichi - Jianling Single Fund Trust	

For changes in the consolidation scope within the report period, see this Note VIII “Changes in the consolidation scope” for details.

For the information of subsidiary of the Company, see Note IX, “Rights and interests in other entities”.

IV. Basis for Preparation of the Financial Statements

1. Preparation basis

The financial statements were prepared in accordance with the *Basic Standard of the Accounting Stands for Business Enterprises* and specific standards issued by the Ministry of Finance, and the 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

This Financial Statement is prepared based on going concern.

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. Statement of compliance with Accounting Standards for Business Enterprises (ASBE)

The Company declares that the financial statements prepared comply with the requirements of the Accounting Standards for Business Enterprises, which truly and fully reflect the consolidated and parent company's financial positions as at December 31, 2020 and the consolidated and parent company's operating results and cash flows in 2020.

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 Company takes 12 months as a business cycle.

4. Recording currency

The Company takes RMB as the 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 (including the goodwill formed from the acquisition of the combined entity by the ultimate controlling party) received by the combining party from a business combination shall be measured based on the book value of such assets and liabilities 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 merger cost shall be the paid assets, the incurred or assumed liabilities as well as the fair value of the issued equity securities of the acquirer for obtaining the control power over the acquiree on the acquisition date. 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. The identifiable assets, liabilities and contingent liabilities of the acquiree that meet the recognition condition obtained in the merger shall be measured at the fair value on the acquisition date.

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. Method of Preparing Consolidated Financial Statements

√ Applicable ☐ Not applicable

1. Consolidation scope

The consolidation scope of the consolidated financial statements is determined on a control basis, and includes the Company and all its subsidiaries. Control refers to that the company has the power over the invested unit. It enjoys variable returns by participating in the relevant activities of the invested unit and has the ability to employ such power to affect such amount of return.

2. Consolidation procedure

The Company prepared the consolidated financial statements by taking the entire Group as an accounting entity in accordance with the unified accounting policies, in the aim of reflecting the overall financial conditions, operating results and cash flows of the Group. The influence of internal transactions between the Company and the subsidiaries and between the subsidiaries was offset. If internal transaction indicates impairment loss occurs to relevant assets, such loss shall be recognized in full amount. 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.

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 equity.

(1) Increase of subsidiaries or businesses

During the report period, if subsidiaries or business are increased due to business combination under common control, the operating results and 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 financial statement; at the same time, necessary adjustment shall be made to the opening balance of the consolidated financial statement and 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, 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, their financial statements shall be included in the consolidated financial statement since the purchase date based on the fair value of identifiable assets, liabilities and contingent liabilities determined on the purchase date.

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 which can be reclassified to profit and loss and other changes of owners' equity accounted for by equity method shall be transferred to current investment income on the purchase date.

(2) Disposal of subsidiaries

① General method

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 which can be reclassified to profit and loss and other changes of owners' equity accounted for by equity method shall be transferred to investment income for the current period at the loss of control

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, all such transactions are deemed as one transaction to dispose subsidiaries and lose control for accounting; 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 do not belong to package deal, before loss of control, accounting treatment shall be conducted as per 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 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 joint party 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:

(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.

The Company employs equity method for accounting of a joint venture investment. See this Note "V(21) Long-term Equity Interest Investment" for details.

8. Recognition criteria for cash and cash equivalents

Cashes refer to the Group's cash on hand and the deposit that can be used for payment at any time. Cash equivalents refer to the investment held by the enterprise and characterized by short term (usually expire within 3 months from the acquisition date), high liquidity, readiness to convert to cash with known amount and insignificant risk of changes in value.

9. Foreign currency transaction and conversion of foreign currency statement

√ Applicable ☐ Not applicable

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 translation differences of foreign currency financial statements 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 translation differences of foreign currency financial statements related to overseas businesses should be transferred from owners' equity to the disposal of current profit and loss.

10. Financial instruments

√ Applicable ☐ Not applicable

When becoming one party of financial instruments contract, this Company shall recognize the financial assets or financial liabilities or equity instruments.

1. Category of financial instruments

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 measured at fair value through other comprehensive incomes; and the financial assets measured at fair value through current profit and loss.

The financial assets that meet following conditions simultaneously and are not assigned as those measured at fair value through current profit or loss are classified as financial assets measured at amortized cost:

- The operation mode takes the collection of contractual cash flow as the objective;
- The contractual cash flows are only for the payment of principal and interest based on the amount of outstanding principal

The financial assets that meet following conditions simultaneously and are not assigned as those measured at fair value through current profit or loss are classified as the financial assets (debt instruments) measured at fair value through other comprehensive incomes:

- The operation mode takes both the collection of contractual cash flow and sale of such financial assets as the objectives;
- The contractual cash flows are only for the payment of principal and interest based on the amount of outstanding principal

For non-trading equity instrument investments, the Company may irrevocably designate them as financial assets (debt instruments) measured at fair value through other comprehensive income, at the time of initial recognition. It is made based on a single investment basis and relevant investments meet the definition of equity instruments from the perspective of issuer.

Financial assets other than above financial assets measured at the amortized cost and those measured at fair value through other comprehensive incomes are classified by the Company as financial assets measured at fair value through the current profit or loss. If accounting mismatches can be eliminated or significantly reduced at the time of initial recognition, the Company can irrevocably designate financial assets that should have been classified as those amortized cost or those measured at fair value through other comprehensive incomes as financial assets measured at fair value through the current profit or loss.

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

The financial liabilities that meet one of the following conditions can be designated as those measured at fair value through the current profit or loss at initial recognition:

- 1) It can eliminate or significantly decrease the accounting mismatch;
- 2) Management and performance evaluation are conducted for the financial liability portfolio or the portfolio of financial assets and financial liabilities based on fair value in accordance with the enterprise risk management or investment strategy specified in the official written documents, and report to the key management personnel on this basis inside the enterprise.
- 3) The financial liabilities include embedded derivatives that shall be split separately.

2. Recognition and measurement of financial instruments

(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 Company, 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 measured 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 measured at fair value through other comprehensive incomes (equity instruments)

They include, for example, other equity instruments 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 measured at fair value through the current profit or 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 measured at fair value through the current profit or 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.

3. Derecognition and transfer of financial assets

The Company derecognizes the financial asset when one of the following conditions is met:

- The contractual rights for collecting the cash flow of the financial asset are terminated;
- Such financial assets have been transferred, and almost all the risks and rewards of ownership of the financial assets have been transferred to the transferee;
- The financial assets have been transferred, and although the Company has neither transferred nor reserved almost all the risks and remunerations of the ownership of financial assets, it has not reserved the control of such financial assets.

If almost all risks and rewards related to the ownership of the financial assets are retained during the transfer of financial assets, such financial assets shall not be derecognized.

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 those measured at fair value through other comprehensive incomes (debt instruments)).

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 those measured at fair value through other comprehensive incomes (debt instruments)).

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 of financial liabilities

The financial liabilities with the corresponding current obligation being canceled wholly or partly should be derecognized wholly or partly; If the Company 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 substantial modification is made to all or part contract terms of the existing financial liabilities, the existing financial liabilities or part of existing financial liabilities shall be derecognized, and meanwhile, the financial liabilities after modifying the terms shall be 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 Company 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 derecognition part and the consideration paid (including non-cash assets transferred out or new financial liabilities undertaken) shall be included into 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 Company 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

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 and of financial guarantee contracts.

The Group shall calculate the probability-weighted amount of the present value of the balance between the cash flow receivable under the contract and the cash flow expected to be received and recognize the expected credit loss by considering the relevant reasonable and well-founded information such as the previous matters, the current situation as well as the forecast for future economic conditions.

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.

The Group determines the relative changes of default risk of the financial instrument occurred in the duration by comparing the risk of default of the financial instrument on the balance sheet date with the risk of default on the initial recognition date to assess whether credit risk of the financial instrument has been increased significantly since the initial recognition. 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 incurred, the Group will accrue impairment provision for such assets on the basis of individual item.

As for the accounts receivable and contract asset formed by transactions subject to *Accounting Standards for Business Enterprises No. 14 – Incomes* (2017), 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 include “portfolio of architecture, contract, design, construction”, “portfolio of BT and PPP Projects”, “portfolio of financial leasing” and “other portfolio”.

For receivables under leasing, the loss provision shall be always measured according to the amount equivalent to the expected credit loss in the whole duration.

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).

When the Group doesn't reasonably expect that the contract cash flow of financial assets can be recovered in whole or in part, it shall directly write down the book balance of financial assets.

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 and cost of the inventory

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

Initial measurement is conducted for inventory according to cost. The inventory costs include procurement cost, processing cost and other expenditures for inventory to be in current place and state.

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 the net realizable value of different inventories

On the balance sheet date, the inventory shall be calculated by the lower of cost and net realizable value. If inventory costs are higher than its net realizable value, inventory falling price provisions shall be withdrawn. Net realizable value refers to the amount of deducting the potential cost, estimated selling expenses and relevant taxes and dues to the completion date from the estimated sale price of inventory in the daily activities.

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 and distribution 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 selling and distribution 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.

After withdrawing the inventory falling price provision, if the influence factors of the previously written-down inventory value disappear, resulting in the net realizable value of inventory higher than its book value, it shall be reversed from the withdrawn inventory falling price provision, and the reversed amount shall be included into the current profits and losses.

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 can not 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.

16. Contract assets

(1). Methods and standards for the recognition of contract assets

√ Applicable ☐ Not applicable

The Company lists contract assets or contract liabilities in the balance sheet according to the relationship between the performance of performance obligations and customer payment. The Company has transferred the right to receive the consideration for commodities or services to the customers, and such right depends on the factors other than the passage of time shall be recognized as the contract assets. The contract assets and contract liabilities under the same contract shall be listed in net amount. The Company's unconditional (i.e., only depending on the time lapses) right to collect consideration from the customers shall be listed separately as receivables.

(2). Determination methods and accounting treatment methods of the expected credit loss of contract assets

√ Applicable ☐ Not applicable

See "6. Test and accounting treatment methods for impairment of financial asset" in Note "V. 10. Financial instruments" for the determination methods and accounting treatment methods of the expected credit loss of contract assets.

17. Assets held for sale

√ Applicable ☐ Not applicable

If the enterprise recovers the book value mainly by selling (including non-monetary assets exchange with commercial essence), rather than continuously using one non-current asset or disposal group, it shall divide it into the held-for-sale category.

The Company 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 Company 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 Company or regulators for those available for sale as required by the relevant regulations.

For those classified as non-current assets held for sale (excluding financial assets, deferred income tax assets, assets formed by employee compensation), if their book value is greater than the net amount of the fair value minus the sale expenses, the book value shall be written down to net amount of the fair value minus sale expenses; the amount of write-down is recognized as assets impairment losses and included into the current profits and losses, and impairment provision of held-for-sale assets shall be withdrawn.

18. Creditor's right investment

(1). Determination Method and Accounting Treatment of Expected Credit Losses of Creditor's Right Investment

☐ Applicable ☒ Not applicable

19. Other creditor's right investment

(1). Determination Method and Accounting Treatment of Expected Credit Losses of Other Creditor's Right Investment

☐ Applicable ☒ Not applicable

20. Long-term receivables

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

☐ Applicable ☒ Not applicable

21. Long-term equity investment

☒ 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 Company 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 Company.

Significant influence refers to the situation where a company has the power to participate in the financial and operating decisions of an investee, but cannot control, individually or jointly with other parties, the formulation of these policies. Where the Company 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

For the long-term equity investment to the subsidiaries formed through the business combination under the same control, the book value share of owner's equity of combined party in the consolidated financial statement of the final control party gotten by the Company on the combining date will be taken as the initial investment cost of long-term equity investment. The capital stock premium in capital reserve shall be adjusted according to the difference between initial cost of the long-term equity investments and the paid consideration book value; In case the capital stock premium in capital reserve is insufficient to write down, the retained income shall be adjusted. If it is possible to control an investee under common control due to additional investments or other reasons, for the difference between the initial investment cost of the long-term equity investment determined based on above principle 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.

For the long-term equity investment obtained due to 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.

(2) Long-term equity investment acquired by other means than business combination

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.

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 that the investments meet the conditions for holding for sale. 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, and the cost of the long-term equity investment shall be adjusted simultaneously.

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 ("Other changes in 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 as well as other comprehensive income and shares of other changes in owners' equity, the Company shall adjust and recognize the net profits and other comprehensive income 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.

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, except where the assets invested or sold constitute a business. 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 the net loss caused by the associates and joint ventures, the Company will reduce the book value of the long-term equity investment and other long-term equities that substantially constitute the net investment in the associates and joint ventures to zero as the limit, except that the Company assumes the obligation to undertake the additional loss. If the associates or joint ventures realize the net profits later, after the profits share amount offsets against its shared amount of the un-recognized losses, the Company restores to recognize its profits share amount.

(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.

In case of disposal of part of long-term equity investment calculated by using the equity method and that the remaining equity is still accounted for using the equity method, original other comprehensive income calculated and recognized by the equity method shall be recognized in corresponding proportion on the same basis of the investee's direct disposal of related assets or liabilities. Other changes of owners' equity shall be recognized into current profit and loss in corresponding proportion.

In case that the Company loses the joint control of or the significant influence on the investee due to disposal of the equity investment, 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. Other changes of owners' equity shall be recognized into current profit and loss when ceasing to use equity method.

In case that the Company loses the control on the investee due to disposal of part of the equity investment, if the residual equity 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. Other comprehensive income recognized before the acquisition of the control right of the investee shall be recognized in proportion on the same basis of the investee's direct disposal of related assets or liabilities. Other changes of owners' equity calculated and recognized by the equity method shall be recognized into current profit and loss in proportion. If the residual equity after the

disposal cannot implement joint control of or have significant influence on the investee, it shall be recognized as financial assets, 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. Other comprehensive income recognized before the acquisition of the control right of the investee and other changes of owners' equity shall be carried forward in full.

If the transactions that dispose the equity investment to subsidiaries through multiple transactions and step-by-step disposal till losing control right belongs to the "package deal", the accounting treatment shall be conducted by putting all transactions as one item to dispose the subsidiary until losing control. Before the loss of control, for the difference between the book value of the disposal equity corresponding to the long-term equity investment and each disposal price, it is at first recognized as other comprehensive income in individual financial statements, and then transferred to the current profit or loss at the time of loss of control. For those that do not belong to a package deal, conduct the accounting treatment for each item of transactions respectively.

22. 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).

For the follow-up expenses related to investment properties, if the related economic benefit is likely to flow in 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. Otherwise, it will be included into the current profits and losses when occurs.

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.

23. Fixed assets

(1). Recognition 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.

The fixed assets shall be initially measured according to the cost (and the expected influence of discard expenses shall be considered).

For the follow-up expenses related to fixed assets, if the economic benefit to this asset is likely to flow in 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. For the fixed assets from which impairment provision is accrued, the depreciation amount is determined in the future period according to the book value after deducting the impairment provision and according to the remaining serviceable life. 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, the depreciation policies consistent with self-owned fixed assets shall be adopted; 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.

The special equipment mainly consists 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). Basis for recognition, valuation and depreciation methods of fixed assets held under finance lease

√ 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.
- (5) The leasing assets are of special nature that only the lessee can use them if major modifications are not made.

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 payables and the difference as unrecognized financing fees.

24. Construction in progress

√ Applicable ☐ Not applicable

The construction in progress is measured at the actual cost occurred. Actual costs include construction costs, installation costs, borrowing costs that meet the capitalization conditions, and other necessary expenditures to enable the construction in progress to reach its intended usable status. When the construction in progress meets the intended serviceable conditions, transfer into fixed assets and conduct depreciation from next month.

25. Borrowing costs

√ Applicable ☐ Not applicable

1. Recognition principles for capitalization of borrowing costs

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.

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.

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.

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.

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.

During the period of capitalization, the exchange balance between the principal and interest of foreign currency specific borrowings shall be capitalized, and shall be counted in the cost of assets eligible for capitalization. The exchange difference of principal and interest of other foreign currency borrowings other than special foreign currency borrowings shall be included into the current profits and losses.

26. Biological assets

☐ Applicable √ Not applicable

27. Oil and gas assets

☐ Applicable √ Not applicable

28. Right-of-use assets

☐ Applicable √ Not applicable

29. Intangible assets

(1). Pricing 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, license of operating lease vehicles, supermarket brand franchise, computer software, PPP franchising, customer relations, unsettled orders, 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 shall be determined in accordance with their fair value. The entry value of intangible assets acquired through business merger under the non-common control shall be determined according to the 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 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

Land use rights, underground parking lot use rights, stadium box use rights, mineral resources exploitation rights, license of operating lease vehicles, supermarket brand franchise, computer software, PPP franchising, customer relations and unsettled orders of the Group are averagely amortized over the expected service life.

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

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

30. Long-term asset impairment

☒ 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.

No matter whether there is a sign of impairment, the goodwill formed by business merger, the intangible assets with uncertain service life and the intangible assets which have not reached its serviceable condition shall conduct the impairment test at the end of each year.

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. Related asset groups or portfolios of asset groups are those can get benefits from the synergistic effect of business merger. In amortization to related asset groups or portfolio 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. And then impairment test shall also be conducted on the assets groups or assets group portfolio containing goodwill to compare their book value and recoverable amount; if the recoverable amount is lower than the book value, the impairment loss amount shall first be reduced and apportioned to the book value of goodwill in the assets group or assets group portfolio, then the book value of other assets except for those containing goodwill shall be reduced pro rata based on their proportions accounted in the book value. Once recognized, the above impairment loss of assets will not be reversed in future accounting periods.

31. Long-term unamortized expenses

☒ Applicable ☐ Not applicable

Long-term deferred expenses refer to all expenses which have occurred and shall be amortized in more than one year in the current period and subsequent 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.

32. Contract liabilities

(1). Recognition method of contract liabilities

√ Applicable ☐ Not applicable

The Company lists contract assets or contract liabilities in the balance sheet according to the relationship between the performance of performance obligations and customer payment. The obligation to transfer the goods or service to the customer occurring due to any received or receivable customer consideration by the Company shall be present under contractual liabilities. The contract assets and contract liabilities under the same contract shall be listed in net amount.

33. 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.

The employee welfare expenses of the Company incurred shall be included into the current profits and losses or relevant asset costs according to the actual amount when actually occurring, of which, non-monetary 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. In addition, the Group also participates in the corporation pension plan/supplementary pension insurance fund approved by the relevant national authorities. 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

If the Group provides dismissal benefits for employees, the employee compensation liability generating from recognized dismissal benefits on the earlier one of the following two dates shall be included into current profits and losses: The Company cannot unilaterally withdraw the dismissal welfare provided for the labor relationship termination plan or an offer for voluntary layoff; 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 "V. 33.(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.

34. Lease liabilities

☐ Applicable √ Not applicable

35. Estimated liabilities

√ Applicable ☐ Not applicable

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

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

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

When determining the optimal estimate, the Company 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.

If the required expenditure has a continuous range 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. In other cases, the best estimate amount shall be disposed according to the following cases respectively:

- Where 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 Company, 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.

The book value of estimated liabilities was rechecked on the balance sheet date by the Company; where there was concrete evidence proving that the book value cannot truly reflect the current best estimate, the book value of estimated liabilities shall be adjusted according to the current best estimate.

36. Share-based payment

√ Applicable ☐ Not applicable

Share-based payment of the Company refers to the transaction of liability in which an enterprise grants equity instruments or confirmed by undertaking equity-instrument-based in order to obtain the services provided by the employees or other parties. Share-based payment of the Company is divided into the equity-settled share-based payment and cash-settled share-based payment.

1. Equity-settled share-based payment and equity instrument

The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees. Those whose rights can be exercised after granted shall be included into relevant costs or expenses as per the fair value of equity instrument on the date of granting, and the capital reserves shall be increased accordingly. If it can only be executed after completing services within the waiting period or meeting specified achievement conditions, on each balance sheet date within the waiting period, current services will be included into relevant costs or expenses according to the fair value on the date of granting, and capital reserves will be increased accordingly based on the optimal estimate of quantity of executable equity instruments according to the latest follow-ups obtained by the Group.

If the terms for equity-settled share-based payment are modified, the obtained service shall be confirmed at least according to the circumstance where the terms have not been modified. In addition, any modifications that increase the fair value of granted equity instrument, or any changes beneficial to staff on the modification date will be confirmed as increase of obtained service.

If the equity instruments granted are canceled within the waiting period, the Company shall regard cancellation of the equity instruments granted as acceleration of exercising the rights. The amount which shall be recognized within the remaining waiting period shall be included into the current profits and losses immediately, and the capital reserve shall be recognized simultaneously. However, if a new equity instrument is granted, and the granted new equity instrument is affirmed to be used for replacing the canceled equity instrument on the grant date of the new equity instrument, then the granted replacement equity instrument will be disposed in the same way with handling the modification to the original equity instrument terms and conditions.

2. Cash-settled share-based payment and equity instrument

Cash-settled share-based payment will be measured according to the fair value of liabilities borne by the Company which is calculated and recognized based on shares or other equity instruments. Those whose rights can be exercised immediately after granted shall be included into relevant costs or expenses as per the fair value of liabilities borne by the Company on the date of granting, and the liabilities shall be increased accordingly. For share-based payment transactions in which rights can only be executed after the completion of service in the waiting period or meeting the prescribed performance conditions, on each balance sheet date within the waiting period, current services will be included into relevant cost or expenditure and included in the liabilities accordingly based on the optimal estimate of the executable right and according to the fair value of liability born by the Company. On each balance sheet date and settlement date before the settlement of the relevant liabilities, the fair value of liabilities shall be re-measured, and the changes shall be included into the current profits and losses.

37. Other financial instruments, such as preferred stocks and perpetual bonds

√ Applicable ☐ Not applicable

The Company shall classify financial instruments or their components as financial assets, financial liabilities or equity instruments at the initial recognition according to the contract term of issued preferred stocks / perpetual bonds and the reflected economic nature, rather than only in legal form.

If the financial instruments such as perpetual bonds/preferred stocks issued by the Company meet one of the following conditions, such instruments as a whole or their compositions shall be classified as financial liabilities at the time of initial recognition:

(1) There are contractual obligations for the performance of which the Company 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 stocks do not meet any one of the above conditions, such instruments as a whole or their compositions shall be classified as equity instruments.

38. Revenue

(1). Accounting policies adopted for revenue recognition and measurement

√ Applicable ☐ Not applicable

The Group recognizes the revenue when performance obligations under the Contract are performed, i.e., the consumer obtains the control power over relevant goods or services. Obtaining the control power over the relevant goods or services means being able to dominate the use of such goods or services and obtain almost all economic benefits from them.

If the Contract includes two or more performance obligations, the Group shall apportion the transaction price to each individual performance obligation on the start date of the contract according to the relative proportion of the individual selling price of the goods or services specified for each individual performance obligation. Revenue shall be measured by the Group according to the transaction price apportioned to each individual performance obligation.

Transaction price refers to the amount of consideration to which the Group is expected to be entitled due to the transfer of goods or services to the customers, but does not include the amount collected on behalf of a third party and the amount which the Group expects to return to the customers. The Group determines the transaction price in accordance with the contract terms and in combination with previous practices, and considers the impact of variable consideration, significant financing components in the contract, non-cash consideration, consideration payable to customers and other factors while determining the transaction price. The Group determines the transaction price including the variable consideration based on an amount not exceeding the amount of recognized revenue which is highly unlikely to be materially recovered when relevant uncertainties are eliminated. If there are significant financing components in the Contract, the Group will determine the transaction price based on the amount payable which is assumed to be paid by the customer in cash when obtaining the control right over goods or services, and amortize the difference between the transaction price and the contract consideration by the effective interest rate method during the contract period.

When any of the following conditions is satisfied, it will be deemed as that the Group fulfills its performance obligations during certain period, otherwise, as that the Group fulfills its performance obligations at a certain time point:

- The customers obtain and consume the economic benefit arising from the performance of the Group at the time of the performance of the Group.
- The customer is able to control the in-process goods during the Group's performance.
- The goods produced during the performance of the Group are for an irreplaceable purpose, and during the contract period, the Group has the right to ask for the payment for the completed performance accumulated so far.

For the performance obligations within a certain period of time, the Group recognizes the revenue in accordance with the performance progress during the period, except that the performance progress cannot be determined reasonably. The Group determines the performance progress according to the proportion of the completed contract workload to the estimated total contract workload. If the performance progress cannot be reasonably determined and the costs incurred are expected to be compensated, the Group will recognize the revenue according to the amount of costs incurred until the performance progress can be reasonably determined.

As for the performance obligation fulfilled at certain time point, the Group shall recognize the revenue when the customer obtains the control over relevant goods or service. In the judgment of whether the customer has obtained the control over the goods or service, the Group will consider the following indications:

- The Group has the right of current collection for the goods or service, that is, the customer has the obligation of current payment for the goods or service;
- The Group has transferred the legal ownership of the goods to the customer, that is, the customer has obtained the legal ownership of the goods;
- The Group has transferred the physical goods to the customer, that is, the customer has possessed the physical goods;
- The Group has transferred the main risks and rewards existing in the ownership of the goods to the customers, that is, the customer has obtained the main risks and rewards existing in the ownership of the goods;
- The customer has received the goods or services.

The accounting policies related to main activities of the Group to obtain income are described as follows:

(1) Revenue of engineering contracting contract

The engineering contracting contracts between the Group and customers generally include performance obligations such as housing construction and infrastructure construction. As the customer is able to control goods under construction during the performance of the Group, the Group will regard them as the performance obligations within a certain period of time and recognize the revenue within a certain period of time according to the performance progress, except that the performance progress cannot be determined reasonably. The Group

determines the performance progress according to the proportion of the completed contract workload to the estimated total contract workload. In the case that it is unable to determine the progress of performance on a reasonable base, and it is expected that the cost incurred by the Group can be compensated, then, the incurred cost shall be recognized as the revenue until the progress of performance can be determined on a reasonable base. If the contract cost is irrecoverable, it shall be immediately recognized as contract expenses rather than contract income at the time of occurrence.

(2) Revenue from survey and design services

As the design and survey services provided by the Group during the performance of the contract are irreplaceable, and the Group has the right to collect payment for the completed part during the whole contract period, the Group regards it as a performance obligation within a certain period of time and recognizes revenue according to the performance progress, except that the performance progress cannot be determined reasonably. In the case that it is unable to determine the progress of performance on a reasonable base, and it is expected that the cost incurred by the Group can be compensated, then, the incurred cost shall be recognized as the revenue until the progress of performance can be determined on a reasonable base.

(3) Income from real estate sales

For the real estate sales that meet the conditions to fulfill the performance obligations within a certain period of time according to the sales contract, local laws and regulatory requirements, the Group will recognize the income according to the performance progress within the period; For the sales of other real estates, upon the completion and acceptance of the real estate, the conclusion of a legally binding sales contract and meeting the delivery conditions agreed in the sales contract, when the customer obtains the control right of relevant goods or services, the realization of sales revenue is recognized.

(4) Revenue from commodity sales

The Group sells the commodities and when the customers acquire the right to control the relevant commodities, the Group will confirm the discount amount according to the expected value method and will recognize the net amount after deducting the expected discount amount from the contract consideration as the income based on the historical experience.

(5) Revenue from BT and PPP businesses

During construction of the project, the Group recognizes the relevant revenues and costs of the construction services provided in accordance with the accounting policies set out in above engineering contracting contract.

The contract stipulates, within a certain period upon completion of construction, the Group may unconditionally collect monetary capital of certain amount or other financial assets, and recognize the contract assets at the same time as recognizing the income. The Group will transfer contract assets to the financial assets for accounting when it obtains the right for collecting the consideration unconditionally. As set out in the contract, after the construction, the Group has the right to collect payment from customers receiving services during a certain time of operation. However, if the payment amount is uncertain, and the right does not constitute an unconditional right to receive a certain amount of monetary capital or other financial assets, it shall be recognized as an intangible asset and be amortized by straight-line method during the franchise period after the completion of relevant infrastructure project.

At the operation stage, when the service is provided, the corresponding income is recognized; The daily maintenance or repair cost incurred is confirmed as the current cost.

Accounting policies applicable before January 1, 2020

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 monetary funds are 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.

(2). Situation of differences in accounting policies for income recognition caused by different operation modes of same business

☐ Applicable ☒ Not applicable

39. Contract cost

☒ Applicable ☐ Not applicable

The contract cost shall include the contract performance cost and the contract acquisition cost.

The cost incurred by the Group to perform the contract, which the specification scope of criteria related to inventory, fixed assets or intangible assets does not apply to and also meets the following conditions at the same time, shall be recognized as an asset as the contract performance cost:

- Such cost is directly related to a current or expected contract;
- Such cost increases the Group's resources used for future performance of performance obligations;
- This cost is expected to be recovered.

If the incremental cost incurred by the Group for acquiring the contract is expected to be recovered, it shall be recognized as an asset as the contract acquisition cost.

The assets related to the contract cost shall be amortized on the same basis as the income recognition of the commodities or services related to the assets. However, if the amortization period of the contract acquisition cost doesn't exceed one year, the Group will include it in current profits and losses upon occurrence.

If the book value of the assets related to the contract cost is higher than the difference between the following two items, the Group shall withdraw the impairment provision for the excess part and recognize it as assets impairment loss:

1. The remaining consideration which the Group is expected to obtain due to the transfer of the commodities or services related to such assets;
2. The cost estimated to be incurred for the transfer of the relevant commodities or services.

If the difference of above assets is higher than the book value of such assets due to changes in the impairment factors in the previous periods, the assets impairment provision withdrawn originally shall be reversed and included into the current profits and losses by the Group, but the book value of the reversed assets shall not exceed the book value of such assets on the date of reversal assuming the impairment provision is not withdrawn.

40. 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

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 other 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 other

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 other 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.

41. Deferred income tax assets /deferred income tax liabilities

√ Applicable ☐ Not applicable

Income tax shall include current income tax and deferred income tax. In addition to the income tax generated from merger of enterprises, transactions directly recorded in the owner's rights and interests (including other comprehensive income) or other events, this Group will involve the current income tax and deferred income tax to the current profits and losses.

Deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the differences (temporary differences) between the tax bases of assets and liabilities and their book values.

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;
- Other transactions or events which affect neither the accounting profit nor the taxable income (or deductible loss) except for business combination.

For taxable temporary differences related to the investment of subsidiaries, associates and joint ventures, the deferred income tax liabilities shall be recognized, except that the Group can control the transfer time of temporary differences and these temporary differences may not be reversed in the foreseeable future. For deductible temporary differences related to the investment of subsidiaries, associates and joint ventures, the temporary difference is possible to be reversed in the predictable future and obtain taxable income for deducting the deductible temporary difference in the future, the deferred income tax assets shall be recognized.

On the balance sheet date, according to the provisions of the tax law, the deferred income tax assets and deferred income tax liabilities shall be measured according to the tax rate applicable to the period during which the relevant assets are expected to be recovered or the relevant liabilities are expected to be paid off.

On the balance sheet date, the Group re-checks the book value of deferred income tax assets. If it is unlikely to obtain sufficient taxable income to deduct from the benefit of the deferred income tax asset in the future, the carrying amount of the deferred income tax assets shall be written down. When the sufficient taxable income is likely to be obtained, the written-down amount shall be reversed.

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.

On the date of the balance sheet, the deferred income tax assets and the deferred income tax liabilities shall be listed with the net amount after the offset if the following conditions are met:

- Taxpaying body has the legal right to carry out the net settlement for the current tax assets and current tax liabilities;
- 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.

42. Lease

(1). Accounting treatment method of the operating leases

☒ Applicable ☐ Not applicable

(1) The rent paid for renting the assets by the Company 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 Company shall be included in current expenses.

If the lessor of the assets bears expenses related to lease that should be borne by the Company, the Company 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 Company 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 Company 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 Company bears expenses related to the lease which shall be borne by the lessee, the Company 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 methods of financing 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

43. 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 base on two years after the age indicated in the *China Life Insurance Mortality Table (2010-2013)*-CL5/CL6 up 2 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) Engineering Contracting Contract

The income and expenses of the construction and service contracts shall be recognized based on the performance progress, 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. It may be revised in case of circumstances which may result in changes in contract revenue, contract cost or completion schedule. The increase or decrease in estimated revenues or costs due to the revision will be reflected in the profit statement for the revision period.

(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) Impairment of financial instruments and contract assets

The Group evaluates the impairment of financial instruments and contract assets with the expected credit loss model. When applying the expected credit loss model, the Group shall make significant judgments and estimates, and consider all reasonable and warranted information, including forward-looking information. When making these significant judgments and estimates, the Group will deduce the expected changes of the debtor's credit risk based on historical repayment data and in combination with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the drawing of impairment provisions. Impairment provisions accrued may not be equal to the actual amount of impairment losses in the future.

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 buyers 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.

44. Changes in significant accounting policies and accounting estimates**(1). Changes in significant accounting policies**

√ Applicable □ Not applicable

Contents of and reasons for changes in the accounting policies	Procedure for review and approval	Remark (name and amount of the significantly affected report items)
(1) For part of contracts where the revenue of which was originally recognized by percentage of completion, their revenues are recognized by the time point of control right transfer due to not meeting the condition for revenue recognition within a certain period.		Contract liabilities increased by RMB 9,859,776.34; Minority equity decreased by RMB 4,831,290.41; Undistributed profit decreased by RMB 5,028,485.93.
(2) Commissions originally recognized as sales expenses are capitalized as contract acquisition cost.		Other current assets increased by RMB 10,266,981.33; Other non-current assets increased by RMB 8,010,954.92; Deferred income tax liability increased by RMB 2,669,754.43; Minority equity increased by RMB 392,758.62; Undistributed profit increased by RMB 15,215,423.20.
(3) The completed but not settled receivables which are related to engineering contract, survey and design services, PPP projects and other investment projects and do not meet the right to receive payment unconditionally are reclassified into contract assets. Completed but not settled advances from customers related to construction contract and advances from customers related to engineering contracting contract, survey and design services, PPP projects and other investment projects are reclassified into contract liabilities. The contract assets and contract liabilities under the same contract		Accounts receivable decreased by RMB 79,499,945.39; Inventory decreased by RMB 44,584,658,091.77; Contract assets increased by RMB 30,399,912,566.22; Impairment provision for contract assets increased by RMB 168,806,466.21; Long-term receivables decreased by RMB 7,728,403,185.64; Impairment provision for long-term receivables decreased by RMB 9,889,817.85; Other non-current assets increased by RMB 19,397,190,781.59; Impairment provision for other non-current assets increased by RMB 138,858,478.60; Deferred income tax assets increased by RMB 52,133,107.85; Advances from customers decreased by RMB 56,118,524,401.68; Contract liabilities increased by RMB 53,310,980,971.47;

shall be listed in net amount.		Other current liabilities increased by RMB 212,085,555.22; Deferred income tax liability decreased by RMB 54,522.88; Minority equity decreased by RMB 651,710.08; Surplus reserves decreased by RMB 2,821,504.38; Undistributed profit decreased by RMB 242,114,281.77.
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Other notes

(1) Implement *Accounting Standards for Business Enterprises No. 14 – Incomes* (2017 Revision) (hereinafter referred to as the “New Income Standard”)

In 2017, the Ministry of Finance has revised *Accounting Standards for Business Enterprises No. 14 – Incomes*. According to the provisions of revised standards, for the first implementation of the standard, the amount of retained earnings at the beginning of the year and of other related items in the financial statements shall be adjusted according to the cumulative effect. The information shall not be adjusted during the comparable period.

The Group began to implement the New Income Standard from January 1, 2020. According to the standard, the Group only adjusted the amount of retained earnings at the beginning of 2020 and of other related items in its financial statements based on the cumulative effect of contracts that have not been completed on the first implementation date. No adjustment was made to the comparative financial statement.

Compared with the original income standards, the influences of implementing the New Income Standard on the relevant items of 2020 Financial Statements were shown as follows:

Affected items in balance sheet	Affected amount in the balance on December 31, 2020	
	Consolidated	Parent company
Inventory - original value	-50,951,233,159.55	-8,991,462,531.19
Contract assets - original value	39,183,359,561.36	7,402,792,067.12
Other current assets	15,979,425.04	
Long-term receivables - original value	-10,239,909,532.87	
Other non-current assets - original value	22,038,779,624.21	1,588,670,464.07
Contract liabilities	33,607,569,177.05	5,764,732,055.93
Accounts collected in advance	-33,609,359,818.49	-5,764,732,055.93
Owner's equities	48,766,559.63	
Affected items in income statement	Affected amount in amount occurred in 2020	
	Consolidated	Parent company
Operating revenue	6,204,827.83	
Selling and distribution expenses	-28,697,981.94	

(2) Implement the *No. 13 Interpretation of Accounting Standards for Business Enterprises*

The Ministry of Finance issued the *No. 13 Interpretation of Accounting Standards for Business Enterprises* (C.K. [2019] No. 21, hereinafter referred to as “Interpretation No. 13”) on December 10, 2019. It is implemented since January 1, 2020. No retroactive adjustment is required.

① Definition of related parties

According to Interpretation No. 13, the following circumstances shall constitute affiliated parties: Joint ventures or associates established by an enterprise and other members of its subordinate enterprise group (including the parent company and its subsidiaries); Other joint ventures or associates established by an enterprise and its joint venture. In addition, Interpretation No. 13 also defines two or more enterprises that are only significantly affected by one party do not constitute affiliated parties, and further explains that associates include associates and their subsidiaries, and that joint ventures include joint ventures and their subsidiaries.

② Definition of a Businesses

Interpretation No. 13 improves the three elements of business composition, refines the judgment conditions of business composition, and introduces the choice of "concentration test" to simplify the judgment of whether a portfolio acquired under different control constitutes business.

The Group has implemented Interpretation No. 13 since January 1, 2020. No adjustment was made to the comparative financial statement. The implementation of Interpretation No. 13 has no significant influence on the financial status and operating results of the Group.

(3) Implement the *Interim Provisions on the Accounting Treatment Regarding Carbon Emissions Right Trading*

The Ministry of Finance issued the *Interim Provisions on the Accounting Treatment Regarding Carbon Emissions Right Trading* (C.K. [2019] No. 22) on December 16, 2019. It shall apply to the relevant enterprises among key emission enterprises (hereinafter referred to as “key emission enterprises”) that conduct carbon emission trading business in accordance with the *Interim Measures for the Administration of Carbon Emission Permit Trading* and other relevant provisions. It has been implemented since January 1, 2020. Key emission enterprises shall apply the provisions by the prospective application method.

The Group has implemented the Provisions since January 1, 2020. No adjustment was made to the comparative financial statement. The implementation of the Provisions has no significant influence on the financial status and operating results of the Group.

(4) Implement the *Provisions on the Accounting Treatment of the COVID-19 Pandemic-related Rental Concessions*

The Ministry of Finance issued the *Provisions on the Accounting Treatment of the COVID-19 Pandemic-related Rental Concessions* (C.K. [2020] No. 10) on June 19, 2020. It has been implemented since June 19, 2020. According to this Provisions, enterprises are allowed to adjust related rental concessions occurred from January 1, 2020 to the implementation date of this Provisions. According to this Provisions, if the rent reduction, exemption, deferred payment and other rental concessions, which are directly caused by the COVID-19 pandemic, meet all conditions, an enterprise may conduct accounting treatment by adopting the simplified method:

The Group conducts accounting treatment by adopting the simplified method to all rental concessions within the range of application of these Provisions and makes corresponding adjustments to related rental concessions occurred from January 1, 2020 to the implementation date of these Provisions according to these Provisions.

As the lessee, the Group adopts a simplified method to deal with the related rental concession, to write down operating costs, administrative expenses and sales expenses of RMB 0.00 in the current period.

As the lessor, the Group adopts a simplified method to deal with the related rental concession, to write down operating revenue of RMB 11,552,945.64 in the current period.

(2). **Changes in significant accounting estimates**

☐ Applicable ☒ Not applicable

(3). **Relevant situation of the initial adjustment in the implementation of the financial statement for the beginning of the year by initial implementation of the New Income Standard and New Lease Standard in 2020**

☒ Applicable ☐ Not applicable

Consolidated Balance Sheet

Unit: RMB Currency: RMB

Item name	December 31, 2019	January 1, 2020	Adjusted amount
Current assets:			
Monetary funds	66,093,788,808.80	66,093,788,808.80	
Balances with clearing companies			
Loans to banks and other financial institutions			
Financial assets held for trading	3,152,499,005.64	3,152,499,005.64	
Derivative financial assets			
Notes receivable	992,645,290.83	992,645,290.83	
Accounts receivable	36,382,708,474.79	36,303,208,529.40	-79,499,945.39
Receivables financing	5,116,834,432.35	5,116,834,432.35	
Advance payment	2,609,985,958.70	2,609,985,958.70	
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	5,102,371,191.66	5,102,371,191.66	
Wherein: Interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	88,042,901,462.95	43,458,243,371.18	-44,584,658,091.77

Wherein: outstanding payments for construction completed	44,584,658,091.77		44,584,658,091.77
Contract assets		30,231,106,100.01	30,231,106,100.01
Assets held for sale			
Non-current assets due within one year	1,069,584,919.54	1,069,584,919.54	
Other current assets	2,672,010,768.48	2,682,277,749.81	10,266,981.33
Total current assets	211,235,330,313.74	196,812,545,357.92	-14,422,784,955.82
Non-current assets:			
Disbursement of loans and advances			
Creditor's right investment			
Other creditor's right investment			
Long-term receivables	21,917,628,153.86	14,199,114,786.07	-7,718,513,367.79
Long-term equity investment	4,535,182,233.21	4,535,182,233.21	
Other equity instrument investments	764,007,075.93	764,007,075.93	
Other non-current financial assets	1,857,439,448.52	1,857,439,448.52	
Investment properties	4,969,343,961.23	4,969,343,961.23	
Fixed assets	7,734,039,382.43	7,734,039,382.43	
Construction in progress	484,838,908.75	484,838,908.75	
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	2,132,311,762.17	2,132,311,762.17	
Development expenditures			
Goodwill	114,133,452.08	114,133,452.08	
Long-term unamortized expenses	338,060,116.44	338,060,116.44	
Deferred income tax assets	809,000,233.14	861,133,340.99	52,133,107.85
Other non-current assets	389,581,467.60	19,655,924,725.51	19,266,343,257.91
Total non-current assets	46,045,566,195.36	57,645,529,193.33	11,599,962,997.97
Total assets	257,280,896,509.10	254,458,074,551.25	-2,822,821,957.85
Current liabilities:			
Short-term borrowings	5,821,804,016.21	5,821,804,016.21	
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	11,131,206,593.91	11,131,206,593.91	
Accounts payable	76,541,684,887.28	76,541,684,887.28	
Advances from customers	56,141,342,203.04	22,817,801.36	-56,118,524,401.68
Wherein: Payment settled but not completed	45,447,289,088.80		45,447,289,088.80
Contract liabilities		53,320,840,747.81	53,320,840,747.81
Financial assets sold under repurchase agreements			
Absorption of deposits and interbank deposits			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employee compensation payable	830,501,601.75	830,501,601.75	
Taxes and surcharges payable	3,954,255,488.92	3,954,255,488.92	
Other payables	12,121,558,314.82	12,121,558,314.82	
Wherein: Interest payable			
Dividends payable			

Handling charges and commissions payable			
Accounts payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	7,991,541,778.41	7,991,541,778.41	
Other current liabilities	188,535,677.61	400,621,232.83	212,085,555.22
Total current liabilities	174,722,430,561.95	172,136,832,463.30	-2,585,598,098.65
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	44,189,370,794.24	44,189,370,794.24	
Bonds payable	96,984,000.00	96,984,000.00	
Wherein: Preferred stock			
Perpetual bonds			
Lease liabilities			
Long-term payables	1,140,089,000.80	1,140,089,000.80	
Long-term employee compensation payable	296,488,097.00	296,488,097.00	
Estimated liabilities	6,002,194.11	6,002,194.11	
Deferred income	173,018,009.04	173,018,009.04	
Deferred income tax liabilities	429,763,249.68	432,378,481.23	2,615,231.55
Other non-current liabilities	53,705,996.65	53,705,996.65	
Total non-current liabilities	46,385,421,341.52	46,388,036,573.07	2,615,231.55
Total liabilities	221,107,851,903.47	218,524,869,036.37	-2,582,982,867.10
Owners' equity (or shareholders' equity):			
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	
Wherein: Preferred stock	0.00	0.00	
Perpetual bonds	6,500,000,000.00	6,500,000,000.00	
Capital reserves	2,200,006,546.37	2,200,006,546.37	
Minus: Treasury stock	55,121,123.98	55,121,123.98	
Other comprehensive incomes	-85,530,145.70	-85,530,145.70	
Special reserve	2,384,562.98	2,384,562.98	
Surplus reserves	1,513,091,171.63	1,510,269,667.25	-2,821,504.38
General risk reserves			
Undistributed profits	14,074,908,867.70	13,842,981,523.20	-231,927,344.50
Total equities attributable to owners (shareholders) of the parent company	33,054,137,607.00	32,819,388,758.12	-234,748,848.88
Minority shareholder's equity	3,118,906,998.63	3,113,816,756.76	-5,090,241.87
Total owners' equity (or shareholders' equity)	36,173,044,605.63	35,933,205,514.88	-239,839,090.75
Total liabilities and owners' equity (or shareholders' equity)	257,280,896,509.10	254,458,074,551.25	-2,822,821,957.85

Description of adjustment of each item:

☐ Applicable ☒ Not applicable

Balance Sheet of the Parent Company

Unit: RMB

Currency: RMB

Item name	December 31, 2019	January 1, 2020	Adjusted amount
Current assets:			
Monetary funds	14,012,876,302.42	14,012,876,302.42	
Financial assets held for trading	1,436,707,566.08	1,436,707,566.08	
Derivative financial assets			

Notes receivable			
Accounts receivable	3,769,461,530.09	3,769,461,530.09	
Receivables financing	523,039,438.58	523,039,438.58	
Advance payment	266,338,448.36	266,338,448.36	
Other receivables	3,847,615,312.01	3,847,615,312.01	
Wherein: Interest receivable			
Dividends receivable			
Inventories	10,985,623,053.70	482,068,314.22	-10,503,554,739.48
Wherein: outstanding payments for construction completed	10,503,554,739.48		-10,503,554,739.48
Contract assets		6,504,581,387.53	6,504,581,387.53
Assets held for sale			
Non-current assets due within one year			
Other current assets	6,202,147,870.02	6,202,147,870.02	
Total current assets	41,043,809,521.26	37,044,836,169.31	-3,998,973,351.95
Non-current assets:			
Creditor's right investment			
Other creditor's right investment			
Long-term receivables			
Long-term equity investment	21,821,905,134.58	21,821,905,134.58	
Other equity instrument investments	792,070,898.93	792,070,898.93	
Other non-current financial assets	475,540,713.36	475,540,713.36	
Investment properties	40,850,191.03	40,850,191.03	
Fixed assets	1,023,609,074.35	1,023,609,074.35	
Construction in progress	9,033,446.70	9,033,446.70	
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	26,199,112.51	26,199,112.51	
Development expenditures			
Goodwill			
Long-term unamortized expenses			
Deferred income tax assets		9,405,014.60	9,405,014.60
Other non-current assets	44,145.32	2,203,345,086.86	2,203,300,941.54
Total non-current assets	24,189,252,716.78	26,401,958,672.92	2,212,705,956.14
Total assets	65,233,062,238.04	63,446,794,842.23	-1,786,267,395.81
Current liabilities:			
Short-term borrowings	2,492,947,655.79	2,492,947,655.79	
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	13,817,401,023.50	13,817,401,023.50	
Advances from customers	11,863,761,668.88		-11,863,761,668.88
Wherein: Payment settled but not completed	10,468,230,664.30		-10,468,230,664.30
Contract liabilities		10,105,709,315.88	10,105,709,315.88
Employee compensation payable	22,009,995.92	22,009,995.92	
Taxes and surcharges payable	20,163,689.65	20,163,689.65	
Other payables	11,144,886,057.73	11,144,886,057.73	
Wherein: Interest payable			

Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year	1,500,000,000.00	1,500,000,000.00	
Other current liabilities	4,875,700.11	4,875,700.11	
Total current liabilities	40,866,045,791.58	39,107,993,438.58	-1,758,052,353.00
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Wherein: Preferred stock			
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	15,357,698.34	
Deferred income tax liabilities	214,863,159.56	214,863,159.56	
Other non-current liabilities			
Total non-current liabilities	425,407,194.06	425,407,194.06	
Total liabilities	41,291,452,985.64	39,533,400,632.64	-1,758,052,353.00
Owners' equity (or shareholders' equity):			
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	
Wherein: Preferred stock	0.00	0.00	
Perpetual bonds	6,500,000,000.00	6,500,000,000.00	
Capital reserves	3,695,151,297.49	3,695,151,297.49	
Minus: Treasury stock	55,121,123.98	55,121,123.98	
Other comprehensive incomes	-41,867,344.85	-41,867,344.85	
Special reserve			
Surplus reserves	1,501,610,411.06	1,498,788,906.68	-2,821,504.38
Undistributed profits	3,437,438,284.68	3,412,044,746.25	-25,393,538.43
Total owners' equity (or shareholders' equity)	23,941,609,252.40	23,913,394,209.59	-28,215,042.81
Total liabilities and owners' equity (or shareholders' equity)	65,233,062,238.04	63,446,794,842.23	-1,786,267,395.81

Description of adjustment of each item:

☐ Applicable ☒ Not applicable

(4). Instructions on the implementation of New Income Standard or New Lease Standard from 2020 to retroactively adjust the preliminary comparative data

☐ Applicable ☒ Not applicable

45. 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
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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%, 9%, 13%
Consumption tax		
Business tax		
Urban maintenance and construction tax	Levied based on VAT 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 value appreciation tax	Perform calculation and make payments by the value added of the transferred real estate and the prescribed tax rate	Accumulative 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 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%
Shanghai Construction Design and Research General Institute Co., Ltd. ("SCG Institute")	15%
Shanghai Construction Building Materials Technology Group Co. Ltd. ("Building Materials Science and Technology")	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%
Shanghai Construction Wuxi Co., Ltd. ("SCG Wuxi Company")	25%
SCG Changzhou Wujin Zhongwu Road Construction Co., Ltd. ("SCG Wujin Zhongwu Avenue Company")	25%
SCG Changzhou Wujin Viaduct Construction Co., Ltd. ("SCG Wujin Overhead Company")	25%
Shanghai Construction Group Dalian Construction Engineering Co., Ltd. ("SCG Dalian Company")	25%
SCG Wuxi Yanghu Road Construction and Administration Co., Ltd. ("SCG Wuxi Yanghu Road Company")	25%
SCG Kunshan Middle-ring Road Construction Co., Ltd. ("SCG Kunshan Zhonghuan Construction Company")	25%
Shanghai Gardens (Group) Co., Ltd. ("Garden Group")	15%
SCG Wuxi Beizhong Road Construction and Administration Co., Ltd. ("SCG Wuxi Beizhong Road Company")	25%
SCG Jiangxi Jiulonghu Municipal Engineering Design Co., Ltd. ("SCG Jiangxi Jiulonghu Company")	25%
CG Taizhou Tianxu Line Construction Co., Ltd. ("SCG Taizhou Tian-Xu Line Company")	25%
SCG 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 Tourism Resort Engineering Construction Co., Ltd. ("Resort Engineering Company")	25%
Zhuhai Shenhai Construction Engineering Co., Ltd. ("Zhuhai Shenhai Company")	25%
Shanghai Huadong Construction Machinery Factory Co. Ltd. ("Huadong Construction")	25%
Shanghai Construction Real Estate Co., Ltd. ("SCG Real Estate")	25%
Shanghai SFECO (GROUP) ("Shanghai SFECO")	25%
SCG Yibin Daxikou Construction Co., Ltd. ("SCG Yibin Construction Company")	25%

SCG Chengdu Construction Engineering Co., Ltd. ("SCG Chengdu Construction Company")	25%
SCG Wenzhou Qidu Bridge Construction Co., Ltd. ("SCG Qidu Bridge Company")	25%
SCG Wenzhou Oujiangkou Construction Co., Ltd. ("SCG Wenzhou Oujiangkou Company")	25%
SCG Investment Co., Ltd. ("SCG Investment Company")	25%
SCG E-commerce Co., Ltd. ("SCG Electronic Commerce Company")	25%
Sihui Huijian Road Reconstruction Construction Development Co., Ltd. ("Sihui Huijian Company")	25%
Zhaoqing Huijian Railway Station Complex Construction Development Co., Ltd. ("Huijian Railway Station Company")	25%
SCG Meishan Construction Engineering Co., Ltd. ("SCG Meishan Company")	25%
Changzhou Jintan Maoshan Traveling Road Construction Co., Ltd. ("Maoshan Traveling Road Company")	25%
SCG 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 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 and Hydropower Construction Co., Ltd. ("Zhejiang Hydropower Company")	25%
Nanjing Qiaoyuan Construction Management Co., Ltd. ("Nanjing Qiaoyuan Company")	25%
Shanghai Minchuan Sports Development Co., Ltd. ("Minchuan Sports")	25%
SCG Yiyun Technology Co., Ltd. ("SCG Yiyun Technology Company")	25%
Qingdao Rail Traffic Park Hujian Investment and Development Co., Ltd. ("Qingdao Rail Traffic")	25%
Hainan Hujian Construction Co., Ltd. ("Hainan Hujian")	25%
Tianjin House Construction Development Group Co., Ltd. ("Tianjin House Group")	25%

The Group's secondary overseas subsidiaries, including SCG Overseas Holdings Co., Ltd., SCG (Caribbean) Co. Ltd., SCG (Canada) Co. Ltd. SCG America Group Inc. 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 01, 2019.

The No. 2 Group obtained the "High-tech Enterprise Certificate" (certificate number: GR201831003571) 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 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 01, 2018.

The No. 4 Group obtained the "High-tech Enterprise Certificate" (certificate number: GR201831003553) 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 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 01, 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 01, 2019.

The No. 7 Group obtained the “*High-tech Enterprise Certificate*” (certificate number: GR201831001140) 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 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 01, 2018.

The Decoration Group obtained the “*High-tech Enterprise Certificate*” (certificate number: GR201831001184) 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 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 01, 2018.

The SCG Institute obtained the “*High-tech Enterprise Certificate*” (certificate number: GR202031003344) 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 2020. 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, 2020.

Building Materials Science and Technology 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 01, 2019.

The National Office of the Leading Group for the Accreditation and Management of High-tech Enterprises issued document *Reply to the Record of the Third Batch of High Tech Enterprises in Shanghai in 2019* (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 01, 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 01, 2018.

The Municipal Design Institute obtained the “*High-tech Enterprise Certificate*” (certificate number: GR202031001133) 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 2020. 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, 2020.

The SINKO Air Conditioning Company obtained the “*High-tech Enterprise Certificate*” (certificate number: GR202031000485) 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 2020. 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, 2020.

The Garden Group obtained the “*High-tech Enterprise Certificate*” (certificate number: GR202031000137) 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 2020. 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, 2020.

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 2020 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 2020 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. Monetary funds

☒ Applicable ☐ Not applicable

		Unit: RMB	Currency: RMB
Item name	Ending balance	Beginning balance	
Cash on hand	9,086,652.66	7,902,893.92	
Deposit	77,253,917,532.04	65,169,001,607.58	
Other monetary funds	1,203,373,358.16	916,884,307.30	
Total	78,466,377,542.86	66,093,788,808.80	
Wherein: total amount deposited abroad	2,295,537,124.82	1,191,199,601.94	

Other notes

Among which, the monetary funds with limited usage due to mortgage, pledge, or freezing, being deposited overseas, or subject to limitation in repatriation are detailed as follows:

Item name	Ending balance	Ending balance of previous year
L/C guarantee deposits		20,684,936.98
Pledge of borrowings	406,537,995.04	3,778,425.86
Bank guarantee and security deposit for notes	829,541,459.38	621,491,867.62
Performance security	89,103,945.89	99,002,737.39
Freezing of asset for preservation (note)	348,330,600.44	137,403,720.69
Security deposit for business qualification	2,043.48	
Monetary capital for real estate projects	32,295,246.50	67,777,001.12
Account under supervision by the owner	152,290,178.91	
Principal and interest of proposed held-to-maturity fixed time deposits	5,056,692,189.83	
Others	34,480,713.88	446,135.11
Total	6,949,272,329.87	950,584,824.77

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	4,231,093.66
No. 1 Group	16,905,728.28

Name of Secondary Company	Ending balance
No. 2 Group	7,212,840.00
No. 4 Group	5,186,834.24
No. 5 Group	258,320,201.21
No. 7 Group	30,794,500.09
Installation Group	10,266,303.61
Garden Group	122,782.50
Tianjin House Group	15,290,316.85
Total	348,330,600.44

2. Financial assets held for trading

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Financial assets measured at fair value through the current profit or loss	2,634,031,074.66	3,152,499,005.64
Wherein:		
Equity investment	2,634,031,074.66	2,950,916,813.86
Derivative financial assets		201,582,191.78
Financial assets measured at fair value through the current profit or loss		
Wherein:		
Total	2,634,031,074.66	3,152,499,005.64

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	86,282,883.28
Bank of Communications	Tradable shares of listed companies	6,082,626	27,250,164.48
Orient Securities Co., Ltd.	Tradable shares of listed companies	133,523,008	1,552,872,583.04
Powerchina (Note 1)	Tradable shares of listed companies	51,480,051	199,803,228.38
Zhangjiajie Tourism Group Co., Ltd. (Note 2)	Tradable shares of listed companies	11,930,164	57,770,351.54
SDIC Capital (Note 3)	Tradable shares of listed companies	39,973,351	553,000,551.69
Taiji Group (Note 4)	Tradable shares of listed companies	6,510,416	86,770,311.98
Kangni Mechanical and Electrical (Note 5)	Tradable shares of listed companies	7,249,126	40,565,852.56
Pujiang International (Note 6)	Tradable shares of listed companies	11,362,000	29,715,147.71
Total			2,634,031,074.66

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. 2.

Note 5: It is obtained through the investment in the asset management plan for specific customers of Nuode Asset Qianjin No. 180.

Note 6: 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). Classification of notes receivable**

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Bank acceptance bills	20,024,017.00	5,244,180.00
Commercial acceptance bills	824,536,836.34	987,401,110.83
Total	844,560,853.34	992,645,290.83

(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

(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	
Wherein: within 1 year (itemize)	
Within 1 year	33,235,536,668.87
Sub-total within 1 year	33,235,536,668.87
1-2 years	8,474,246,797.56
2-3 years	2,519,052,680.90

Over 3 years	
3-4 years	2,179,468,579.21
4-5 years	1,207,295,235.66
Over 5 years	1,430,001,707.75
Minus: Provision for bad debts	-4,858,091,568.79
Total	44,187,510,101.16

(2). Disclosure by bad debt accrual method

√ Applicable ☐ Not applicable

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	2,129,585,776.63	4.33	1,316,981,410.50	61.84	812,604,366.13	1,012,936,559.89	2.59	426,488,224.81	42.1	586,448,335.08
Wherein:										
Bad debt provision made as per portfolio	46,916,015,893.32	95.67	3,541,110,158.29	7.55	43,374,905,735.03	38,072,712,087.14	97.41	2,355,951,892.82	6.18	35,716,760,194.32
Wherein:										
Total	49,045,601,669.95	/	4,858,091,568.79	/	44,187,510,101.16	39,085,648,647.03	/	2,782,440,117.63	/	36,303,208,529.40

Bad debt provision made individually:

√ Applicable ☐ Not applicable

Name	Ending balance			
	Book balance	Provision for bad debts	Provision proportion (%)	Reasons for provision
Dujiangyan Xingshi Investment Co., Ltd.	441,926,640.07	39,773,397.61	9.00	Overdue credit impairment
Yisheng Daji Investment and Development Co., Ltd.	431,106,729.00	217,999,309.00	50.57	Expected occurrence of collection risk
Tianjin Economic-Technological Development Area Central	322,779,887.00	322,779,887.00	100.00	Expected occurrence of collection risk
Yibin Cuiping District Construction Investment Co., Ltd.	171,717,748.73	10,388,923.80	6.05	Overdue credit impairment
Other insignificant items	762,054,771.83	726,039,893.09	95.27	Expected occurrence of collection risk
Total	2,129,585,776.63	1,316,981,410.50	61.84	

Bad debt provision made individually:

☐ Applicable √ Not applicable

Bad debt provision made as per portfolio:

√ Applicable ☐ Not applicable

Name	Ending balance		
	Accounts receivable	Provision for bad debts	Provision proportion (%)
Architecture, contract, design, construction	43,300,536,408.30	3,374,053,530.17	7.79
BT and PPP projects	2,549,777,854.73	87,324,242.43	3.42
Financial leasing	7,702,695.19	319,291.44	4.15
Others	1,057,998,935.10	79,413,094.25	7.51
Total	46,916,015,893.32	3,541,110,158.29	

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	2,782,440,117.63	947,516,562.58		436,575.00	112,871,463.58	4,858,091,568.79
Total	2,782,440,117.63	947,516,562.58		436,575.00	112,871,463.58	4,858,091,568.79

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 name	Amount written-off
Accounts receivable actually written-off	436,575.00

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?
Shanghai Hua'ou Furniture Co., Ltd.	Rent	436,575.00	Suspension of business license by industrial and commercial bureau	Approval by the board of directors of the Company	No
Total	/	436,575.00	/	/	/

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
China Construction Eighth Engineering Division Corp. Ltd.	1,012,460,689.85	2.06	58,912,013.09
Wenzhou Oujiangkou Industrial Agglomerations Land Reserve Center	733,769,213.77	1.50	11,006,538.21
Meishan Transport Bureau	704,225,892.92	1.44	10,563,388.39
Suzhou Qianning Real Estate Co., Ltd.	449,967,693.55	0.92	22,590,419.08
Shanghai Xinfugang Real Estate Development Co., Ltd.	444,802,181.72	0.91	22,240,109.09
Total	3,345,225,671.81	6.83	125,312,467.86

(6). Accounts receivable derecognized due to transfer of financial assets

☐ 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 name	Ending balance	Beginning balance
Notes receivable	5,463,939,660.48	5,346,154,735.28
Accounts receivable	5,435,529.10	
Minus: Changes in fair value	-260,911,608.22	-229,320,302.93
Total	5,208,463,581.36	5,116,834,432.35

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. Notes receivable pledged by the Company at the end of the current period

Item name	Notes receivable pledged by the Company at the end of the current period
Bank acceptance bill	
Trade acceptance bill	110,303,177.62
Total	110,303,177.62

2. 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 name	Ending derecognized amount	Ending non-derecognized amount
Bank acceptance bill	1,034,551,120.38	9,024,024.00
Trade acceptance bill		2,867,159,915.65
Total	1,034,551,120.38	2,876,183,939.65

3. Notes transferred to accounts receivable due to failure of performance by the issuers

Item name	Amount converted to accounts receivable at the ending period
Trade acceptance bill	5,435,529.10
Total	5,435,529.10

7. Advance payment**(1). Advances to suppliers under the aging analysis method are as follow**

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	2,148,953,837.18	84.34	2,227,316,979.38	85.34
1-2 years	149,343,111.53	5.86	256,191,073.46	9.82
2-3 years	202,058,246.66	7.93	42,930,379.78	1.64
Over 3 years	47,591,362.69	1.87	83,547,526.08	3.20

Total	2,547,946,558.06	100.00	2,609,985,958.70	100.00
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About the reason for no settlement of significant advances to suppliers with the aging over 1 year:

There are 6 advances to suppliers with an aging of more than one year, an amount of more than RMB 10 million and a total amount of RMB 266,470,397.84. Among them, the compensation for demolition of Tianjin Hongqiao District Reconstruction Project is RMB 179,505,007.12. Others are 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 supplier

☒ Applicable ☐ Not applicable

Prepaid party	Ending balance	Proportion in total ending balance of advances to suppliers (%)
Compensation for demolition of Tianjin Hongqiao District Reconstruction Project	179,505,007.12	7.05
HERRENKNECHT AG	140,026,093.96	5.50
Customs	86,938,140.27	3.41
Kazakhstan SPS Alians Grup	79,201,320.79	3.11
Rizhao New Donggang Trading Co., Ltd.	60,000,000.00	2.35
Total	545,670,562.14	21.42

Other notes

☐ Applicable ☒ Not applicable

8. Other receivables

Item presentation

☒ Applicable ☐ Not applicable

		Unit: RMB	Currency: RMB
Item name	Ending balance	Beginning balance	
Interest receivable		87,185,010.47	
Dividends receivable	7,379,185.36	10,286,720.03	
Other receivables	6,939,194,015.73	5,004,899,461.16	
Total	6,946,573,201.09	5,102,371,191.66	

Other notes:

☐ Applicable ☒ Not applicable

Interest receivable

(1). Classification of interest receivable

☒ Applicable ☐ Not applicable

		Unit: RMB	Currency: RMB
Item name	Ending balance	Beginning balance	
Fixed time deposit		72,012,256.78	
Entrusted loans			
Bond investments			
Financial lease interest receivable		14,073,099.22	
Factoring fee receivable		1,099,654.47	
Total		87,185,010.47	

(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 Real Estate Landscape Development Co., Ltd.	3,234,029.20	1,616,035.10
Shanghai Hongke Investment Management Partnership (Limited Partnership)		8,670,684.93
Tianjin House Group Real Estate Investment Co., Ltd.	4,145,156.16	
Total	7,379,185.36	10,286,720.03

(5). Significant dividends receivable with aging over 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	
Wherein: within 1 year (itemize)	
Within 1 year	805,918,151.29
Sub-total within 1 year	805,918,151.29
1-2 years	3,473,325,328.40
2-3 years	2,066,850,442.86
Over 3 years	
3-4 years	483,018,488.24
4-5 years	176,968,199.17
Over 5 years	466,926,052.79
Minus: Provision for bad debts	-533,812,647.02
Total	6,939,194,015.73

(8). Classification as per nature

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Payment nature	Ending book balance	Ending book balance
Transaction payments of related parties	367,825,965.71	280,350,962.78
Transaction payments of third party	3,536,945,952.75	1,369,119,496.53
Money on call	183,446,482.04	14,700,319.43
Guarantee deposit, security deposit	2,228,292,680.94	2,830,980,038.63

Advance money for another	222,771,215.87	225,387,253.63
Petty cash	45,120,955.01	41,092,821.04
Temporary Payment	69,534,361.95	14,108,454.56
To be settled	255,587,711.00	255,587,711.02
Others	563,481,337.48	287,197,769.65
Total	7,473,006,662.75	5,318,524,827.27

(9). Provision for bad debt

☒ Applicable ☐ Not applicable

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, 2020	239,764,315.65	35,333,555.22	38,527,495.24	313,625,366.11
The balance on January 1, 2020 in the current period	-2,925,998.75	2,175,998.75	750,000.00	
-- Be transferred to Stage 2	-2,175,998.75	2,175,998.75		
-- Be transferred to Stage 3	-750,000.00		750,000.00	
-- Be transferred to Stage 2				
-- Be transferred to Stage 1				
Provision in current period	111,552,369.24	533,459.72		112,085,828.96
Reversals in the current period				
Write-off in current period				
Canceled after verification in the current period				
Other changes	29,962,125.43	1,442,283.42	76,697,043.10	108,101,451.95
Balance on December 31, 2020	378,352,811.57	39,485,297.11	115,974,538.34	533,812,647.02

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

(10). Provision for bad debts

☒ Applicable ☐ Not applicable

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	313,625,366.11	112,085,828.96	108,101,451.95			533,812,647.02
Total	313,625,366.11	112,085,828.96	108,101,451.95			533,812,647.02

Significant accounts receivable recovered or reversed among above accounts receivable:

☐ Applicable ☒ Not applicable

(11). Other receivables written off in current period

☐ Applicable ☒ Not applicable

(12). Other receivables from top five borrowers classified based on the ending balance

√ Applicable □ Not applicable

Company name	Nature of payment	Ending balance	Aging	Unit: RMB	Currency: RMB
				Proportion in total ending balance of other receivables (%)	Provision for bad debts Ending balance
Tianjin House Group Real Estate Investment Co., Ltd.	Transaction payments	1,919,378,039.93	0-2 years	25.70	95,968,902.00
Shanghai Youdeng Industries Co., Ltd.	Others	589,910,000.00	Within 1 year	7.90	29,495,500.00
Shanghai Bureau of Planning and Natural Resources	Other margin	528,000,000.00	Within 1 year	7.07	26,400,000.00
Shenzhen Lianxin Investment Management Co., Ltd.	Others	409,421,052.63	2-5 years	5.48	20,471,052.63
Greenland Real Estate Group Co., Ltd.	Others	370,000,000.00	0-3 years	4.95	18,500,000.00
Total		3,816,709,092.56		51.10	190,835,454.63

(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

Disclosure by bad debt accrual method

Category	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Bad debt provision made individually	251,260,720.53	3.37	172,944,931.96	68.83	78,315,788.57
Bad debt provision made as per portfolio	7,221,745,942.22	96.63	360,867,715.06	5.00	6,860,878,227.16
Wherein:					
Aging portfolio	6,646,098,288.12	88.93	359,241,054.37	5.41	6,286,857,233.75
Portfolio of cash pledge and guarantee deposit	575,647,654.10	7.70	1,626,660.69	0.28	574,020,993.41
Total	7,473,006,662.75	100.00	533,812,647.02		6,939,194,015.73

Category	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Bad debt provision made individually	73,900,864.63	1.39	73,861,050.46	99.95	39,814.17
Bad debt provision made as per portfolio	5,244,623,962.64	98.61	239,764,315.65	4.57	5,004,859,646.99
Wherein:					
Aging portfolio	4,199,053,118.82	78.95	231,768,606.57	5.52	3,967,284,512.25
Portfolio of cash pledge and guarantee deposit	1,045,570,843.82	19.66	7,995,709.08	0.76	1,037,575,134.74
Total	5,318,524,827.27	100.00	313,625,366.11		5,004,899,461.16

Bad debt provision made as per portfolio

Name	Ending balance		
	Other receivables	Provision for bad debts	Provision proportion (%)

Name	Ending balance		
	Other receivables	Provision for bad debts	Provision proportion (%)
Aging portfolio	6,520,236,753.70	359,241,054.37	5.51
Guarantee deposit and security deposit	563,140,940.74	1,626,660.69	0.29
Total	7,083,377,694.44	360,867,715.06	

9. Inventories

(1). Classification of inventories

√ Applicable □ Not applicable

Unit: RMB

Currency: RMB

Item name	Ending balance			Beginning balance		
	Book balance	Inventory falling price provision / provision for impairment of contract performance cost	Book value	Book balance	Inventory falling price provision / provision for impairment of contract performance cost	Book value
Raw materials						
Work in process	224,986,066.02		224,986,066.02	992,898,513.54		992,898,513.54
Inventory goods						
Turnover materials	539,994,272.86		539,994,272.86	664,504,721.37		664,504,721.37
Consumptive biological assets						
Contract performance cost						
Finished goods	3,200,614,381.91	15,471,616.04	3,185,142,765.87	2,484,298,026.84	16,497,818.57	2,467,800,208.27
Development cost	57,038,284,100.14	557,243,573.87	56,481,040,526.27	33,767,528,177.05		33,767,528,177.05
Products development	9,039,949,910.12	234,561,362.90	8,805,388,547.22	3,735,958,233.52	1,861,671.08	3,734,096,562.44
Main material	1,338,387,421.33	2,469,756.57	1,335,917,664.76	1,398,289,768.73	179,865.26	1,398,109,903.47
Structural member	234,111,563.33		234,111,563.33	274,017,558.41		274,017,558.41
Machine parts	65,280,556.12		65,280,556.12	14,293,829.74		14,293,829.74
Spare parts	166,344,685.83		166,344,685.83	9,879,894.06		9,879,894.06
Stock seedlings and flowers	133,496,017.20		133,496,017.20	135,114,002.83		135,114,002.83
Total	71,981,448,974.86	809,746,309.38	71,171,702,665.48	43,476,782,726.09	18,539,354.91	43,458,243,371.18

Including real estate business

Item name	Ending balance			Ending balance of previous year		
	Book balance	Falling price reserves	Book value	Book balance	Falling price reserves	Book value
Development cost	57,038,284,100.14	557,243,573.87	56,481,040,526.27	33,767,528,177.05		33,767,528,177.05
Products development	9,039,949,910.12	234,561,362.90	8,805,388,547.22	3,735,958,233.52	1,861,671.08	3,734,096,562.44
Total	66,078,234,010.26	791,804,936.77	65,286,429,073.49	37,503,486,410.57	1,861,671.08	37,501,624,739.49

(1) Development cost

Item name	Commencement time	Expected completion date	Planned total investment	Ending balance	Ending balance of previous year
Nanjing Plot G68	June 2017	August 2020	RMB 11,470,710,000	9,084,254,865.71	7,989,434,690.15
Suzhou Plot 2016-WG-26	August 2017	December 2021	RMB 9,278,820,000	3,393,594,276.40	6,713,336,180.45
Xuanqiao Project Plot 05-02	August 2018	August 2020	RMB 6,350,000,000	5,415,746,080.66	4,490,542,080.32

Nanjing Plot G45	July 2018	July 2020	RMB 4,200,000,000	3,309,167,755.09	2,912,982,347.97
Plot No. 04-05 and 04-06 Commercial Housing Project, Fengjing town, Jinshan District	April 2018	April 2021	RMB 2,464,310,000	2,029,272,533.81	1,673,616,851.11
BROADWAY ELITE	May 2015	December 2020	RMB 1,818,210,000	1,923,138,763.05	1,634,727,128.10
Plot 25-01, east side of Xinfeng Road, Huaxin Town, Qingpu District	TBD	TBD	TBD	1,852,690,290.20	1,487,639,961.02
Tianjin Haiyuemingdi	December 2019	June 2023	RMB 2,468,000,000	1,659,442,628.61	1,227,743,381.62
Pujiang Kunting	October 2010	TBD	RMB 5,643,190,000	552,008,782.06	984,007,839.27
Nanchang DAK2017002 Plot Project	March 2018	December 2021	RMB 1,400,000,000	1,019,387,487.32	917,270,137.08
Nanchang Wanli Haiyuemingdi	January 2017	January 2020	RMB 1,380,000,000	544,668,830.79	889,747,059.06
Plot 14-11A-02A Indemnificatory Housing	July 2018	October 2020	RMB 1,005,290,000	741,054,818.62	587,581,844.31
Xuzhou Tunlinan	June 2016	May 2020	RMB 1,100,000,000		507,071,238.63
Plot 12-23A-04A Indemnificatory Housing Project	July 2018	October 2020	RMB 623,290,000	501,714,051.14	377,226,143.48
Villages in the city of Huinan Station	June 2016	December 2025	RMB 5,000,000,000	2,624,827,026.36	1,362,739,061.57
Plot 1#7# of Xinchang City, Shanghai Beach	September 2015	TBD	RMB 6,800,000,000	11,035,165,525.77	7,405,731.53
Plot E09B0-1 of Kangqiao Industrial Park	TBD	TBD	TBD	582,991,146.51	4,456,501.38
Plot 22A-05 of International Medical Zone	TBD	TBD	TBD	246,574,199.35	
Chenjia Town 01-01 Project	TBD	TBD	TBD	264,647,607.12	
Land Consolidation Project of Heyuan Phase II	October 2017	November 2023	RMB 2,252,775,000	1,491,470,584.80	
Huacheng Xinyuan	December 2010	January 2016	RMB 756,130,100	17,577,067.46	
Price-capped housing project in Miyun Road	Not Yet Started		RMB 6,040,000,000	3,321,553,613.48	
Huaiheyuan Plot D Commercial Project	To be developed	To be developed	TBD	72,089,193.75	
Zizhuyuan Phase II	July 2014	December 2020	RMB 1,736,450,000	907,737,107.26	
Plot 41 of Eco-Town – Cuiguyuan Project	April 2017	November 2021	RMB 2,942,000,000	2,145,873,844.56	
Plot 32 of Eco-Town – Boshiyuan Project	March 2017	December 2021	RMB 943,000,000	705,733,205.20	
Jizhou District Housing Project	43,770.00	June 2023	RMB 1,900,000,000	1,171,652,768.11	
No. 1 Seasoning Factory	March 2020	March 2022	RMB 994,710,200	373,120,035.44	
Yuguandao	Not Yet Started	TBD	RMB 375,511,300	51,130,011.51	
Total				57,020,707,032.68	33,767,528,177.05

(2) Products development

Item name	Completion time	Ending balance of previous year	Amount increased in the current period	Amount decreased in the current period	Ending balance
SCG MIMA ONE	July 2018	1,106,026,805.27		137,402,634.10	968,624,171.17
Suzhou Commercial Plot B-42	March 2017	552,928,022.53	14,656,155.41	8,480,430.64	559,103,747.30
Songjiang Sheshan North Relocation Project	January 2018	530,685,068.96	93,617,523.70	624,302,592.66	
Zhujiatiao Plot A3	December 2015	388,180,173.36	11,023,998.92	255,623,012.59	143,581,159.69
04-02 Indemnificatory Housing Project of Xuanqiao Project	December 2016	381,522,668.62	15,322,068.69	396,473,969.45	370,767.86
Zhujiatiao Plot B1B2	November 2017	195,664,095.04	91,740,091.96	227,617,175.09	59,787,011.91
Zhaoxiang (Jinlu, western suburb)	August 2018	165,890,474.49		69,794,607.89	96,095,866.60
Nanjing Aohe Plot B-3 (Haiyuemingdu)	October 2018	160,893,596.07	42,935,468.75	108,598,654.32	95,230,410.50
Xuzhou Hanyuan International Licheng	December 2013	51,912,837.26	430,663.57	19,243,032.69	33,100,468.14

Pujiang Yicheng (128-2) Shangyuan	October 2013	43,142,338.58	4,394,035.49	5,576,943.96	41,959,430.11
Nanjing Plot G52 Xihuaifu	October 2018	29,654,463.41		16,132,645.29	13,521,818.12
Haiyun Mingting	December 2015	21,821,024.24		5,121,492.64	16,699,531.60
Haishang Juyuan	December 2005	21,643,422.06		1,657,527.82	19,985,894.24
Pujiang Yicheng (128-3) Jingyu	May 2014	17,167,549.75	43,508.03	672,358.46	16,538,699.32
Haishang Yiyuan	January 2007	14,180,152.28		1,608,806.89	12,571,345.39
Huihao Square (No. 51, Wuzhong Road)	June 2015	12,243,053.91	361,541.62	13,979.49	12,590,616.04
Datang International Apartment - Datang phase III	November 2007	9,671,487.34	152,988.90	4,171,421.08	5,653,055.16
Xuzhou Hanyuan International Huacheng	December 2011	8,583,985.95	1,461.83	68,627.19	8,516,820.59
Haishang Leyuan	August 2010	6,089,592.74			6,089,592.74
Xinhang base plot	October 2014	4,349,117.49	2,780,075.18		7,129,192.67
Nanjing Plot G52 Yonghefu	July 2017	3,292,229.11		3,149,573.50	142,655.61
Haishang Jiayuan	December 2010	2,175,143.79		212,845.00	1,962,298.79
Plot 6# of Xinchang City, Shanghai Beach	August 2006	2,098,526.01		171,053.46	1,927,472.55
HuiFu Home	July 2013	723,321.13	60,101,899.70	23,369,618.75	37,455,602.08
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		523,747,636.00	523,747,636.00	
Other minor property resource		5,196,523.77			5,196,523.77
Suzhou Plot 2016-WG-26	October 2020		5,207,981,189.93	1,230,080,091.14	3,977,901,098.79
Xuzhou Tunlinan	June 2020		846,684,917.60	383,056,349.85	463,628,567.75
Shuangqing New Home 1# Rongchang Garden	November 2019		473,192,146.22		473,192,146.22
Yunjiangxinyuan Project	June 2016		404,046,637.89	8,765,019.55	395,281,618.34
Zizhuyuan Project Phase I	May 2020		704,071,501.89	436,512,269.81	267,559,232.08
Rongle Garden and Rongye Garden	August 2018, July 2019		212,640,096.35	1,135,758.61	211,504,337.74
Huacheng Tingyuan	May 2017		192,310,852.86	4,248,100.64	188,062,752.22
Heyuan West Zone Phase I	May 2018		183,941,862.64	4,454,345.80	179,487,516.84
Muhuali	October 2011		86,860,469.21	6,181,754.37	80,678,714.84
Chuanshui Garden	April 2014		76,703,404.93		76,703,404.93
Shuangqingrongyue Garden Project	June 2019		69,134,739.48		69,134,739.48
Drum Tower Commercial Street Project	August 2003		46,753,753.73		46,753,753.73
Rongcui Garden	December 2017		47,190,663.77	1,085,064.33	46,105,599.44
Wanhuali Phase II	June 2014		45,103,304.30	612,044.77	44,491,259.53
Rongju Garden	October 2014		38,437,771.66		38,437,771.66
Shuangqing New Home 5# Ronghuan Garden	September 2019		55,256,114.98	17,197,769.80	38,058,345.18
Minchang Garden Project	April 2010		33,691,146.91		33,691,146.91
Haiyueqiuyuan Project	September 2013		24,552,195.00		24,552,195.00
Rongkang Garden	December 2015		23,845,408.56		23,845,408.56
Minsheng Garden	November 2010		23,623,145.37		23,623,145.37
Huaxiangyuan Plot C Commercial	August 2013		22,538,800.79		22,538,800.79
Minxing Garden	November 2010		20,314,621.63		20,314,621.63
Shuangqingrongya Garden Project	June 2015		18,285,995.09		18,285,995.09
Fuya Garden Project	November 2010		17,826,774.18		17,826,774.18
Huaishengyuan Plot B Commercial	December 2013		17,358,874.00		17,358,874.00

Lianshui Garden	October 2006		14,327,622.26		14,327,622.26
Wanhuali Phase I	September 2009		13,357,723.20		13,357,723.20
Ronghua Building 3-103	December 2008		10,212,032.56		10,212,032.56
Fangshui Garden	November 2002		10,165,229.83		10,165,229.83
Plot A of Huaixing Garden	May 2013		9,968,400.00		9,968,400.00
Yihe Home Project	October 2009		7,860,926.57		7,860,926.57
Huaiheyuan Plot D	March 2012		6,177,000.00		6,177,000.00
Quanshui Garden	October 2006		2,213,400.00		2,213,400.00
Ronghua Building 3-101	December 2008		1,784,703.09		1,784,703.09
International Apartment	December 2008		808,340.00		808,340.00
Total		3,735,958,233.52	9,830,530,884.23	4,526,539,207.63	9,039,949,910.12

(2). Inventory falling price provision and provision for impairment of contract performance cost√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	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						
Contract performance cost						
Development cost		7,583,408.96	549,660,164.91			557,243,573.87
Products development	1,861,671.08	232,699,691.82				234,561,362.90
Main material	179,865.26	2,289,891.31				2,469,756.57
Finished goods	16,497,818.57		1,001,989.36	2,028,191.89		15,471,616.04
Total	18,539,354.91	242,572,992.09	550,662,154.27	2,028,191.89		809,746,309.38

(3). About ending balance of inventories containing capitalization amount of borrowing costs☐ Applicable √ Not applicable**(4). About amortization amount of the contract performance cost in the current period**☐ Applicable √ Not applicable

Other notes

☐ Applicable √ Not applicable**10. Contract assets****(1). Contract assets**√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
outstanding payments for construction completed	39,072,052,120.03	274,984,739.01	38,797,067,381.02	30,538,771,045.82	307,664,945.81	30,231,106,100.01
Delivered not settled	111,307,441.33	445,229.77	110,862,211.56			

Total	39,183,359,561.36	275,429,968.78	38,907,929,592.58	30,538,771,045.82	307,664,945.81	30,231,106,100.01
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(2). The amount of and reasons for significant changes in book value during the reporting period

☐ Applicable ☒ Not applicable

(3). Situation of withdrawal of provision for impairment of the current contract assets

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Provision in current period	Reversals in the current period	Charged or written off in current period	Reasons
Provision for impairment of contract assets (including provision for impairment of long-term contract assets)	295,964,218.02			
Total	295,964,218.02			/

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

The contract assets shall be classified and disclosed by the impairment drawing method

Category	Ending balance				
	Book balance		Impairment provision		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)	
Impairment provision made individually	1,082,457,765.48	2.76	123,141,487.56	11.38	959,316,277.92
Impairment provision made as per portfolio	38,100,901,795.88	97.24	152,288,481.22	0.40	37,948,613,314.66
Wherein:					
Architecture, contract, design, construction	37,972,707,663.97	96.91	151,775,704.69	0.40	37,820,931,959.28
Others	128,194,131.91	0.33	512,776.53	0.40	127,681,355.38
Total	39,183,359,561.36	100.00	275,429,968.78		38,907,929,592.58

Impairment provision made individually	Ending balance			
Name	Book balance	Impairment provision	Provision proportion (%)	Reasons for provision
Shanghai Jiacheng Plaza Complex	162,587,111.64	32,517,422.33	20.00	Irrecoverable partly as estimated
Shanghai Meilong South Business Zone Project	122,337,796.11	18,350,669.42	15.00	Irrecoverable partly as estimated
Construction Project of the Industrial Base of All-weather Patrol Inspection Instrument with Radar Precision Guidance	66,749,709.88	10,012,456.48	15.00	Irrecoverable partly as estimated
Zhujiang International Project	39,956,146.79	11,986,844.04	30.00	Irrecoverable partly as estimated
Other sporadic items	690,827,001.06	50,274,095.29	7.28	Irrecoverable partly as estimated
Total	1,082,457,765.48	123,141,487.56		

11. Assets held for sale

☐ Applicable ☒ Not applicable

12. Non-current assets due within one year

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Creditor's right investment due within one year	74,238,429.78	

Other creditor's right investment due within one year		
Long-term receivables due within one year (Note)	1,338,473,851.19	1,069,584,919.54
Total	1,412,712,280.97	1,069,584,919.54

Significant creditor's right investment and other creditor's right investment at the end of the period:

☐ Applicable ☒ Not applicable

13. Other current assets

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Contract acquisition cost	15,979,425.04	10,266,981.33
Cost of returning products receivable		
VAT payable	971,044,026.83	681,199,563.41
Input VAT deduction	982,541,191.34	626,909,662.23
Input VAT to be verified	155,802,881.38	238,615,509.60
Prepaid tax	1,403,352,317.54	1,125,286,033.24
Total	3,528,719,842.13	2,682,277,749.81

Other notes

Information about assets related to contract acquisition costs

Category	Opening balance	Increase in the current period	Amortization in the current period	Impairment provision		Ending balance	Amortization method
				Provision in current period	Reversals in the current period		
Commissions paid for contract acquisition	10,266,981.33	91,724,043.15	86,011,599.44			15,979,425.04	Amortized while recognizing related revenue

14. Creditor's right investment

(1). Creditor's rights investment

☐ Applicable ☒ Not applicable

(2). Significant creditor's rights investments 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. Other creditor's right investment

(1). Other creditor's rights investment

☐ Applicable ☒ Not applicable

(2). Other significant creditor's right 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

16. Long-term receivables**(1). Long-term receivables**

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	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	1,932,586,225.13	170,177,860.52	1,762,408,364.61	2,317,625,162.49	113,360,794.91	2,204,264,367.58	
Wherein:							
Unrealized financing incomes	231,465,823.10		231,465,823.10	297,701,184.05		297,701,184.05	
Goods sales by installments							
Rendering of service on installments							
BT and PPP projects	12,340,124,044.43	107,974,953.67	12,232,149,090.76	19,730,242,213.42	7,773,513,075.41	11,956,729,138.01	
Zhouzhuang Town Zhoudong Sewage Treatment Plant (Note)	35,065,086.91		35,065,086.91	38,121,280.48		38,121,280.48	
Total	14,307,775,356.47	278,152,814.19	14,029,622,542.28	22,085,988,656.39	7,886,873,870.32	14,199,114,786.07	/

Note: 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, 2020, the long-term receivables recognized by Yatong Environmental Protection Co., Ltd. were RMB 36,170,591.02 (on December 31, 2019: RMB 39,197,300.03), including RMB 1,105,504.11 due within one year (on December 31, 2019: RMB 1,076,019.55). In 2020, the interest income recognized as per the actual interest rate was RMB 1,823,998.33 (the year of 2019: RMB 1,795,675.35), which was included in the current profits and losses.

(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, 2020	36,439,784.66	60,421,101.70	69,083,802.47	165,944,688.83
The balance on January 1, 2020 in the current period	5,477,639.58	-28,436,194.24	22,958,554.66	-
--Be transferred to Stage 2	-1,434,680.65	1,434,680.65	-	-
--Be transferred to Stage 3	-792,165.26	-22,166,389.40	22,958,554.66	-
--Be transferred to Stage 2	7,704,485.49	-7,704,485.49	-	-

--Be transferred to Stage 1	-	-	-	-
Provision in current period	25,176,307.20	42,389,941.85	60,965,032.60	128,531,281.65
Reversals in the current period	-	-	-	-
Write-off in current period	-	-	-	-
Canceled after verification in the current period	-	-	-	-
Other changes				
Balance on December 31, 2020	67,093,731.44	74,374,849.31	153,007,389.73	294,475,970.48

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

Bad debt accrual of financing lease payment

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)	
Ending balance of previous year	14,079,422.86	30,197,569.58	69,083,802.47	113,360,794.91
Balance at the end of last year in current period				
-- Be transferred to Stage 2	-123,428.30	123,428.30		
-- Be transferred to Stage 3	-792,165.26	-22,166,389.40	22,958,554.66	
-- Be transferred to Stage 2				
-- Be transferred to Stage 1	7,704,485.49	-7,704,485.49		
Provision in current period	-4,926,938.24	778,971.25	60,965,032.60	56,817,065.61
Reversals in the current period				
Write-off in current period				
Canceled after verification in the current period				
Other changes				
Ending balance	15,941,376.55	1,229,094.24	153,007,389.73	170,177,860.52

Details of BT and PPP projects

Item name	Ending balance			
	Long-term receivables	Wherein: Long-term receivables due within one year	Provision for bad debts	Wherein: long-term receivables due within one year Provision for bad debts
Changzhou Wujin Overpass Project	1,161,782,390.01	41,901,116.44	4,647,129.56	167,604.47
Jiulonghu Municipal Construction Project	126,365,810.80		12,636,581.08	

Taizhou Tianxu Highway Construction Project	101,405,505.04	101,405,505.04	1,218,894.17	1,218,894.17
Changzhou Wujin Jinwu Road Project	111,365,835.54	74,244,202.00	445,463.34	296,976.81
Nanchang Qianhu Project	1,172,443,576.94	840,559,378.96	18,770,821.66	13,457,355.65
Daxikou Project	60,553,078.92		242,212.31	
Nanchang Qingshanhu Government Housing	7,722,884.15		30,891.54	
Nanchang Qingshanhu Government Housing (Phase II)	7,999,157.47		31,996.63	
BT Project in West Hubin Road, Nanchang	2,665,514.78		10,662.06	
Nanchang Jiulong Lake Bottom Project	16,141,456.87		64,565.83	
Wenzhou Oujiangkou Project	575,210,836.09		2,300,843.34	
Chengdu Wuhou Project	254,367,631.59	75,402,924.61	1,017,470.53	301,611.70
Dujiangyan Project	1,746,720,000.00		36,856,040.64	
Anji Project	705,000,000.00		2,820,000.00	
Qidu Bridge Project	1,164,718,684.05		4,658,874.74	
Sihui Huijian Avenue Project	181,748,309.56		3,588,419.38	
Zhaoqing Railway Station Project	909,569,928.27	31,226,470.31	3,638,279.71	124,905.88
Meishan Project	2,018,081,212.97		8,072,324.85	
Maoshan Project	1,655,881,140.15	181,638,952.62	6,623,524.56	726,555.81
Jining Fenghuangtai Project	296,461,741.65	7,312,953.40	1,185,846.97	29,251.81
G228 Project	400,000,000.00		1,600,000.00	
Cuiping Project	439,727,148.95		11,525,732.26	
Rizhao Project	1,414,154.55		5,656.61	
Minchuan Project	10,842,276.79		43,369.11	
Zhuhai Jinwan Project	11,378,860.00		45,515.44	
Qingdao Rail Transit Town Project	554,248,412.67		2,216,993.65	
Sub-total	13,693,815,547.81	1,353,691,503.38	124,298,109.97	16,323,156.30
Minus: Long-term receivables due within one year	1,353,691,503.38		16,323,156.30	
Total	12,340,124,044.43		107,974,953.67	

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)	
Ending balance of previous year	29,130,223.86	33,343,487.91		62,473,711.77
Balance at the end of last year in current period				
--Be transferred to Stage 2	-1,311,252.35	-1,311,252.35		
--Be transferred to Stage 3				
--Be transferred to Stage 2				
--Be transferred to Stage 1				
Provision in current period	30,103,245.45	41,610,970.60		71,714,216.05
Reversals in the current period				
Write-off in current period				
Canceled after verification in the current period				
Other changes	-6,769,862.06	-3,119,955.79		-9,889,817.85
Ending balance	51,152,354.90	73,145,755.07		124,298,109.97

17. Long-term equity investment

√ Applicable □ Not applicable

Unit: RMB										Currency: RMB	
Investee	Beginning balance	Increase or decrease in the current period								Ending 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											
Suzhou Jianjia Building Component Product Co., Ltd.	16,523,897.02			13,575,196.79						30,099,093.81	
Wuxi Jian'an Building Component Product Co., Ltd.	22,330,066.67			-1,885,076.00						20,444,990.67	
Xingyijian Co., Ltd. (Note 1)	17,233.42			-676.47					-1,030.15	15,526.80	
Sino-Singapore Tianjin Eco-City Environment & Green Construction Testing Center Co., Ltd. (Note 2)				951,734.45			-995,041.78		18,950,000.00	18,906,692.67	
Sub-total	38,871,197.11			12,641,178.77			-995,041.78		18,948,969.85	69,466,303.95	
II. Associates											
Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	255,521,380.01	50,400,000.00		899,669.07						306,821,049.08	
Ningbo Center Building Construction Development Co., Ltd.	245,388,515.07	180,000,000.00		-1,422,522.81						423,965,992.26	
Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	19,124,770.82			2,098,355.53						21,223,126.35	
Beijing Diaoyutai Decoration Engineering Co., Ltd.	16,396,377.08			-3,500,094.01						12,896,283.07	
Hangzhou Hujian Urban Development and Construction Co., Ltd.	1,078,571,842.06			-8,833,489.87						1,069,738,352.19	
Zhejiang Shangjia Construction Co., Ltd.		24,500,000.00		-6,339,132.42						18,160,867.58	
Shanghai Ask Construction and Decoration Engineering Inc.	753,995.01			-436,828.78						317,166.23	
Shanghai East Bund Construction Real Estate Development Co., Ltd.	223,611,164.93			-1,516,596.96						222,094,567.97	
Shanghai Metro Shield Engineering Co., Ltd.	158,235,498.31			1,508,180.83			-9,000,000.00			150,743,679.14	
Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd. (Note 3)	7,948,524.78			3,306,046.78					-11,254,571.56		
Nanchang Shengheng Building Component Product Co., Ltd.	11,397,339.88		-11,397,339.88								
Wuxi Jinghongyuan Supply Chain Management Co., Ltd.		658,989.89		18,371.91						677,361.80	
Shanghai Real Estate Landscape Development Co., Ltd.	16,753,171.80			1,083,225.42			-1,617,994.10			16,218,403.12	
Shanghai Shendi Landscape Investment Construction Co., Ltd.	55,201,018.35			14,905,002.31						70,106,020.66	
Shanghai Qinqing Flower Market Operation and Management Co., Ltd.	1,438,813.30			-537,772.04						901,041.26	
Ganzhou Ecological Environment Co., Ltd.	5,004,883.71			2,129,355.51						7,134,239.22	

Shanghai Lianhe Pawn Liability Co., Ltd.	10,288,279.12			61,392.02			-210,000.00			10,139,671.14	
Fulton SCG Development LLC (Note 4)	601,107,851.58			9,252,683.50					-45,709,305.50	564,651,229.58	
Three Fulton Square LLC (Note 5)	576,791,059.21			-5,784,942.20					-37,119,995.06	533,886,121.95	
Fulton SCG Development Phase II LLC (Note 6)	97,983,495.48			-2,618,788.53					-6,251,134.64	89,113,572.31	
Shanghai Dianke Intelligence System Co., Ltd.	239,130,654.87			13,785,892.11			-12,000,000.00			240,916,546.98	
Suzhou Dongjianyihe Venture Capital Center L.P.	63,407,327.38	7,200,000.00		-2,914,051.33						67,693,276.05	
SCG Angong Equity Investment Funds Partnership (Limited Partnership)	656,972,050.27	2,517,526.00		4,463,885.02						663,953,461.29	
SCG Anhao Equity Investment Funds Management Co., Ltd.	6,783,194.24			1,522,282.04						8,305,476.28	
Shanghai Hedi Investment Center (L.P.)	148,499,828.84			1,620,483.03						150,120,311.87	
Shanghai Lin-gang New District Jingang Xijiu Property Co., Ltd.		940,800,000.00		-611,672.59						940,188,327.41	
Tianjin Binhai New District Linbi Real Estate Development Co., Ltd. (Note 7)				177,599.76					9,163,882.02	9,341,481.78	
Sub-total	4,496,311,036.10	1,206,076,515.89	-11,397,339.88	22,316,533.30			-22,827,994.10		-91,171,124.74	5,599,307,626.57	
Total	4,535,182,233.21	1,206,076,515.89	-11,397,339.88	34,957,712.07			-23,823,035.88		-72,222,154.89	5,668,773,930.52	

Note 1: Shanghai Construction Group (Macao) Co., Ltd., an overseas subsidiary, invests in Xingyijian 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 2: Sino-Singapore Tianjin Eco-City Environment & Green Construction Testing Center Co., Ltd. is a joint venture of Tianjin House Group, a subsidiary acquired by the Group through business combination under different control in this year.

Note 3: The acquisition of 33% 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 4: SCG Plaza Inc., 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 5: SCG Plaza Inc., 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.

Note 6: Tianjin Binhai New District Linbi Real Estate Development Co., Ltd. is an associate of Tianjin House Group, a subsidiary acquired by the Group through business combination under different control in this year.

Note 7: Tianjin Jinxi Huacheng Property Co., Ltd. is an associate of Tianjin House Group, a subsidiary acquired by the Group through business combination under different control in this year.

Note 8: Tianjin Jinxi Huacheng Property Co., Ltd. and Tianjin Huagui Real Estate Development Co., Ltd. are joint ventures of Tianjin House Group, a subsidiary acquired by the Group through business combination under different control in this year. The Group's long-term equity investment in the company has incurred excess losses.

18. Other equity instrument investments**(1). Other equity instrument investments**√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Non-trading equity instruments	682,259,037.41	764,007,075.93
Total	682,259,037.41	764,007,075.93

(2). Non-trading equity instrument investments√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	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
CCBI Chengtou (Shanghai) Environmental Equity Investment Co., Ltd.		24,602,980.54			Equity instruments held not for trading purposes	
Shanghai Pudong BOC Fullerton Community Bank Co., Ltd. (former "Shanghai Pudong Jianxin Rural Bank Co., Ltd.")		6,693,986.95			Equity instruments held not for trading purposes	
Shanghai Tower Construction & Development Co., Ltd.			132,868,096.50		Equity instruments held not for trading purposes	
CDB Jingcheng (Beijing) Investment Fund Co., Ltd.		3,692,969.35			Equity instruments held not for trading purposes	
SDIC Welle (Maqiao) Renewable Resources Co., Ltd.					Equity instruments held not for trading purposes	
Shenzhen Construction Real Estate Development Co., Ltd.			1,452,850.73		Equity instruments held not for trading purposes	
Tianjin Jinjing Glass Bulb Co. Ltd.			56,000.00		Equity instruments held not for trading purposes	
Shanghai National Engineering Research Center of Urban Water Resources Co., Ltd. Shanghai			2,971,255.94		Equity instruments held not for trading purposes	
Shanghai Baisui Building Materials Industrial Co., Ltd.			53,490.10		Equity instruments held not for trading purposes	
Chizhou Water Environment Investment and Construction Co., Ltd.		77,436.66			Equity instruments held not for trading purposes	
Shouchuang Ecological Environment (Fuzhou) Co., Ltd.			7,809.47		Equity instruments held not for trading purposes	
Shenzhen Shenshui Bright Water Environment Co., Ltd.			513,910.04		Equity instruments held not for trading purposes	
Putian Zhongjian Mulan Construction Development Co., Ltd.		76,461.24			Equity instruments held not for trading purposes	
Beikong (Hangzhou) Environmental			34,877.57		Equity instruments held not for trading	

Engineering Co., Ltd.					purposes	
Wuhu Three Gorges Phase I Water Environment Comprehensive Treatment Co., Ltd. (original “Wuhu Three Gorges Water Environment Comprehensive Treatment First Limited Liability Company”)			975,004.16		Equity instruments held not for trading purposes	
Wuhu Three Gorges Phase II Water Environment Comprehensive Treatment Co., Ltd.			115,901.91		Equity instruments held not for trading purposes	
Zhoushan Sangde Water Co., Ltd.			42,184.27		Equity instruments held not for trading purposes	
Chongqing Banan District Three Gorges Water Environment Comprehensive Treatment Co., Ltd.			335,804.86		Equity instruments held not for trading purposes	
Dangtu Three Gorges Phase I Water Environment Comprehensive Treatment Co., Ltd.			185,711.55		Equity instruments held not for trading purposes	
Fanchang Three Gorges Water Environment Comprehensive Treatment Co., Ltd.			127,539.85		Equity instruments held not for trading purposes	
Ningbo Chengjian Zhizao Technology Co., Ltd.			1,249,563.54		Equity instruments held not for trading purposes	
Xuzhou Traffic Holding Chengyi Bridge Industrialization Co., Ltd.			893,399.25		Equity instruments held not for trading purposes	
Zhongzhao United Information Co., Ltd.		1,200,000.00			Equity instruments held not for trading purposes	
Shanghai Lingang Holdings Corporation Limited	2,400,000.00		61,000,000.00		Equity instruments held not for trading purposes	
Tianjin Jinre Engineering Group Co., Ltd.			1,250,000.00		Equity instruments held not for trading purposes	
Tianjin Huaxiang Ancient Building Engineering Co., Ltd.			240,000.00		Equity instruments held not for trading purposes	
Tianjin Zhuyi Construction Engineering General Contract Co., Ltd.		109,954.11			Equity instruments held not for trading purposes	
Tianjin House and Urban-Rural Development Thermal Engineering Co., Ltd.			380,000.00		Equity instruments held not for trading purposes	
Tianjin Jinre Residential Heating Co., Ltd.			150,000.00		Equity instruments held not for trading purposes	
Tianjin Jinre Residential Construction Heating Co., Ltd.		30,000.00			Equity instruments held not for trading purposes	
Tianjin Tianhong Jiye Road & Bridge Construction Engineering Co., Ltd.			2,780,000.00		Equity instruments held not for trading purposes	

Tianjin Hualian Department Store Co., Ltd.					Equity instruments held not for trading purposes	
Tianjin House Industrial Investment Co., Ltd.			7,480,000.00		Equity instruments held not for trading purposes	

Other notes:

☐ Applicable ☒ Not applicable**19. Other non-current financial assets**☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Financial assets measured at fair value through the current profit or loss	3,095,849,556.52	1,857,439,448.52
Total	3,095,849,556.52	1,857,439,448.52

Other notes:

☒ Applicable ☐ Not applicable

Item name	Ending balance	Ending balance of previous year
Financial assets measured at fair value through the current profit or loss	3,095,849,556.52	1,857,439,448.52
Wherein: Debt instrument investment		
Equity investment	83,292,689.25	6,829,827.77
Derivative financial assets		
Others	3,012,556,867.27	1,850,609,620.75
Financial assets measured at fair value through the current profit or loss		
Wherein: Debt instrument investment		
Others		
Total	3,095,849,556.52	1,857,439,448.52

Item name	Ending balance	Ending balance of previous year
Equity instrument:		
Changshu Hujian Environmental Water Affairs Co., Ltd.	57,127,286.29	
Shanghai Lingang Dongfang Junhe Equity Investment Management Co., Ltd.	26,165,402.96	6,829,827.77
Sub-total	83,292,689.25	6,829,827.77
Others:		
CCB Trust Guarantee Fund	50,000,000.00	
Trust guarantee fund for Shaanxi International Trust – SCG perpetual bond collective fund trust plan	31,900,000.00	
Guarantee Fund of LuJiaZui International Trust Corporation Limited	20,000,000.00	
Shanghai Chengchuang Urban Renewal Equity Investment Fund Partnership (L.P.)	94,777,597.70	90,948,699.99
Shanghai Linggang Dongfang Junhe Kechuang Industry Equity Investment Fund Partnership (L.P.)	741,268,582.03	614,378,194.63
Shanghai Guohe Phase II Modern Service Industry Equity Investment Fund Partnership (L.P.)	161,046,295.65	144,976,777.06
Shanghai Guofang Mother Fund Phase I Equity Investment Partnership (L.P.)	295,061,037.84	261,139,453.15
Shanghai Guohe Haiyao Pan-entertainment Growth Equity Investment Fund Partnership (L.P.)	16,756,694.60	14,446,748.36
Shanghai Shenchuang Equity Investment Management Center (L.P.)	7,048,672.14	3,092,226.92
Shanghai Hongke Investment Management Partnership (Limited Partnership)	101,094,193.15	203,336,760.00
Shanghai Shenchuang Equity Investment Fund Partnership (Limited Partnership)	588,066,240.27	255,953,374.36
Wuxi Chengding Smart City Venture Equity Investment Partnership (L.P.)	58,178,731.09	29,450,233.82

Ningbo Puhong Investment Management Partnership (Limited Partnership)	217,184,011.50	212,795,717.00
Shanghai Lingang Xinyefang Shangchuang Equity Investment Fund Partnership (Limited Partnership)	20,527,531.98	20,091,435.46
Shanghai Shenchuang Xindongli Equity Investment Management Center (Limited Partnership)	5,731,704.41	
Shanghai Shenchuang Xindongli Equity Investment Fund Partnership (Limited Partnership)	282,561,497.47	
Shenzhen Linghui Jishi Equity Investment Fund Partnership (L.P.)	86,814,321.99	
Hainan Shenyang Dong'an Investment Co., Ltd.	234,539,755.45	
Sub-total	3,012,556,867.27	1,850,609,620.75
Total	3,095,849,556.52	1,857,439,448.52

20. Investment properties

Measurement model of investment properties

(1). Investment properties in the mode of cost measurement

Unit: RMB Currency: RMB

Item name	Buildings	Land use rights	Construction in progress	Total
I. Original book value				
1. Beginning balance	5,686,844,233.15	33,823,289.00		5,720,667,522.15
2. Amount increased in the current period	1,125,520,574.07			1,125,520,574.07
(1) Outsourcing				
(2) Transferred from inventory / fixed assets / construction in progress	124,053,823.25			124,053,823.25
(3) Increase due to business combination	1,038,374,985.15			1,038,374,985.15
(4) Exchange differences arising from foreign currency transactions	-36,908,234.33			-36,908,234.33
3. Amount decreased in the current period	879,970.46			879,970.46
(1) Disposal	879,970.46			879,970.46
(2) Other transfer out				
4. Ending balance	6,811,484,836.76	33,823,289.00		6,845,308,125.76
II. Accumulated depreciation and accumulated amortization				
1. Beginning balance	676,563,672.96	11,182,824.44		687,746,497.40
2. Amount increased in the current period	184,672,238.75	838,535.64		185,510,774.39
(1) Provision or amortization	184,853,713.85	838,535.64		185,692,249.49
(2) Increase due to business combination	1,096,661.15			1,096,661.15
(3) Exchange differences arising from foreign currency transactions	-1,278,136.25			-1,278,136.25
3. Amount decreased in the current period	29,626.17			29,626.17
(1) Disposal	29,626.17			29,626.17
(2) Other transfer out				
4. Ending balance	861,206,285.54	12,021,360.08		873,227,645.62
III. Impairment provision				
1. Beginning balance	63,577,063.52			63,577,063.52
2. Amount increased in the current period				
(1) Provision				
3. Amount decreased in the 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	5,886,701,487.70	21,801,928.92		5,908,503,416.62

2. Beginning book value	4,946,703,496.67	22,640,464.56		4,969,343,961.23
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(2). Investment properties whose property certificates are not obtained

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Book value	Reason for the certificate of title not completed
Meian Plaza No. 2 Building	403,877,209.75	In progress

Other notes

☐ Applicable ☒ Not applicable

21. Fixed assets**Item presentation**

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Fixed assets	8,102,922,128.89	7,734,039,382.43
Fixed assets pending for disposal		
Total	8,102,922,128.89	7,734,039,382.43

Other notes:

☐ Applicable ☒ Not applicable

Fixed assets

(1)

(2). Details of fixed assets

√ Applicable □ Not applicable

Item name	Buildings	Machinery equipment	Transportation vehicles	Production equipment	Office equipment and other equipment	Temporary facility	Special equipment	Unit: RMB	Currency: RMB
								Instrument and experimental equipment	Total
I. Original book value:									
1. Beginning 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
2. Amount increased in the current period	840,341,680.54	233,327,916.67	58,550,025.35	74,024,256.39	106,230,029.10	1,238,740,831.58	15,939,525.24	47,222,572.30	2,614,376,837.17
(1) Purchase	69,795,731.76	147,940,868.48	23,114,456.25	38,394,703.49	68,810,208.22	1,197,916,709.62	8,663,852.79	13,283,387.86	1,567,919,918.47
(2) Transferred from construction in progress	120,686,205.56	130,187,664.04	3,459,746.34	31,454,053.12	26,046,024.97		8,759,674.18	6,270,892.35	326,864,260.56
(3) Increase due to business combination	681,302,012.12	32,904,403.86	14,939,134.91	17,530,891.30	43,759,355.01	41,318,692.54		27,904,776.24	859,659,265.98
(4) Reclassification	41,403,752.95	-26,856,357.39	20,370,816.57	-12,970,135.17	-20,458,975.24		-1,484,001.73	-5,099.99	
(5) Exchange differences arising from foreign currency transactions	-72,846,021.85	-50,848,662.32	-3,334,128.72	-385,256.35	-11,926,583.86	-494,570.58		-231,384.16	-140,066,607.84
3. Amount decreased in the current period	64,034,064.36	49,358,775.61	26,710,842.78	29,412,870.86	45,814,231.96	358,263,883.52	26,154,975.67	5,561,089.27	605,310,734.03
(1) Disposal or scrapping	63,900,514.90	49,358,775.61	26,710,842.78	29,412,870.86	45,814,231.96	358,263,883.52	26,154,975.67	5,561,089.27	605,177,184.57
(2) Transferred to investment property	133,549.46								133,549.46
4. Ending balance	8,037,750,764.30	3,172,177,609.76	410,807,947.77	647,094,054.78	1,102,586,896.94	4,460,548,079.67	410,801,786.54	197,075,629.60	18,438,842,769.36
II. Accumulated depreciation									
1. Beginning 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
2. Amount increased in the current period	353,301,718.16	267,903,886.15	54,491,943.35	52,960,803.90	117,608,064.84	1,294,641,283.05	3,050,330.81	34,319,259.20	2,178,277,289.46
(1) Provision	295,969,613.99	274,374,322.18	33,040,663.80	44,465,174.70	104,429,309.27	1,271,134,693.54	3,524,761.36	14,131,529.31	2,041,070,068.15
(2) Increase due to business combination	61,067,362.87	19,208,246.62	9,681,190.57	12,974,366.39	33,392,827.55	23,988,795.83		20,359,522.30	180,672,312.13
(3) Reclassification	10,392,184.17	-6,033,433.97	14,399,768.46	-4,288,063.52	-13,992,159.38		-474,430.55	-3,865.21	
(4) Exchange differences arising from foreign currency transactions	-14,127,442.87	-19,645,248.68	-2,629,679.48	-190,673.67	-6,221,912.60	-482,206.32		-167,927.20	-43,465,090.82
3. Amount decreased in the current period	24,729,123.51	44,651,241.50	19,076,423.06	25,340,396.80	38,593,978.47	358,263,883.52	24,847,226.89	3,058,444.35	538,560,718.10
(1) Disposal or scrapping	24,729,123.51	44,651,241.50	19,076,423.06	25,340,396.80	38,593,978.47	358,263,883.52	24,847,226.89	3,058,444.35	538,560,718.10

4. Ending balance	2,527,688,706.80	1,880,812,863.57	287,507,333.32	363,939,559.37	772,866,462.68	3,995,422,782.29	368,755,640.37	138,460,506.75	10,335,453,855.15
III. Impairment provision									
1. Beginning balance									
2. Amount increased in the current period	428,759.51				38,025.81				466,785.32
(1) Provision									
(2) Increase due to business combination	428,759.51				38,025.81				466,785.32
3. Amount decreased in the current period									
(1) Disposal or scrapping									
4. Ending balance	428,759.51				38,025.81				466,785.32
IV. Book value									
1. Ending book value	5,509,633,297.99	1,291,364,746.19	123,300,614.45	283,154,495.41	329,682,408.45	465,125,297.38	42,046,146.17	58,615,122.85	8,102,922,128.89
2. Beginning 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

Note: The debtor selected a new solvency method of other reduction of the fixed assets buildings, to obtain the ownership of house for debt paying with monetary capital

(3). Temporarily idle fixed assets

☐ Applicable ☒ Not applicable

(4). Fixed assets acquired under finance leases

☐ Applicable ☒ Not applicable

(5). Fixed assets leased out by operating lease

☐ Applicable ☒ Not applicable

(6). Fixed assets whose property certificates are not obtained

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Book value	Reason for the certificate of title not completed
Shenzhen Nanshan Jiangong Village Project	12,660,431.02	In progress
No. 2800, Jungong Road	27,608,956.11	In progress
House for debt paying	24,233,312.66	In progress
SNIOK laboratory	10,443,357.57	In progress
Zhuhai Hengqin Jinmao Housing	31,923,130.30	In progress

Other notes:

☐ Applicable ☒ Not applicable

Fixed assets pending for disposal

☐ Applicable ☒ Not applicable

22. Construction in progress**Item presentation**

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Construction in progress	718,450,768.50	484,838,908.75
Construction materials		
Total	718,450,768.50	484,838,908.75

Other notes:

☐ Applicable ☒ Not applicable

Construction in progress**(1). Information of construction in progress**

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction in progress	718,450,768.50		718,450,768.50	484,838,908.75		484,838,908.75
Construction materials						
Total	718,450,768.50		718,450,768.50	484,838,908.75		484,838,908.75

(2)

(3). 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	Ending balance	Ratio of accumulative investment to budget (%)	Project progress	Accumulated amount of capitalization of interest	Wherein: Amount of capitalized interest in the current period	Capitalization rate of interest in the current period (%)	Source of fund
Office decoration of No. 4 Group	30,000,000.00	283,018.87	16,237,150.50		283,018.87	16,237,150.50	54.12%	54.12%				Self-raised
No. 4 Group's Equipment-to-be-installed	Not applicable	11,909,252.90	13,667,800.64	14,376,675.26		11,200,378.28	Not applicable	Not applicable				Self-raised
Caojing Base of Installation Group	61,500,000.00	145,631.07	41,256,339.22		41,327.43	41,360,642.86	67.32%	67.32%				Self-raised
Nanxiang Base of Mechanized Construction Group	60,037,814.71	42,941,452.59	557.00		31,386,400.00	11,555,609.59	71.52%	71.52%				Self-raised
Herrenknecht air cushion type shield machine for Beiheng Channel East Line of Foundation Group	360,156,988.00		137,375,568.00			137,375,568.00	38.14%	38.14%				Self-raised
Hard X-ray segment (external diameter of 7,000mm) earth pressure balance shield machine of Foundation Group	28,000,000.00		14,000,000.00			14,000,000.00	50.00%	50.00%				Self-raised
Airport connection line 13.6m air cushion type shield machine of Foundation Group	257,560,000.00		25,160,000.00			25,160,000.00	9.77%	9.77%				Self-raised
Equipment Reconstruction of No. 2 Wansheng Road, Bixi Sub-district, Changshu City of Building Materials Science and Technology	25,487,626.50		14,101,431.29	1,462,601.72		12,638,829.57	55.33%	55.33%				Self-raised
INVESTEL RESORT MGT	3,687,190,000.00	189,734,690.18	22,279,334.04		13,190,479.29	198,823,544.93	5.75%	5.75%	12,024,886.06	5,954,480.19	6.00	Borrowing and self-raised
Hyatt Hotel restaurant	193,957,872.42	7,525,302.63	24,804,601.28		1,316,140.85	31,013,763.06	16.67%	16.67%				Self-raised
Repair of Chongming Campus of SCG School of Management	201,795,327.05		120,821,142.62			120,821,142.62	59.87%	59.87%				Self-raised
Total	4,905,685,628.68	252,539,348.24	429,703,924.59	15,839,276.98	46,217,366.44	620,186,629.41			12,024,886.06	5,954,480.19		

(4). Provision for impairment of construction in progress in current period

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

Construction materials**(5). Construction materials**

☐ Applicable ☒ Not applicable

23. Productive biological assets**(1). Productive biological assets measured at cost**

☐ Applicable ☒ Not applicable

(2). Productive biological assets measured at fair value

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

24. Oil and gas assets

☐ Applicable ☒ Not applicable

25. Right-of-use assets

☐ Applicable ☒ Not applicable

26. Intangible assets

(1).

(2). Intangible assets

√ Applicable □ Not applicable

Unit: RMB															Currency: RMB		
Item name	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	Unsettled orders	Customer relations	PPP Franchise right	Others	Total
I. Original book value																	
1.Beginning 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
2.Amount increased in the current period	383,595,068.86	8,296,183.21			-81,902,373.89		-1,626,000.00	29,487,418.18	238,129,000.00			172,908,241.50	17,060,000.00	78,650,000.00	288,074,091.34	544,270.00	1,133,215,899.20
(1)Purchase	3,642,663.30							17,618,372.50				211,932,886.30					233,193,922.10
(2)Internal R&D																	
(3)Increase due to business combination	348,566,005.56	8,296,183.21						11,869,045.68	238,129,000.00				17,060,000.00	78,650,000.00		544,270.00	703,114,504.45
(4)Transferred from construction in progress	31,386,400.00																31,386,400.00
(5)Transferred from operation period															288,074,091.34		288,074,091.34
(6)Exchange differences arising from foreign currency transactions					-81,902,373.89		-1,626,000.00					-39,024,644.80					-122,553,018.69
3.Amount decreased in the current period	4,566,215.32					97,500.00				869,100.00							5,532,815.32
(1)Disposal	4,566,215.32					97,500.00				869,100.00							5,532,815.32
4.Ending balance	1,610,055,080.81	38,713,302.07		6,500,000.00	1,236,375,471.44	597,500.00	25,248,000.00	117,003,186.30	241,365,747.00	12,493,800.00	141,509.43	669,410,946.51	17,060,000.00	78,650,000.00	288,074,091.34	544,270.00	4,342,232,904.90
II. Accumulated amortization					-0.000000067												
1.Beginning 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
2.Amount increased in the current period	38,174,246.39	1,675,616.44		150,000.02	49,829,734.74	9,999.84		22,497,801.19	17,127,499.68	664,522.67			1,312,307.70	2,125,675.68	14,948,925.93	125,287.84	148,641,618.12
(1)Provision	28,476,716.15	989,433.18		150,000.02	53,534,307.47	9,999.84		17,549,709.21	1,899,998.00	664,522.67			1,312,307.70	2,125,675.68	14,948,925.93	13,037.84	121,674,633.69
(2) Increase due to business combination	9,697,530.24	686,183.26						4,948,091.98	15,227,501.68							112,250.00	30,671,557.16
(3)Exchange differences arising from foreign currency transactions)					-3,704,572.73												-3,704,572.73
3.Amount decreased in the current period	807,832.75					19,175.00				243,360.41							1,070,368.16

(1)Disposal	807,832.75					19,175.00				243,360.41							1,070,368.16
4.Ending balance	272,733,351.05	23,694,769.36		3,100,000.02	598,863,958.59	139,702.88		87,149,895.03	18,828,163.38	1,790,482.77	9,759.27		1,312,307.70	2,125,675.68	14,948,925.93	125,287.84	1,024,822,279.50
III. Impairment provision					0.0000001												
1.Beginning balance					200,776,769.31		4,210,260.00										204,987,029.31
2.Amount increased in the current period					-12,988,526.13		-254,740.00		83,676,687.77								70,433,421.64
(1)Provision																	
(2) Increase due to business combination									83,676,687.77								83,676,687.77
(3)Exchange differences arising from foreign currency transactions					-12,988,526.13		-254,740.00										-13,243,266.13
3.Amount decreased in the current period																	
(1)Disposal																	
4. Ending balance					187,788,243.18		3,955,520.00		83,676,687.77								275,420,450.95
IV. Book value																	
1. Ending book value	1,337,321,729.76	15,018,532.71		3,399,999.98	449,723,269.67	457,797.12	21,292,480.00	29,853,291.27	138,860,895.85	10,703,317.23	131,750.16	669,410,946.51	15,747,692.30	76,524,324.32	273,125,165.41	418,982.16	3,041,990,174.45
2.Beginning 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

(3). Land use rights whose property certificates are not obtained

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

27. Development expenditures

☐ Applicable ☒ Not applicable

28. Goodwill**(1). Original book value of goodwill**

☒ Applicable ☐ Not applicable

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	184,425,319.14		-11,930,728.26			172,494,590.88
Goodwill formed by acquiring Shanghai Shengtang Property 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 Shanghai JianAn Chemical Engineering Co., Ltd.	4,787,441.29					4,787,441.29
Goodwill formed by acquiring Shanghai SINKO Cooling 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 SCG (Jiangsu) Steel Structure Co., Ltd.	33,186,974.18					33,186,974.18
Goodwill formed by acquiring Shanghai Zhengji Construction 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
Goodwill formed by acquiring Shanghai Greenment Environmental Technologies Co., Ltd.		157,972,503.81				157,972,503.81
Goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd.		299,178,127.18				299,178,127.18
Total	461,311,975.13	457,150,630.99	-11,930,728.26			906,531,877.86

(2). Provision for impairment of goodwill

☒ Applicable ☐ Not applicable

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	Increase due to	Disposal		

			business combination			
Goodwill formed by acquiring Zara Mining (Note 1)	184,425,319.14			11,930,728.26		172,494,590.88
Goodwill formed by acquiring Shanghai Shengtang Property Co., Ltd. (Note 2)	75,073,320.95		451,676.84			75,524,997.79
Goodwill formed by acquiring Shanghai Dahao Real Estate Co., Ltd. (Note 3)	24,001,602.07		577,000.46			24,578,602.53
Goodwill formed by acquiring Shanghai SINKO Cooling Machinery Co., Ltd.	2,225,201.61					2,225,201.61
Goodwill formed by acquiring SCG (Jiangsu) Steel Structure Co., Ltd.	33,186,974.18					33,186,974.18
Goodwill formed by acquiring SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	28,266,105.10					28,266,105.10
Total	347,178,523.05		1,028,677.30	11,930,728.26		336,276,472.09

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 Property Co. Ltd. has been gradually transferred out with the sale of property assets as Shanghai Shengtang Property 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). Relevant information of goodwill asset group or portfolio of asset group

√ Applicable ☐ Not applicable

Name of the investee or event from which the goodwill arises	Goodwill amount	Information about the asset group or portfolio of asset groups where goodwill is located
Goodwill formed by acquiring Shanghai Shengtang Property Co., Ltd. (Note)	14,131,670.21	The goodwill formed by acquiring Shanghai Shengtang Property Co., Ltd. is actually formed through acquiring 100% equity of Shanghai Shengtang Property 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)	15,096,204.47	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 Shanghai JianAn Chemical Engineering Co., Ltd.	4,787,441.29	The goodwill formed by acquiring Shanghai JianAn Chemical Engineering Co., Ltd. is actually formed through acquiring 100% equity of Shanghai JianAn Chemical Engineering 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 Construction Design Co., Ltd.	1,239,963.57	The goodwill formed by acquiring Shanghai Zhengji Construction Design Co., Ltd. is actually formed through acquiring 100% equity of Shanghai Zhengji Construction Design Co., Ltd. in June 2016 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

Name of the investee or event from which the goodwill arises	Goodwill amount	Information about the asset group or portfolio of asset groups where goodwill is located
		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.
Goodwill formed by acquiring Shanghai Greenment Environmental Technologies Co., Ltd.	157,972,503.81	The goodwill formed by acquiring Shanghai Greenment Environmental Technologies Co., Ltd. is actually formed through acquiring 100% equity of Shanghai Greenment Environmental Technologies Co., Ltd. by Garden Group, a wholly-owned subsidiary of the Company in October 2020.
The goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd. and its subsidiaries	299,178,127.18	The goodwill formed by acquisition is actually formed through acquiring 100% equity of Tianjin House Construction Development Group Co., Ltd. by the Company in October 2020.
Total	570,255,405.77	

Note: The goodwill formed by acquiring Shanghai Shengtang Property 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 Shanghai JianAn Chemical Engineering Co., Ltd.	32.15	12.6	5 years
Goodwill formed by acquiring Shanghai Huayi Construction Co., Ltd.	5.52	16.75	5 years
Goodwill formed by acquiring Shanghai Urban Transportation Design Institute Co., Ltd.	12.70	12.45	5 years
The goodwill formed by acquiring Shanghai Urban Space Architectural Design Co., Ltd.	4.33	15	3 years
Goodwill formed by acquiring SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	5.80	16.55	5 years
Goodwill formed by acquiring Shanghai Greenment Environmental Technologies Co., Ltd.	6.57	12.70	5 years
The goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd. and its subsidiaries - Tianjin House Science Research Institute Co. Ltd.	3.00	12.30	5 years
The goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd. and its subsidiaries - Tianjin Municipality Zhuyan Jianke Engineering Technology Co., Ltd.	5.00	12.30	5 years
The goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd. and its subsidiaries - Tianjin Jianke Construction Energy Saving Environment Inspection & Testing Co., Ltd.	3.00	12.70	5 years
The goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd. and its subsidiaries - Tianjin Inspection and Testing Center for Housing Quality and Safety Co., Ltd.	5.00	13.10	5 years
The goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd. and its subsidiaries - Tianjin Municipality Zhuyan Construction Research Design Co., Ltd.	3.00	12.30	5 years
The goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd. and its subsidiaries - Tianjin House Science Research Institute Co. Ltd.	10.30	12.90	5 years
The goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd. and its subsidiaries - Tianjin Xintianzheng Information Technology Limited	36.04	12.30	5 years
The goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd. and its subsidiaries - Tianjin Huajie Parking Park Management Service Co. Ltd.	35.41	13.70	5 years

Note 1: For the goodwill formed by acquiring Shanghai Shengtang Property 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.

Note 2: The goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd. and its subsidiaries include 41 subsidiaries, among which, 8 subsidiaries adopted income method for goodwill impairment test; for remaining 33 subsidiaries, after analysis, the fair value minus disposal costs is used to assess the recoverable amount on the impairment test day.

(5). Impact of goodwill impairment test

√ Applicable □ Not applicable

Name of the investee or event from which the goodwill arises	Goodwill impairment amount
Goodwill formed by acquiring Shanghai Shengtang Property Co., Ltd.	0.00
Goodwill formed by acquiring Shanghai Dahao Real Estate Co., Ltd.	0.00
Goodwill formed by acquiring Shanghai JianAn Chemical Engineering 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 Construction Design Co., Ltd.	0.00
Goodwill formed by acquiring SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	0.00
Goodwill formed by acquiring Shanghai Greenment Environmental Technologies Co., Ltd.	0.00
The goodwill formed by acquiring Tianjin House Construction Development Group Co., Ltd. and its subsidiaries	0.00
Total	0.00

Other notes

□ Applicable √ Not applicable

29. Long-term unamortized expenses√ Applicable ☐ Not applicable

Item name	Beginning balance	Amount increased in the current period	Amortization in current period	Unit: RMB	Currency: RMB
				Other decrease amount	Ending balance
Improvement of fixed assets under operating lease	325,496,216.23	196,892,540.98	69,012,609.09	567,804.73	452,808,343.39
Rental fee and site facilities	7,131,102.39	21,822,746.72	19,204,392.46		9,749,456.65
Others	5,432,797.82	64,275,135.83	8,068,501.83	354,173.00	61,285,258.82
Total	338,060,116.44	282,990,423.53	96,285,503.38	921,977.73	523,843,058.86

30. Deferred income tax assets / Deferred income tax liabilities**(1). Deferred income tax assets not offset**√ Applicable ☐ Not applicable

Item name	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income taxes Assets	Deductible temporary difference	Deferred income taxes Assets
Provision for impairment of assets	4,486,846,213.10	928,221,173.23	3,116,256,130.81	585,476,489.19
Unrealized profit of internal transaction	772,323,145.00	207,887,290.64	785,225,725.32	193,819,999.53
Deductible loss	126,545,551.67	21,102,357.15	115,936,030.66	17,390,404.60
Depreciation of fixed assets	9,313,726.82	2,328,431.70	9,597,337.56	2,399,334.39
Amortization of intangible assets	104,335.56	21,120.42	211,181.35	41,463.51
Welfare payables for employee severance and post-employment	209,091,200.00	38,108,722.00	222,693,709.00	38,586,653.50
Accrued expenses	270,873,003.66	46,519,998.39	214,529,938.04	32,647,895.66
Estimated liabilities	176,020.64	44,005.16		
Deferred income	6,183,142.77	1,545,785.69	3,452,849.40	863,212.35
Fair value change of financial instruments measured 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 measured at fair value and with their variance recorded into other comprehensive incomes	178,679,610.89	44,669,902.71	127,600,000.00	31,900,000.00
Total	6,060,135,950.11	1,290,448,787.09	4,844,266,791.77	965,316,425.14

(2). Deferred income tax liabilities not offset☐ Applicable ☐ Not applicable

Item name	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Asset evaluation increment from business combination under different control	2,390,841,609.29	611,203,606.12	450,592,972.35	136,378,092.89
Changes in fair value of other creditor's right investment				
Changes in fair value of other equity instrument investments				
Asset evaluation increment	222,346,991.97	54,001,962.41	224,274,634.16	49,269,162.78
Fair value change of financial instruments measured at fair value and with their variance recorded into current profits and losses	1,536,031,144.65	384,007,786.13	1,487,292,127.35	371,823,031.83
Fair value change of financial instruments measured at fair value and with their variance recorded into other comprehensive incomes			32,354,177.63	8,224,544.41
Contract acquisition cost	4,339,622.52	1,084,905.63		

Others	53,643,709.92	20,384,609.77	53,643,709.92	20,384,609.77
Total	4,207,203,078.35	1,070,682,870.06	2,248,157,621.41	586,079,441.68

(3). Deferred income tax assets or liabilities presented in net amount after being offset√ Applicable ☐ Not applicable

Item name	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	Unit: RMB	Currency: RMB
			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	201,790,677.40	1,088,658,109.69	156,316,192.00	809,000,233.14
Deferred income tax liabilities	201,790,677.40	868,892,192.66	156,316,192.00	429,763,249.68

(4). Details of unrecognized deferred income tax assets√ Applicable ☐ Not applicable

Item name	Ending balance	Unit: RMB	Currency: RMB
		Beginning balance	
Deductible temporary difference	1,151,939,186.10	404,395,001.53	
Deductible loss	6,029,946,731.75	3,899,907,608.97	
Total	7,181,885,917.85	4,304,302,610.50	

(5). Deductible loss of the unrecognized deferred income tax assets will be due in the following years√ Applicable ☐ Not applicable

Year	Ending amount	Beginning amount	Unit: RMB	Currency: RMB
			Remarks	
2020		169,163,896.95		
2021	453,391,509.41	438,574,081.94		
2022	539,619,391.84	429,925,751.55		
2023	1,296,315,509.43	1,134,032,237.13		
2024	1,741,796,586.05	1,728,211,641.40		
2025	1,998,823,735.02			
Total	6,029,946,731.75	3,899,907,608.97		

Other notes:

☐ Applicable ☒ Not applicable**31. Other non-current assets**√ Applicable ☐ Not applicable

Item name	Unit: RMB			Currency: RMB		
	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Contract acquisition cost	30,996,493.15		30,996,493.15	8,010,954.92		8,010,954.92
Contract performance cost						
Cost of returning products receivable						
Contract assets	22,038,779,624.21	328,381,541.48	21,710,398,082.73	19,397,190,781.59	138,858,478.60	19,258,332,302.99
Prepayment for acquisition of equity	236,286,008.67		236,286,008.67	252,467,559.67		252,467,559.67

Prepayment for equipment fund	1,635,483.44		1,635,483.44	2,288,083.19		2,288,083.19
Project Reserve	69,592,148.24		69,592,148.24	134,538,730.88		134,538,730.88
Others	20,169,911.66		20,169,911.66	287,093.86		287,093.86
Total	22,397,459,669.37	328,381,541.48	22,069,078,127.89	19,794,783,204.11	138,858,478.60	19,655,924,725.51

Other notes:

Information about assets related to contract costs

Category	Opening balance	Increase in the current period	Amortization in the current period	Impairment provision		Ending balance	Amortization method
				Provision in current period	Reversals in the current period		
Commissions paid for contract acquisition	8,010,954.92	22,985,538.23				30,996,493.15	Amortized while recognizing related revenue

32. Short-term borrowings**(1). Classification of short-term borrowings**√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Pledge borrowings	505,075,622.74	193,642,535.13
Mortgage borrowing	10,000,000.00	10,000,000.00
Guaranteed borrowings	2,351,520,262.55	1,084,781,970.96
Credit borrowings	2,699,090,493.60	1,445,837,309.88
Discount of trade acceptance bill	370,871,414.47	132,979,616.28
Loan entrusted by affiliate party	1,867,091,111.11	1,820,000,000.00
Loan entrusted by non-affiliate party	594,645,975.00	738,000,000.00
Domestic L/C discount	619,888,255.84	396,562,583.96
Mortgage and guaranteed loan	549,498,331.22	
Pledge, mortgage and guaranteed loan	118,927,326.96	
Total	9,686,608,793.49	5,821,804,016.21

(2). Unpaid short-term borrowings in maturity☐ Applicable √ Not applicable

Significant short-term borrowings that is due but unpaid:

☐ Applicable √ Not applicable

Other notes

☐ Applicable √ Not applicable**33. Financial liabilities held for trading**☐ Applicable √ Not applicable**34. Derivative financial liabilities**☐ Applicable √ Not applicable**35. Notes payable****(1). Presentation of notes payable**√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Category	Ending balance	Beginning balance
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Trade acceptance bill	3,228,240,469.20	3,424,597,227.03
Bank acceptance bill	7,849,863,807.86	6,830,620,109.29
Irrevocable domestic letter of credit	792,677,867.12	875,989,257.59
Total	11,870,782,144.18	11,131,206,593.91

The notes payable due but unpaid at the end of current period is RMB 0.

36. Accounts payable

(1). Presentation of accounts payable

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Third party accounts payable	123,653,508,722.25	74,956,429,279.43
Payables to related parties	771,808,142.76	1,585,255,607.85
Total	124,425,316,865.01	76,541,684,887.28

(2). Significant accounts payable with the aging over 1 year

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Reasons for nonpayment or non-carrying-over
Xiqing District Branch of Tianjin Land and Resources and Housing Management Bureau	135,070,000.00	Project unsettled
Xuancheng Xuanzhou District Zhengjin Transport Services Department	71,487,267.00	Project unsettled
Shanghai Urban Construction Material Co., Ltd.	70,442,674.66	Project unsettled
ANDRITZ (China) Ltd.	51,111,264.52	Project unsettled
Shanghai Donglu Construction Labor Services Co., Ltd.	50,727,450.68	Project unsettled
MCC5 Group Shanghai Corporation Limited	46,957,778.31	Project unsettled
Wenzhou Yongjian Commercial Concrete Co., Ltd.	46,065,726.99	Project unsettled
Jiangsu Tianmu Construction Group Co., Ltd.	42,979,485.84	Project unsettled
Xuancheng Jinniu Handling Engineering Team	42,508,857.50	Project unsettled
Shanghai Dongqing Construction Labor Services Co., Ltd.	40,640,614.34	Project unsettled
Shanghai Greenland Construction Group Co., Ltd.	36,378,732.47	Project unsettled
Nanchang Changping Building Installation Engineering Labor Co., Ltd.	36,199,999.90	Project unsettled
Shanghai Yili Building Labor Service Co., Ltd.	32,781,019.49	Project unsettled
Shanghai Pufei Construction Engineering Co., Ltd.	31,355,259.47	Project unsettled
Shanghai Tianji Construction Labor Services Co., Ltd.	30,314,019.56	Project unsettled
Shanghai Jinshu Building Labor Co., Ltd.	29,554,583.41	Project unsettled
Construction Materials Co., Ltd. of CCCC Third Harbor Engineering Co., Ltd.	28,145,543.41	Project unsettled
Shanghai Zhichen Intelligent Building Group Co., Ltd.	27,182,963.19	Project unsettled
Shanghai Jianfu Construction Engineering Co., Ltd.	27,153,110.30	Project unsettled
Shanghai Hongpu Steel Structure Engineering Co., Ltd.	26,325,806.03	Project unsettled
Total	903,382,157.07	

Other notes

☐ Applicable √ Not applicable

37. Advances from customers

(1). Presentation of advances from customers

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
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Advances for project/goods	21,000.00	
Prepaid sales of real estate	4,002,152.81	
Others	21,652,439.45	22,817,801.36
Total	25,675,592.26	22,817,801.36

(2). Significant advances from customers aged over 1 year

☐ Applicable ☒ Not applicable

Other notes

☐ Applicable ☒ Not applicable

38. Contract liabilities**(1). Situation of contract liabilities**

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Payment settled but not completed	21,783,965,050.83	42,639,067,938.48
Advances for project/goods	2,649,163,251.56	7,227,570,777.51
Prepaid sales of real estate	9,167,572,533.23	3,444,342,255.48
Others	3,635,126.43	9,859,776.34
Total	33,604,335,962.05	53,320,840,747.81

(2). The amount of and reasons for significant changes in book value during the reporting period

☐ Applicable ☒ Not applicable

Other notes:

☐ Applicable ☒ Not applicable

39. Employee compensation payable**(1). Presentation of employee compensation payable**

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term compensation	793,199,281.93	12,686,271,682.93	12,170,464,811.67	1,309,006,153.19
II. Post-employment welfare - defined contribution plan	37,302,319.82	786,923,893.35	758,552,430.31	65,673,782.86
III. Dismissal benefit		3,928,618.79	3,928,618.79	
IV. Other welfares due within one year				
Total	830,501,601.75	13,477,124,195.07	12,932,945,860.77	1,374,679,936.05

(2). Presentation of short-term compensation

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Wages, salaries, bonuses, allowances and subsidies	726,833,135.29	10,185,118,730.95	9,701,025,759.82	1,210,926,106.42
II. Employee benefits		260,548,582.63	260,548,582.63	
III. Social insurance premium	20,377,534.26	549,594,356.35	533,551,293.05	36,420,597.56
Wherein: Medical insurance premium	17,768,419.07	490,875,159.60	475,785,109.99	32,858,468.68

Work-related injury insurance premium	899,502.83	26,149,745.51	25,372,320.89	1,676,927.45
Maternity insurance premium	1,709,612.36	32,569,451.24	32,393,862.17	1,885,201.43
IV. Housing fund	20,555,290.73	636,283,166.54	634,422,747.08	22,415,710.19
V. Labor union funds and employee education funds	21,451,967.08	251,371,328.32	240,083,634.36	32,739,661.04
VI. Short-term compensated absence				
VII. Short-term profit sharing plan				
VIII. Other short-term compensation	3,981,354.57	803,355,518.14	800,832,794.73	6,504,077.98
Total	793,199,281.93	12,686,271,682.93	12,170,464,811.67	1,309,006,153.19

(3). Presentation of defined contribution plan

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic retirement insurance	35,317,492.88	667,276,388.79	640,177,274.79	62,416,606.88
2. Unemployment insurance premium	1,869,596.22	20,626,631.33	19,631,355.09	2,864,872.46
3. Enterprise annuity	115,230.72	99,020,873.23	98,743,800.43	392,303.52
Total	37,302,319.82	786,923,893.35	758,552,430.31	65,673,782.86

Other notes:

☐ Applicable √ Not applicable

40. Taxes and surcharges payable

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
VAT	739,589,514.04	619,321,095.04
Consumption tax		
Business tax	63,735,994.50	62,232,714.22
Enterprise income tax	1,147,531,090.26	686,017,200.73
Individual income tax	183,585,571.33	154,955,384.03
Urban maintenance and construction tax	68,866,870.86	79,962,511.14
House property tax	23,156,086.48	7,476,461.33
Land value appreciation tax	2,318,843,265.81	2,212,172,505.43
Educational surcharge	52,527,376.89	55,679,790.10
Resources tax	37,531,232.98	19,918,939.68
Deed tax	13,737,169.26	
Land use tax	2,954,091.16	1,704,450.36
Environmental protection taxes	1,726,610.83	1,526,937.95
Mineral resources compensation	3,821,584.62	3,821,584.62
Others	56,779,896.46	49,465,914.29
Total	4,714,386,355.48	3,954,255,488.92

41. Other payables**Item presentation**

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Interest payable		223,679,985.67
Dividends payable	11,403,775.36	3,649,372.24
Other payables	15,532,601,871.56	11,894,228,956.91
Total	15,544,005,646.92	12,121,558,314.82

Other notes:

☐ Applicable ☒ Not applicable**Interest payable****(1). Presented as per categories**☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Long-term borrowing interest with interest paid by installment and principal repaid due		128,377,502.68
Interest of enterprise bond		78,706,781.68
Interests payable of short-term borrowings		3,411,554.91
Preferred stock/perpetual bond interest classified as financial liabilities		
Interest on accepted debt equity investment		13,184,146.40
Total		223,679,985.67

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 name	Ending balance	Beginning balance
Common stock dividend		
Dividend of preferred stock/perpetual bond classified into equity instrument		
Dividends payable - dividends payable to minority shareholders	11,403,775.36	3,649,372.24
Total	11,403,775.36	3,649,372.24

Other payables**(1). Other payables classified as per nature**☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Transaction payments of related parties	1,035,038,811.56	677,240,012.64
Transaction payments of third party	4,239,806,250.92	2,162,945,900.87
Property reservation	450,644,431.98	730,363,635.19
Performance security	3,762,657,269.81	4,509,319,098.61
Guarantee deposit and security deposit	4,090,694,299.80	1,849,370,290.54
Risk fund of contracting project	125,809,184.69	108,661,561.18
Accrued expenses	240,882,957.92	267,389,796.02
Property maintenance fund	25,428,418.50	10,115,813.44

Compensation for demolition	2,573,112.90	2,573,112.90
Staff security funds	65,378,585.69	59,469,727.38
Others	1,493,688,547.79	1,516,780,008.14
Total	15,532,601,871.56	11,894,228,956.91

(2). Significant other payables aged over 1 year

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Reasons for nonpayment or non-carrying-over
Hangzhou Green Town Kitchen Cabinet Co., Ltd.	1,068,906,626.91	Non-arrival settlement period
Tianjin Indemnificatory Housing Construction Investment Co., Ltd.	357,169,618.37	Non-arrival settlement period
Tianjin Hongfang Demolition Co., Ltd.	141,109,485.06	Non-arrival settlement period
Real Estate Bureau of Hongqiao District, Tianjin	140,609,568.92	Non-arrival settlement period
Tianjin Hongqiao Construction Management Committee	100,000,000.00	Non-arrival settlement period
Headquarters of Tianjin Dingzigu South-North Street House Demolition Project	60,000,000.00	Non-arrival settlement period
Shanghai Donglu Construction Labor Services Co., Ltd.	33,871,658.30	Non-arrival settlement period
Shanghai Land Reserve Center	33,858,616.80	Non-arrival settlement period
Tianjin Hongqiao District Land Consolidation Center	30,569,432.42	Non-arrival settlement period
Shanghai Senxin Construction Co., Ltd.	25,600,656.56	Non-arrival settlement period
Shanghai Yubang Construction Group Co., Ltd.	24,825,000.00	Non-arrival settlement period
Shanghai Mingpeng Construction Group Co., Ltd.	21,003,173.96	Non-arrival settlement period
Total	2,037,523,837.30	/

Other notes:

☐ Applicable √ Not applicable

42. Liabilities held for sale

☐ Applicable √ Not applicable

43. Non-current liabilities due within one year

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Long-term borrowings due within one year	16,153,624,956.73	3,742,336,451.56
Bonds payable due within one year	1,010,191,051.25	4,249,205,326.85
Long-term payables due within one year	875,694,446.43	
Lease liabilities due within one year		
Total	18,039,510,454.41	7,991,541,778.41

Other notes:

Long-term borrowings

Item name	Ending balance	Ending balance of previous year
Pledge borrowings	529,504,440.32	302,393,573.00
Mortgage borrowing	2,246,749,365.19	210,396,650.10
Guaranteed borrowings	3,658,157,458.27	2,649,908,305.50
Credit borrowings	133,737,490.84	176,764,400.00
Loan entrusted by affiliate party	401,596,527.78	60,000,000.00
Loan entrusted by non-affiliate party	3,750,928,652.49	50,000,000.00
Mortgage and guaranteed loan	544,566,187.92	51,000,000.00

Mortgage and guaranteed loan	653,042,335.63	87,873,522.96
Accepted debt equity investment	4,235,342,498.29	154,000,000.00
Total	16,153,624,956.73	3,742,336,451.56

44. Other current liabilities

Other current liabilities

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Short-term bonds payable		
Payable payments for goods return		
Pending output VAT	862,982,063.20	400,621,232.83
Total	862,982,063.20	400,621,232.83

Increase or decrease of short-term bonds payable:

☐ Applicable √ Not applicable

Other notes:

☐ Applicable √ Not applicable**45. Long-term borrowings****(1). Classification of long-term borrowings**√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Pledge borrowings	2,856,019,035.10	1,671,822,123.70
Mortgage borrowing	6,275,517,373.92	6,307,510,846.01
Guaranteed borrowings	30,298,651,431.29	23,624,333,530.54
Credit borrowings	1,646,782,958.00	650,111,358.00
Loan entrusted by affiliate party	880,000,000.00	1,280,000,000.00
Loan entrusted by non-affiliate party		1,488,000,000.00
Mortgage and guaranteed loan	1,127,685,993.05	893,887,935.99
Mortgage and guaranteed loan	1,489,950,000.00	773,000,000.00
Accepted debt equity investment	2,507,075,000.00	7,500,705,000.00
Total	47,081,681,791.36	44,189,370,794.24

Other descriptions, including the interest rate dollars:

☐ Applicable √ Not applicable**46. Bonds payable****(1). Bonds payable**√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
The 2018 Phase I Asset-backed Notes of Shanghai Zhongcheng Financial Leasing Co., Ltd.		96,984,000.00
The 2020 Phase-I Medium Term Notes of Shanghai Construction Group Co., Ltd.	2,000,000,000.00	
The 2017 Phase-I Medium Term Notes of Tianjin House Construction Development Group Co., Ltd.	500,000,000.00	
Overseas US dollar bonds	3,885,005,454.97	
Total	6,385,005,454.97	96,984,000.00

(2). Increase/decrease of bonds payable: (preferred stock, perpetual bond and other financial instruments classified as financial liabilities excluded)√ Applicable ☐ Not applicable

Name of bond	Par value	Issuing Date	Debenture Term	Issuing Amount	Beginning balance	Current period issuing	Interest accrued at par value	Amortization of premiums and discounts	Unit: RMB	Currency: RMB
									Current period repayment	Ending balance
The 2018 Phase I Asset-backed Notes of Shanghai Zhongcheng Financial Leasing Co., Ltd.	100.00	2018/2/7	3 years	390,000,000.00	96,984,000.00		4,443,326.31		78,586,692.93	
The 2020 Phase-I Medium Term Notes of Shanghai Construction Group Co., Ltd.	100.00	2020/8/7	5 years			2,000,000,000.00	31,437,671.23			2,000,000,000.00
The 2017 Phase-I Medium Term Notes of Tianjin House Construction Development Group Co., Ltd.	100.00	2017/6/8	5 years			511,481,164.38	9,375,000.00			500,000,000.00
Debt financing plan of Tianjin House Construction Development Group Co., Ltd.	100.00	2019/9/25	2 years	930,000,000.00		930,000,000.00	18,600,000.00		17,153,333.33	
Overseas US dollar bonds	100.00	2020/6/16	5 years	3,914,940,000.00		3,914,940,000.00	47,653,163.12	3,383,885.31	74,203,822.85	3,885,005,454.97
Total	/	/	/	5,234,940,000.00	96,984,000.00	7,356,421,164.38	111,509,160.66	3,383,885.31	169,943,849.11	6,385,005,454.97

(3). About share transfer condition and share transfer time of convertible corporate bonds

☐ Applicable ☒ Not applicable

(4). About other financial instruments classified as financial liabilities

Basic information of other financial instruments as preferred stock and perpetual bond externally issued at the end of period

☐ Applicable ☒ Not applicable

Variation to other financial instruments as preferred stock and perpetual bond 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

47. Lease liabilities

☐ Applicable ☒ Not applicable

48. Long-term payables**Item presentation**

☒ Applicable ☐ Not applicable

		Unit: RMB	Currency: RMB
Item name	Ending balance	Beginning balance	
Long-term payables	1,580,770,888.18	219,675,036.19	
Special accounts payables	874,911,143.05	920,413,964.61	
Total	2,455,682,031.23	1,140,089,000.80	

Other notes:

☐ Applicable ☒ Not applicable

Long-term payables**(1). Presentation of long-term payables by nature**

☒ Applicable ☐ Not applicable

		Unit: RMB	Currency: RMB
Item name	Beginning balance	Ending balance	
Performance security payable	200,835,038.56	212,088,304.06	
Receivables from finance leases	322,657,199.42		
Reserve for replacement of fixed assets	5,996,720.27	4,177,764.25	
Factoring financing	35,500,000.00		
Maintenance fund	3,745,928.03	3,408,967.88	
Installment payment for equipment payable	6,089,801.07		
Kaiyuan – SCG Bojin Building asset-backed special plan	1,001,000,000.00		
Others	4,946,200.83		
Total	1,580,770,888.18	219,675,036.19	

Special accounts payables**(2). Special payables presented as per nature**

☒ Applicable ☐ Not applicable

Item name	Beginning balance	Increase in the current period	Decrease in the current period	Unit: RMB	Currency: RMB
				Ending balance	Reasons for formation
Fee for scientific research and trial production	3,200,366.32	7,865,998.13	337,985.37	10,728,379.08	
Special fund for comprehensive utilization of mines	763,891.82		763,891.82		
Compensation for demolition	913,534,706.47	10,945,952.19	63,212,894.69	861,267,763.97	
Special allocation for employment promotion	2,915,000.00			2,915,000.00	
Total	920,413,964.61	18,811,950.32	64,314,771.88	874,911,143.05	

49、Long-term employee compensation payable

√ Applicable ☐ Not applicable

(1). Table of long-term employee compensation payable

√ Applicable ☐ Not applicable

Item name	Unit: RMB	Currency: RMB
	Ending balance	Beginning balance
I. Net liabilities of post-employment welfare - defined benefit plan	255,385,032.00	255,541,511.00
II. Dismissal benefit		
III. Other long-term welfare	34,059,084.00	40,946,586.00
Total	289,444,116.00	296,488,097.00

(2). Changes of the defined benefit plan

Present value of obligation of defined benefit plan:

√ Applicable ☐ Not applicable

Item name	Unit: RMB	Currency: RMB
	Amount incurred in the current period	Amount incurred in the previous period
I. Beginning balance	255,541,511.00	272,979,269.00
II. Defined benefit cost included in the current profit and loss	7,921,387.00	7,483,388.00
1. Current service cost		
2. Previous service cost		-980,097.00
3. Settlement gains (losses to be listed with “—”)		
4. Net interests	7,921,387.00	8,463,485.00
III. Defined benefit cost included in other comprehensive incomes	15,126,611.00	-840,404.00
1. Actuarial gains (losses to be listed with “—”)	15,126,611.00	-840,404.00
IV. Other changes	-23,204,477.00	-24,080,742.00
1. Paying consideration of settlement		
2. Paid welfare	-23,204,477.00	-24,080,742.00
V. Ending balance	255,385,032.00	255,541,511.00

Plan assets:

☐ Applicable √ Not applicable

Net liabilities (net assets) of defined benefit plan

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
I. Beginning balance	255,541,511.00	272,979,269.00
II. Defined benefit cost included in the current profit and loss	7,921,387.00	7,483,388.00
III. Defined benefit cost included in other comprehensive incomes	15,126,611.00	-840,404.00
IV. Other changes	-23,204,477.00	-24,080,742.00
V. Ending balance	255,385,032.00	255,541,511.00

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%
Mortality 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

Other notes:

☒ Applicable ☐ Not applicable

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%	-5,890,301.00	6,151,498.00

50. Estimated liabilities

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Beginning balance	Ending balance	Reasons for formation
External guarantee			
Pending litigation	1,408,777.45	8,503,519.76	
Product quality assurance			
Reorganization obligation			
Loss contract to be performed			
Payable payments for goods return			

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	6,002,194.11	13,096,936.42	/

51. Deferred income

About deferred income

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reasons for formation
Government subsidies	89,132,296.58	39,734,667.06	44,199,628.38	84,667,335.26	Received various funds related to government subsidies
Compensation for demolition (including compensation for commercial demolition)	83,885,712.46		2,630,408.78	81,255,303.68	Received compensation for purchase and construction of assets, personnel placement and various expenses caused by demolition and relocation
Total	173,018,009.04	39,734,667.06	46,830,037.16	165,922,638.94	/

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	80,057,022.26		2,190,859.77			77,866,162.49	Related to assets
New headquarters building project of Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.	39,427,576.42		2,816,255.44			36,611,320.98	Related to assets
Sporadic projects	49,704,720.16	39,734,667.06	41,383,372.94			48,056,014.28	Related to income

Other notes:

☐ Applicable √ Not applicable**52. Other non-current liabilities**☐ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance	Beginning balance
Contract liabilities		
Equities payable	50,231,681.65	53,705,996.65
Total	50,231,681.65	53,705,996.65

53. 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	Sub-total	
Total number of shares	8,904,397,728.00						8,904,397,728.00

54. Other equity instruments**(1). Basic information of other financial instruments as preferred stock and perpetual bond 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
Shanghai Construction Group Co., Ltd. publicly issued 2018 renewable corporate bonds (phase I)	2018/8/20	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)	2018/10/10	Other equity instruments - perpetual bonds	5.450%	100.00	15,000,000	1,500,000,000.00	October 10, 2023		
Shaanxi International Trust – SCG perpetual bond collective fund trust plan	2020/8/14	Other equity instruments - perpetual bonds	5.300%	100.00	18,400,000	1,840,000,000.00	August 14, 2025		
Shaanxi International Trust – SCG perpetual bond collective fund trust plan	2020/9/27	Other equity instruments - perpetual bonds	5.300%	100.00	13,500,000	1,350,000,000.00	September 27, 2025		
Lujiazui Trust – Xiangrui Shencheng perpetual bond collective fund trust plan	2020/12/9	Other equity instruments - perpetual bonds	5.200%	100.00	20,000,000	2,000,000,000.00	December 8, 2021		
Total					86,900,000.00	8,690,000,000.00			

(2). Variation to other financial instruments as preferred stock and perpetual bond 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.	20,000,000.00	2,000,000,000.00			20,000,000.00	2,000,000,000.00		
Shanghai Construction Group Co., Ltd. publicly issued 2017 renewable corporate bonds (phase I) (variety I)	10,000,000.00	1,000,000,000.00			10,000,000.00	1,000,000,000.00		
Shanghai Construction Group Co., Ltd. publicly issued 2018 renewable corporate bonds (phase I)	20,000,000.00	2,000,000,000.00					20,000,000	2,000,000,000.00
Shanghai Construction Group Co., Ltd. publicly issued 2018 renewable corporate bonds (phase II)	15,000,000.00	1,500,000,000.00					15,000,000	1,500,000,000.00
Shaanxi International Trust – SCG perpetual bond collective fund trust plan			18,400,000.00	1,840,000,000.00			18,400,000	1,840,000,000.00
Shaanxi International Trust – SCG perpetual bond collective fund trust plan			13,500,000.00	1,350,000,000.00			13,500,000	1,350,000,000.00
Lujiazui Trust – Xiangrui Shencheng perpetual bond collective fund trust plan			20,000,000.00	2,000,000,000.00			20,000,000	2,000,000,000.00
Total	65,000,000	6,500,000,000.00	51,900,000	5,190,000,000.00	30,000,000	3,000,000,000.00	86,900,000	8,690,000,000.00

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 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 RMB 1,000,000,000.00. 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.

2) On October 24, 2016, the Company obtained the "Z.J.X.K. [2016] No. 2388" issued by the 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.

3) On August 14, 2020, the Company issued the perpetual bond collective fund trust plan which can be redeemable in 2025 and thereafter, with the total issuance amount of RMB 5,000,000,000.00. According to the issuing terms, the initial investment period of the perpetual bond collective fund plan is 5 years. Each year after

the expiry of the initial investment period of each investment fund shall be an extended investment period for the investment fund. With at least ninety days before the investment period of the first investment fund, the issuer is entitled to exercise the option of renewal to extend each investment fund for 1 year or choose to return the principal balance of each investment fund and all the capital costs due but not yet paid of each investment fund at the end of the period. For this trust plan, investment funds of RMB 1,840,000,000.00 are actually paid to the Company.

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 trust plan 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 this trust plan remains unchanged at 5.3% per annum 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 should be increased by 300 basis points over the annualized fixed investment rate applicable for the initial investment period.

4) On August 14, 2020, the Company issued the perpetual bond collective fund trust plan which can be redeemable in 2025 and thereafter, with the total issuance amount of RMB 5,000,000,000.00. According to the issuing terms, the initial investment period of the perpetual bond collective fund plan is 5 years. Each year after the expiry of the initial investment period of each investment fund shall be an extended investment period for the investment fund. With at least ninety days before the investment period of the first investment fund, the issuer is entitled to exercise the option of renewal to extend each investment fund for 1 year or choose to return the principal balance of each investment fund and all the capital costs due but not yet paid of each investment fund at the end of the period. For this trust plan, investment funds of RMB 1,350,000,000.00 are actually paid to the Company on September 27, 2020.

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 trust plan 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 this trust plan remains unchanged at 5.3% per annum 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 should be increased by 300 basis points over the annualized fixed investment rate applicable for the initial investment period.

5) On December 9, 2020, the Company issued the perpetual bond collective fund trust plan which can be redeemable in 2025 and thereafter, with the total issuance amount of RMB 2,000,000,000.00. According to the issuing terms, the investment period of the perpetual bond collective fund plan is non-fixed period. For this trust plan, investment funds of RMB 2,000,000,000.00 are actually paid to the Company on December 9, 2020.

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 corresponding date of 6 months after the date on which the investment funds of the trust scheme have been issued and on any day thereafter 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 5.2% per annum in the first interest-bearing year. Starting from the 2nd interest-bearing year, if the Company does not exercise the redemption right, the annual interest rate should be increased by 300 basis points over the annualized fixed investment rate applicable for the initial investment period. Within the investment period, the range of interest rate step-up shall not exceed 10%/year.

55. Capital reserves√ Applicable ☐ Not applicable

Unit: RMB

Currency: RMB

Item name	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (stock premium)	1,591,597,984.50	31,215.71	0.0	1,591,629,200.21
Other capital reserves	608,408,561.87	8,812,243.33	0.00	617,220,805.20
Total	2,200,006,546.37	8,843,459.04		2,208,850,005.41

56. Treasury stock√ Applicable ☐ Not applicable

Unit: RMB

Currency: RMB

Item name	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Treasury stock	55,121,123.98	8,583,644.31		63,704,768.29
Total	55,121,123.98	8,583,644.31		63,704,768.29

57. Other comprehensive incomes

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Beginning balance	Current amount						Ending 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	Minus: Retained earnings included in other comprehensive income at early stage and transferred in the current period	Minus: Income tax expenses	After-tax amount attributable to the parent company	After-tax amount attributable to minority shareholders	
I. Other comprehensive income that cannot be transferred to profit or loss	-97,954,290.69	-91,597,989.66			-22,487,220.45	-67,207,987.97	-1,902,781.24	-165,162,278.66
Wherein: Changes in re-measurement of the defined benefit plan	-26,383,923.91	-15,126,611.00			-3,233,375.80	-11,893,235.20		-38,277,159.11
Other comprehensive income that cannot be transferred to profit or loss under the equity method								
Changes in fair value of other equity instrument investments	-71,570,366.78	-76,471,378.66			-19,253,844.65	-55,314,752.77	-1,902,781.24	-126,885,119.55
Changes in the fair value of the Company's own credit risk								
II. Other comprehensive income that will be reclassified into profit or loss	12,424,144.99	-27,493,137.79				-6,776,014.95	-20,717,122.84	5,648,130.04
Wherein: Other comprehensive income that can be transferred to profit or loss under the equity method	1,572,612.94							1,572,612.94
Changes in fair value of other creditor's right investment								
Amount of financial								

assets reclassified into other comprehensive income								
Provision for credit impairment of other creditor's right investment								
Reserves of cash flow hedges								
Translation differences of foreign currency financial statements	10,851,532.05	-27,493,137.79				-6,776,014.95	-20,717,122.84	4,075,517.10
Total other comprehensive income	-85,530,145.70	-119,091,127.45			-22,487,220.45	-73,984,002.92	-22,619,904.08	-159,514,148.62

58. Special reserve√ Applicable ☐ Not applicable

Item name	Beginning balance	Increase in the current period	Unit: RMB	Currency: RMB
			Decrease in the current period	Ending balance
Work safety expenses	2,384,562.98	3,098,322,067.25	3,093,945,497.28	6,761,132.95
Total	2,384,562.98	3,098,322,067.25	3,093,945,497.28	6,761,132.95

59. Surplus reserves√ Applicable ☐ Not applicable

Item name	Beginning balance	Increase in the current period	Unit: RMB	Currency: RMB
			Decrease in the current period	Ending balance
Statutory surplus reserves	1,510,269,667.25	385,994,326.45		1,896,263,993.70
Discretionary surplus reserve				
Reserve funds				
Enterprise expansion fund				
Others				
Total	1,510,269,667.25	385,994,326.45		1,896,263,993.70

60. Undistributed profits√ Applicable ☐ Not applicable

Item name	Unit: RMB	Currency: RMB
	Current period	Previous period
Undistributed profit at the end of the previous period before adjustment	14,074,908,867.70	11,667,743,645.90
Total number of undistributed profit at beginning of adjustment (adjustment +/-)	-231,927,344.50	198,983,749.04
Undistributed profits at the beginning of the period after adjustment	13,842,981,523.20	11,866,727,394.94
Plus: Net profits attributable to owners of parent company in current period	3,350,849,267.70	3,930,207,378.11
Minus: Appropriation of statutory surplus reserve	385,994,326.45	208,582,212.07
Appropriation of discretionary surplus reserve		
Withdrawal of general risk reserves		
Common stock dividends payable	1,244,031,564.16	1,202,093,693.28
Common stock dividends converted into share capital		
Payment of interest on perpetual bonds	366,366,194.45	311,350,000.00
Undistributed profits at the end of the period	15,197,438,705.84	14,074,908,867.70

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 -231,927,344.50.
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.

61. Operating revenues and operating cost**(1). Operating revenue and operating costs**√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Main business	230,303,872,141.59	208,128,988,782.80	204,225,030,695.31	183,317,829,337.59
Other business	1,023,359,867.30	821,719,368.91	1,271,677,113.04	1,040,101,686.42
Total	231,327,232,008.89	208,950,708,151.71	205,496,707,808.35	184,357,931,024.01

(2). Income generated by contracts√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Contract classification	Contract - segment	Total
Type of Commodities		
Architecture, contract, design, construction	201,310,039,685.30	201,310,039,685.30
Construction industry	14,424,653,265.05	14,424,653,265.05
Real estate development	6,023,623,179.80	6,023,623,179.80
Trade in complete equipment and other commodities	5,035,391,102.29	5,035,391,102.29
Urban infrastructure investment and construction	1,392,689,073.81	1,392,689,073.81
Project management consulting, labor dispatch and other services	1,589,198,523.93	1,589,198,523.93
Gold sales business	963,351,053.16	963,351,053.16
By operation regions		
China Mainland	224,630,318,596.23	224,630,318,596.23
Other countries and areas	6,108,627,287.11	6,108,627,287.11
Type of market or customer		
Contract type		
By time of goods transfer		
Be recognized at one time point	28,596,396,047.16	28,596,396,047.16
Be recognized at one time period	202,142,549,836.18	202,142,549,836.18
By contract period		
By marketing channels:		
Total		692,216,837,650.02

Explanation of income generated by the contract:

☐ Applicable √ Not applicable**(3). Statement of performance obligation**☐ Applicable √ Not applicable**(4). Statement of amortizing to remaining performance obligations**☐ Applicable √ Not applicable

Other notes:

3. Operating income from top five customers of the company

Customer name	Total amount of operating income	Proportion accounting for the Company's total operating incomes (%)
Shenzhen Housing Project Management Station	1,661,339,935.76	0.72
New Galaxy Entertainment Co., Ltd.	1,616,472,896.20	0.70
Shanghai Lingang New City Investment & Construction Co., Ltd.	1,485,996,973.71	0.64
Shanghai Pudong Engineering Construction Management Co., Ltd.	1,404,871,962.72	0.61
Shanghai Chengtou Water Group Co., Ltd.	1,328,508,947.21	0.57
Total	7,497,190,715.60	

62. Taxes and surcharges

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Consumption tax		
Business tax		
Urban maintenance and construction tax	185,859,867.79	242,901,613.12
Educational surcharge	165,748,525.26	187,778,523.52
Resources tax	53,070,447.59	39,574,102.27
House property tax	115,044,565.77	118,162,153.07
Land use tax	11,521,525.37	11,550,903.22
Vehicle and vessel use tax		
Stamp tax	127,264,479.94	126,234,108.30
Land value appreciation tax	61,521,927.72	1,021,943,699.45
Offshore tax	19,749,932.72	42,420,019.63
Environmental protection taxes	12,179,656.41	10,106,243.18
Others	58,188,929.32	52,614,840.03
Total	810,149,857.89	1,853,286,205.79

63. Selling and distribution expenses

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Employee's compensation and welfare	252,805,129.24	219,711,779.33
Commission and agency fee	238,169,140.51	246,706,474.03
Advertising expenses	89,339,921.09	78,659,866.55
Travel allowance	8,480,241.10	14,868,630.95
Office allowance	50,140,920.38	32,126,146.04
Transportation cost	366,027.55	8,380,563.17
Expenses for using fixed assets	14,254,729.09	13,973,925.98
Business entertainment expenses	4,815,876.54	6,089,189.01
Official business fee	931,072.70	351,357.68
Others	52,739,663.32	58,070,518.61
Total	712,042,721.52	678,938,451.35

64. General and administrative expenses

√ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Employee's compensation and welfare	4,313,580,596.65	4,122,575,416.00
Expenses for using fixed assets	393,509,354.12	357,414,113.26
Office allowance	379,159,974.93	386,480,540.61
Business entertainment expenses	66,633,124.48	57,742,894.63
Travel allowance	61,282,718.26	95,486,703.61
Amortization of intangible assets	41,115,096.29	26,252,881.48
Vehicle use fee	24,000,994.33	17,980,386.30
Insurance premium	31,487,091.59	26,265,750.46
Amortization of long-term deferred expenses	17,427,557.88	12,521,615.61
Low value consumables	11,981,598.58	20,056,101.58
Repair fee	98,758,121.53	46,192,420.37
Official business fee	4,585,949.44	6,855,259.28
Labor service collaboration fee	1,862,935.54	3,022,406.65
Others	502,169,071.49	430,945,591.69
Total	5,947,554,185.11	5,609,792,081.53

65. Research and development expenditures√ Applicable ☐ Not applicable

Item name	Amount incurred in the current period	Unit: RMB	Currency: RMB
		Amount incurred in the current period	Amount incurred in the previous period
Direct material	3,580,655,731.87		3,071,603,597.19
Personnel expense	1,580,347,999.10		1,164,680,839.35
Depreciation expense	27,111,495.70		27,666,758.48
Rent	138,002,587.15		86,146,956.95
Maintenance and renovation fee	52,694,430.53		47,382,984.38
Amortization of intangible assets	2,824,047.41		2,200,503.83
Trial production and test fee	656,659,601.60		772,044,534.37
Outsourcing research and development expenditures	297,347,770.03		179,790,025.59
Other expenses	1,778,403,664.26		868,202,367.84
Total	8,114,047,327.65		6,219,718,567.98

66. Financial expenses√ Applicable ☐ Not applicable

Item name	Amount incurred in the current period	Unit: RMB	Currency: RMB
		Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	2,311,100,848.54		2,100,898,202.94
Minus: Interest income	-634,430,434.57		-551,420,819.24
Exchange profit or loss	19,159,552.08		-9,752,753.50
Effect of welfare actuary	9,061,908.00		9,795,382.00
Others	174,697,525.41		149,995,523.48
Total	1,879,589,399.46		1,699,515,535.68

67. Other incomes√ Applicable ☐ Not applicable

Item name	Amount incurred in the current period	Unit: RMB	Currency: RMB
		Amount incurred in the current period	Amount incurred in the previous period
Government subsidies	141,947,708.99		90,632,051.37

Input VAT casting or credit	4,765,432.96	1,551,064.24
Handling charges for withholding personal income taxes	11,612,991.46	4,186,923.37
Others	282,558.16	26,779.83
Total	158,608,691.57	96,396,818.81

Other notes:

Government subsidies included in other earnings

Grant item	Amount in current period	Previous amount	Related to assets/related to income
Fee for scientific research and trial production	36,047,120.76	11,480,234.20	Related to income
Compensation for demolition	2,190,859.77	2,400,765.05	Related to income
Others	103,709,728.46	76,751,052.12	Related to income
Total	141,947,708.99	90,632,051.37	

68. Investment income

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income under the equity method	34,957,712.07	84,858,065.29
Investment income from disposal of long-term equity investments	552,000.38	
Investment income during the period of the financial assets held for trading	41,236,888.47	43,018,330.96
Dividend income from investments in other equity instruments investments during the holding period	2,400,000.00	11,563,543.31
Interest income from creditor's right investment during the holding period	928,477.18	
Interest income from other creditor's right investment during the holding period		
Investment income from disposal of financial assets held for trading	51,995,275.29	20,168,826.20
Investment income from disposal of other equity instrument investments		
Investment income acquired from disposal of creditor's right investment		
Investment income acquired from disposal of other creditor's right investment		
Investment income during the period of other non-current financial assets	220,870,975.85	85,632,133.04
Investment income from the disposal of other non-current financial assets		125,688.52
Others	5,690,080.72	2,677,249.92
Total	358,631,409.96	248,043,837.24

69. Gains from net exposure hedging

□ Applicable √ Not applicable

70. Gains from changes in fair value

□ Applicable √ Not applicable

Unit: RMB Currency: RMB

Source of income from changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Financial assets held for trading	30,527,842.54	726,140,064.35
Wherein: Incomes from changes in fair values arising from derivative financial instruments	-1,582,191.78	1,582,191.78
Financial liabilities held for trading		
Investment properties measured at fair value		
Other non-current financial assets	359,928,114.83	142,909,846.67
Total	390,455,957.37	869,049,911.02

71. Losses from credit impairment

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Loss on bad debts of notes receivable	-8,571,803.92	87,929,730.11
Loss on bad debts of accounts receivable	947,516,562.58	764,959,362.29
Loss on bad debts of other receivables	112,085,828.96	37,894,248.53
Impairment loss from creditor's right investment		
Impairment loss from other creditor's right investment		
Loss on bad debts of long-term receivables	128,531,281.66	56,043,957.97
Impairment loss from contract assets		
Impairment loss from receivables financing	30,143,705.29	-24,019,063.96
Total	1,209,705,574.57	922,808,234.94

Other notes:

Note: In this year, Tianjin House Group acquired through business combination under different control has implemented new financial instrument standards and new income standards since the merger and increased the accrual of bad debt provision for corresponding receivables.

72. Losses from impairment of assets

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
I. Bad debt losses		
II. Inventory falling price loss / loss from contract performance cost impairment	242,572,992.09	49,089.85
III. Loss from long-term equity investment impairment		
IV. Loss from investment properties impairment		
V. Loss from fixed assets impairment		
VI. Loss from construction materials impairment		
VII. Loss from construction in progress impairment		
VIII. Loss from productive biological assets impairment		
IX. Loss from oil and gas assets impairment		
X. Loss from intangible assets impairment		
XI. Loss from goodwill impairment	1,028,677.30	1,874,605.16
XII. Others		
Impairment loss from contract assets	295,964,218.02	
Total	539,565,887.41	1,923,695.01

73. Gains from disposal assets

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Fixed assets disposal profits	20,443,628.52	27,159,875.73
Intangible assets disposal profits	448,062.79	69,733.34
Others		108,565.98
Total	20,891,691.31	27,338,175.05

74. Non-operating revenue

Information on non-operating income

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	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			
Wherein: Gains from disposal of fixed assets			
Gains from disposal of intangible assets			
Gains on debt restructurings		41,996.00	
Gains on exchange of non-monetary assets			
Donation accepted			
Government subsidies	346,185,274.91	308,180,746.45	346,185,274.91
Gains from inventory profit	100.07	10,000.56	100.07
Income from liquidated damages, overdue fine and penalty	12,668,785.59	1,914,272.75	12,668,785.59
Funds not to be paid	109,487.42	1,552,437.26	109,487.42
Compensatory income for demolition	11,453,763.05	1,861,739.47	11,453,763.05
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	75,786.17	276,661.10	75,786.17
Others	7,420,615.45	4,301,718.78	7,420,615.45
Total	377,913,812.66	318,139,572.37	377,913,812.66

Government subsidies which are 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	343,369,019.47	305,364,491.01	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

75. Non-operating expenses

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	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	14,205,122.65	4,902,823.15	14,205,122.65
Wherein: Losses from disposal of fixed assets	14,205,122.65	4,902,823.15	14,205,122.65
Losses from disposal of intangible assets			
Loss on debt restructuring			
Loss on exchanges of non-monetary assets			
Donation	15,297,071.30	13,455,774.96	15,297,071.30
Expenditures due to penalty and overdue fine	4,758,913.36	7,287,651.16	4,758,913.36
Expenditure of compensation	12,669,438.21	1,144,501.81	12,669,438.21
Others	9,709,593.31	1,510,344.58	9,709,593.31
Total	56,640,138.83	28,301,095.66	56,640,138.83

76. Income tax expenses**(1). List of income tax expenses**

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expenses	1,411,748,494.69	1,517,122,727.88
Deferred income tax expense	-220,327,773.02	-145,908,777.19
Total	1,191,420,721.67	1,371,213,950.69

(2). Adjustment process of accounting profits and income tax expenses

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period
Total profit	4,413,730,327.61
Income tax expense calculated in accordance with legal/applicable tax rate	1,103,432,581.90
Effect of different tax rates applicable to subsidiaries	-330,470,999.52
Effect from adjustment of income tax in the previous period	-57,946,996.62
Effect of non-taxable income	-47,794,549.22
Effect of cost, expense and loss nondeductible	793,527.77
Effect from using the deductible losses of unrecognized deferred income tax assets	-75,925,185.03
Deductible temporary difference or effect of deductible loss of unrecognized deferred income tax assets in the current period	742,184,653.45
Effect of change in tax rate on the balance of deferred income tax at the beginning of the period	-76,859,993.08
Income tax expenses undertaken by stockholders of partnership enterprise	45,970,481.61
Additional deduction (R&D fee, wages for the disabled, etc.)	-111,962,799.59
Income tax expenses	1,191,420,721.67

Other notes:

□ Applicable √ Not applicable

77. Other comprehensive incomes

□ Applicable √ Not applicable

78. Items of cash flow statements**(1). Other cashes received concerning operating activities**

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Current received from all parties	3,332,868,741.43	3,102,273,575.52
Construction fund principal of BT projects and PPP projects received from the owners	1,709,677,967.92	2,498,676,830.63
Deposit received	4,429,192,552.50	3,884,176,895.48
Advance received	189,396,424.50	159,955,118.07
Government subsidies received	489,927,935.26	403,850,694.39
Others	877,599,655.85	637,211,666.18
Total	11,028,663,277.46	10,686,144,780.27

(2). Other cashes paid concerning operating activities

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Current paid to all parties	5,110,698,087.78	2,732,214,101.52
Funds paid for BT projects and PPP projects	5,161,140,712.73	5,980,528,543.67
Operating expenses paid	7,086,088,864.65	7,541,555,407.90
Margins and deposits paid	1,641,821,253.11	2,321,089,718.77
Advance paid	238,467,185.40	132,540,241.81
Donation expenditures paid	14,553,825.21	13,455,774.96
Others	1,202,353,721.43	544,326,808.82
Total	20,455,123,650.31	19,265,710,597.45

(3). Other cashes received concerning investment activities

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Interest income received	662,563,398.14	561,826,444.51
Compensation for demolition received	11,083,996.26	191,013,702.00
Entrusted loans received		85,200,000.00
Cash received from acquisition of subsidiaries	1,332,398,180.17	55,218,220.15
Total	2,006,045,574.57	893,258,366.66

(4). Other cash paid related to investing activities

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Demolition expenses paid	18,859,119.86	23,911,557.61
Entrusted loans paid		85,200,000.00
Resettlement expenses paid		271,780.40
Principal of proposed held-to-maturity fixed time deposits	5,004,575,697.65	
Other temporary loans paid	743,887,300.00	
Total	5,767,322,117.51	109,383,338.01

(5). Other cashes received concerning financing activities

□ Applicable √ Not applicable

(6). Other cash paid related to financing activities

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Payment of expenses related to bond issuance	89,821,090.53	4,862,670.72
Dividend commission paid	704,516.10	683,153.72
Costs paid for acquisition of minority stockholders		8,160,000.00
Payment for purchase of treasury shares	8,583,644.31	
Payment of reduction of contribution of minority shareholder	606,990.26	
Payment for financing, assignment of debt and factoring	402,270,359.71	
Total	501,986,600.91	13,705,824.44

79. Supplementary information of cash flow statement**(1). Supplementary information of cash flow statement**

√ Applicable □ Not applicable

Supplementary information	Unit: RMB	Currency: RMB
	Amount in current period	Previous amount
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	3,222,309,605.94	4,312,247,280.20
Plus: Provision for impairment of assets	539,565,887.41	1,923,695.01
Losses from credit impairment	1,209,705,574.57	922,808,234.94
Depreciation of fixed assets, consumption of oil and gas assets and productive biological assets	2,226,762,317.64	1,967,987,586.90
Amortization of use right asset		
Amortization of intangible assets	121,674,633.69	148,490,964.82
Amortization of long-term deferred expenses	96,285,503.38	50,684,690.67
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains to be listed with "-")	-20,891,691.31	-27,338,175.05
Loss on retirement of fixed assets (gains to be listed with "-")	14,205,122.65	4,902,823.15
Loss from changes in fair value (gains to be listed with "-")	-390,455,957.37	-869,049,911.02
Financial expenses (gains to be listed with "-")	1,628,238,085.11	1,489,622,390.96
Investment loss (gains to be listed with "-")	-358,631,409.96	-248,043,837.24
Decrease of deferred income tax assets (increase to be listed with "-")	-161,249,851.74	-12,533,024.90
Increases of deferred income tax liabilities ("-" for decreases)	-59,077,921.28	-133,375,752.29
Decrease of inventory (increase to be listed with "-")	-14,173,427,738.70	-12,048,485,133.24
Decreases of operational receivables (increase to be listed with "-")	-14,434,009,482.99	-15,430,154,368.24
Increases of operating payables ("-" for decreases)	20,854,986,267.83	24,419,524,745.13
Others		
Net cash flows from operating activities	315,988,944.87	4,549,212,209.80
2. Major investment and financing activities not relating to cash deposit and withdrawal:		
Transfer of debt into capital		
Convertible corporation bonds due within one year		
Fixed assets under financing lease		
3. Net change of cash and cash equivalents:		
Ending balance of cash	71,517,105,212.99	65,143,203,984.03
Minus: Beginning balance of cash	65,143,203,984.03	53,850,906,758.78
Plus: Ending balance of cash equivalents		
Minus: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	6,373,901,228.96	11,292,297,225.25

(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		330,033,624.13
Wherein: Shanghai Shengqin Architecture Decoration Consulting Co., Ltd.		10,190,800.00
Wuxi Lianyou Concrete Co., Ltd.		854.37
Suzhou Aifuxi Commercial Concrete Co., Ltd.		189,569.76
Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.		
Shanghai Greenment Environmental Technologies Co., Ltd.		221,300,000.00
Tianjin House Construction Development Group Co., Ltd.		98,352,400.00

Minus: Cash and cash equivalents held by subsidiaries on acquisition date	1,492,330,031.80
Wherein: Shanghai Shengqin Architecture Decoration Consulting Co., Ltd.	16,507,777.30
Wuxi Lianyou Concrete Co., Ltd.	2,159.34
Suzhou Aifuxi Commercial Concrete Co., Ltd.	170,369.76
Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.	18,199,528.39
Shanghai Greenment Environmental Technologies Co., Ltd.	49,582,427.50
Tianjin House Construction Development Group Co., Ltd.	1,407,867,769.51
Plus: Cash or cash equivalents paid in the current period for business combination occurred during previous periods	4,015,486.45
Wherein: Kunshan Shenghua Concrete Co., Ltd.	1,200,000.00
Wuxi Liangxing Concrete Co., Ltd.	2,515,486.45
Jiangsu Hengji Concrete Co., Ltd.	300,000.00
Net cash paid for acquisition of subsidiaries	-1,158,280,921.22

(3). Net cash received from disposal of subsidiaries in the current period

☐ Applicable ☒ Not applicable

(4). Formation of cash and cash equivalents

☒ Applicable ☐ Not applicable

Item name	Unit: RMB	Currency: RMB
	Ending balance	Beginning balance
I. Cash	71,517,105,212.99	65,143,203,984.03
Wherein: Cash on hand	9,086,652.66	7,902,893.92
Bank deposit available for payment at any time	71,392,353,500.00	65,029,597,886.89
Other monetary funds available for payment at any time	115,665,060.33	105,703,203.22
Available fund that is deposited into the Central Bank for payment		
Interbank deposits		
Interbank loans		
II. Cash equivalents		
Wherein: Investment on bonds due within three months		
III. Ending balance of cash and cash equivalents	71,517,105,212.99	65,143,203,984.03
Wherein: Restricted cash and cash equivalents used by parent company or subsidiaries under the Group		

Other notes:

☐ Applicable ☒ Not applicable

80. Notes to items of changes in owners' equity

Explain the names and amounts of "others" items adjusted to the ending balance of the previous year:

☐ Applicable ☒ Not applicable

81. Assets with restricted ownership or use right

☒ Applicable ☐ Not applicable

Item name	Ending book value	Unit: RMB	Currency: RMB
		Reasons for restriction	
Monetary funds	6,947,833,820.27	Refer to Note V/(I) for details	
Notes receivable	198,140,016.95	Refer to Note XI/(I) for details	
Inventories	2,986,487,117.27	Refer to Note V/(V) and XI/(I) for details	
Fixed assets	17,570,356,519.60	Refer to Note XI/(I) for details	

Intangible assets	1,085,019,127.30	Refer to Note XI/(I) for details
Investment properties	1,830,543,365.62	Refer to Note XI/(I) for details
Intangible assets	329,144,838.91	Refer to Note XI/(I) for details
Long-term receivables	4,339,596,387.89	Refer to Note XI/(I) for details
Total	35,287,121,193.81	

82. Monetary items in foreign currency

(1). Monetary items in foreign currency

√ Applicable □ Not applicable

Unit: RMB

Item name	Ending foreign currency balance	Conversion exchange rate	Ending equivalent RMB Balance
Monetary funds			2,591,558,888.65
Wherein: USD	338,280,622.33	6.5249	2,207,247,232.64
EUR	794,702.91	8.0250	6,377,490.85
HKD	42,500,524.25	0.8416	35,768,441.21
MOP	197,307,057.85	0.8172	161,239,327.68
TTD	143,802,490.41	0.9884	142,134,381.52
KZT	676,987,426.56	0.0155	10,493,305.11
SGD	1,468,111.44	4.9314	7,239,844.76
CAD	1,163,323.96	5.1161	5,951,681.71
MYR	2,391,984.49	1.6173	3,868,556.52
IDR	7,570,894,504.00	0.0005	3,785,447.25
WST	520,054.38	2.5974	1,350,789.25
UZS	2,196,149,357.15	0.0006	1,317,689.61
MMK	219,483,040.00	0.0049	1,075,466.90
NPR	11,780,996.96	0.0556	655,023.43
VUV	9,827,006.00	0.0598	587,654.96
GNF	798,256,003.00	0.0007	558,779.20
ERN	1,046,703.69	0.4352	455,525.45
JPY	6,858,118.00	0.0632	433,433.06
FCFA	25,061,983.00	0.0122	305,756.19
MNT	74,544,974.61	0.0023	171,453.44
VND	410,706,965.00	0.0003	123,212.09
LAK	158,535,201.00	0.0007	110,974.64
KMF	5,149,190.00	0.0163	83,931.80
MVR	160,351.98	0.4241	68,005.27
MRO	393,397.55	0.1705	67,074.28
TOP	15,263.40	2.8812	43,976.91
GBP	2,700.00	8.8903	24,003.81
ZWD	422,251.89	0.0180	7,600.53
XAF	580,972.00	0.0121	7,029.76
KES	52,224.95	0.0597	3,117.83
ZMK	8,696.05	0.3083	2,680.99
Accounts receivable	-	-	420,401,667.80
Wherein: USD	1,620,602.28	6.5249	10,574,267.82
EUR			
HKD	45,151,888.00	0.8416	37,999,828.94
MOP	311,548,887.32	0.8172	254,597,750.72

TTD	58,280,237.59	0.9884	57,604,186.83
CAD	11,654,509.00	5.1161	59,625,633.49
Long-term borrowings	-	-	2,355,586,773.50
Wherein: USD	361,015,000.00	6.5249	2,355,586,773.50
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

83. Hedging

☐ Applicable ☒ Not applicable

84. 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	141,947,708.99	Other incomes	141,947,708.99
Government subsidies related to income	346,185,274.91	Non-operating revenue	346,185,274.91

(2). Refund of government subsidies

☐ Applicable ☒ Not applicable

85. Others

☐ Applicable ☒ Not applicable

VIII. Changes in Consolidation Scope**1. Business combination under different control**

√ Applicable □ Not applicable

(1). Business combination under different control for the current period

√ Applicable □ Not applicable

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	Unit: RMB	Currency: RMB
							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
Shanghai Shengqin Architecture Decoration Consulting Co., Ltd.	June 9, 2020	10,190,800.00	65.00	Stock purchase	June 9, 2020	To obtain corporate control right	33,831,912.19	-455,809.77
Wuxi Lianyou Concrete Co., Ltd.	March 13, 2020	854.37	100.00	Stock purchase	March 13, 2020	To obtain corporate control right		-1,307,342.14
Suzhou Aifuxi Commercial Concrete Co., Ltd.	September 3, 2020	189,569.76	100.00	Stock purchase	September 3, 2020	To obtain corporate control right	43,249,654.00	-3,956,937.68
Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.	December 31, 2020	16,446,280.16	33.00	Stock purchase	December 31, 2020	To obtain corporate control right		
Shanghai Greenment Environmental Technologies Co., Ltd.	October 31, 2020	319,460,000.00	100.00	Stock purchase	October 31, 2020	To obtain corporate control right	46,930,104.29	13,847,834.03
Tianjin House Construction Development Group Co., Ltd. (Note)	October 9, 2020	76,108,887.41	51.00	Stock purchase	October 9, 2020	To obtain corporate control right	1,289,148,085.03	-788,646,884.67

Other notes:

Note: The acquiree is Tianjin House Construction Development Group Co., Ltd. and its 40 subsidiaries.

(2). Merger cost and goodwill

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Merger cost	Shanghai Shengqin Architecture Decoration Consulting Co., Ltd.	Wuxi Lianyou Concrete Co.,Ltd.	Suzhou Aifuxi Commercial Concrete Co., Ltd.	Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.	Shanghai Greenment Environmental Technologies Co., Ltd.	Tianjin House Construction Development Group Co., Ltd.
-- Cash	10,190,800.00	854.37	189,569.76	16,446,280.16	319,460,000.00	76,108,887.41
-- 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 of the equity held prior to the acquisition date on the acquisition date				16,944,652.28		
-- Others						
Total merger cost	10,190,800.00	854.37	189,569.76	33,390,932.44	319,460,000.00	76,108,887.41
Minus: Fair value of net identifiable assets acquired	10,266,586.17	854.37	189,569.76	33,390,932.44	161,487,496.19	-109,347,005.34
Amount of which the goodwill/merger cost is less than the fair value of net identifiable assets acquired	-75,786.17				157,972,503.81	185,455,892.75

(3). Identifiable assets and liabilities of the acquiree on the acquisition date

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

	Shanghai Shengqin Architecture Decoration Consulting Co., Ltd.		Wuxi Lianyou Concrete Co.,Ltd.		Suzhou Aifuxi Commercial Concrete Co., Ltd.		Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd. (Note)		Shanghai Greenment Environmental Technologies Co., Ltd.		Tianjin House Construction Development Group 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	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date

Assets:	45,475,102.69	38,105,131.49	14,914,220.49	14,914,220.49	189,569.76	189,569.76	423,341,789.80	419,224,478.63	218,844,298.61	120,125,908.89	25,003,353,932.83	23,304,071,149.82
Monetary funds	16,507,777.30	16,507,777.30	2,159.34	2,159.34	170,369.76	170,369.76	18,199,528.39	18,199,528.39	49,582,427.50	49,582,427.50	1,870,954,202.00	1,870,954,202.00
Receivables	16,761,220.09	16,761,220.09	14,912,061.15	14,912,061.15	19,200.00	19,200.00	303,790,004.11	303,790,004.11	20,695,437.40	20,695,437.40	7,837,409,256.06	7,837,409,256.06
Inventories							43,279,341.63	42,785,116.50			12,500,447,014.80	11,571,497,691.34
Fixed assets	372,917.00	47,042.10					22,741,841.37	19,256,914.29	2,371,816.38	1,646,216.12	653,033,593.78	215,755,365.77
Intangible assets	2,600,000.00						120,000.00		99,605,131.00	1,612,341.54	486,441,128.52	242,961,652.48
Notes receivable							27,792,400.00	27,792,400.00			7,177,923.39	7,177,923.39
Receivables financing									350,000.00	350,000.00		
Contract assets	2,157,007.77	2,157,007.77							45,404,261.87	45,404,261.87		
Other current assets									224,679.68	224,679.68	275,479,744.77	275,479,744.77
Available-for-sale financial assets											29,581,244.02	36,243,653.89
Long-term equity investment											28,113,882.02	20,605,060.21
Investment properties	6,969,018.00	2,524,921.70									1,030,309,306.00	1,030,309,306.00
Construction in progress									372,876.12	372,876.12	12,190,950.00	12,190,950.00
Goodwill											113,722,234.43	39,210,162.50
Long-term deferred expense							1,693,741.65	1,675,582.69			83,649,182.14	83,649,182.14
Deferred income tax assets	107,162.53	107,162.53					5,724,932.65	5,724,932.65	215,918.66	215,918.66	44,024,435.52	30,681,922.61
Other non-current assets									21,750.00	21,750.00	30,819,835.38	29,945,076.66
Liabilities:	29,680,354.73	28,943,357.61	14,913,366.12	14,913,366.12			382,927,982.63	382,927,982.63	57,356,802.42	42,549,043.96	24,980,275,570.72	24,610,097,694.60
Borrowings											3,121,977,326.96	3,121,977,326.96
Payables	27,809,998.83	27,809,998.83	14,913,366.12	14,913,366.12			381,311,077.63	381,311,077.63	26,041,402.62	26,041,402.62	13,469,738,893.51	13,469,728,893.51
Deferred income tax liabilities	736,997.12								14,807,758.46		498,075,426.34	122,487,407.72
Notes payable											674,749,870.67	674,749,870.67
Contract liabilities							1,616,905.00	1,616,905.00	13,640,656.31	13,640,656.31		
Non-current liabilities due within one year											5,739,949,373.56	5,739,949,373.56

Other current liabilities	1,133,358.78	1,133,358.78							2,866,985.03	2,866,985.03	11,034,512.21	11,034,512.21
Long-term borrowings											598,970,000.00	598,970,000.00
Bonds payable											429,800,000.00	429,800,000.00
Long-term payables											431,174,629.47	431,174,629.47
Estimated liabilities											4,805,538.00	4,805,538.00
Deferred income												5,420,142.50
Net assets	15,794,747.96	9,161,773.88	854.37	854.37	189,569.76	189,569.76	40,413,807.17	36,296,496.00	161,487,496.19	77,576,864.93	23,078,362.11	-1,306,026,544.78
Minus: Minority shareholder's equity											237,484,254.92	104,458,852.91
Acquired net assets	15,794,747.96	9,161,773.88	854.37	854.37	189,569.76	189,569.76	40,413,807.17	36,296,496.00	161,487,496.19	77,576,864.93	-214,405,892.81	-1,410,485,397.69

(4). Acquisition profit or loss arising from the revaluation of the equity held prior to the acquisition 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

Unit: RMB Currency: RMB

Name of acquiree	Book value of the original equity held prior to the acquisition date on the acquisition date	Fair value of the original equity held prior to the acquisition date on the acquisition date	Profits or losses of the original equity held prior to the acquisition date due to re-measurement of the fair value on the acquisition date	Determination method for and main assumptions on fair value of the original equity held prior to the acquisition date on the acquisition date	Amount of other comprehensive income related to the original equity held prior to the acquisition date transferred into the investment income
Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.	11,254,571.56	16,944,652.28	5,690,080.72		

(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 purchase

□ 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

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 30 newly established subsidiaries, and 4 liquidated and canceled subsidiaries.

6. Others

□ Applicable √ Not applicable

IX. Equity in Other Entities**1. Equity in subsidiaries****(1). Composition of the Group**

√ Applicable □ Not applicable

Name of subsidiary	Main business place	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 Co., Ltd.	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction Design and Research General 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 Building Materials Technology Group Co., Ltd.	Shanghai	Shanghai	Construction industry	97.00	3.00	Business combination under common control
Shanghai Huadong Construction Machinery Factory 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
Shanghai SFECO (GROUP)	Shanghai	Shanghai	Domestic and foreign project contracting, import and export agency	100.00		Business combination under common control
Shanghai Construction Wuxi Co., Ltd.	Wuxi City, Jiangsu Province	Wuxi City, Jiangsu Province	Urban infrastructure investment and construction	100.00		Establishment
SCG Changzhou Wujin Zhongwu Road Construction Co., Ltd.	Changzhou City, Jiangsu Province	Changzhou City, Jiangsu Province	Urban infrastructure investment and construction	100.00		Establishment
SCG Changzhou Wujin Viaduct Construction Co., Ltd.	Changzhou City, Jiangsu Province	Changzhou City, Jiangsu Province	Urban infrastructure investment and construction	100.00		Establishment
SCG Dalian Construction Engineering Co., Ltd.	Dalian City, Liaoning Province	Dalian City, Liaoning Province	Urban infrastructure investment and construction	100.00		Establishment
SCG Wuxi Yanghu Road Construction and Administration Co., Ltd.	Wuxi City, Jiangsu Province	Wuxi City, Jiangsu Province	Urban infrastructure investment and construction	100.00		Establishment

SCG Kunshan Middle-ring Road Construction Co., Ltd.	Kunshan City, Jiangsu Province	Kunshan City, Jiangsu Province	Urban infrastructure investment and construction	100.00		Establishment
SCG America Group Inc.	Delaware, USA	Delaware, USA	Building construction	100.00		Establishment
Zhuhai Shenhai Construction Engineering Co., Ltd.	Zhuhai City, Guangdong Province	Zhuhai City, Guangdong Province	Building construction	100.00		Establishment
SCG Jiangxi Jiulonghu Municipal Engineering Design Co., Ltd.	Nanchang City, Jiangxi Province	Nanchang City, Jiangxi Province	Urban infrastructure investment and construction	100.00		Establishment
SCG Taizhou Tianxu Line Construction Co., Ltd.	Taizhou City, Jiangsu Province	Taizhou City, Jiangsu Province	Urban infrastructure investment and construction	100.00		Establishment
SCG Nanchang Qianhu Construction Co., Ltd.	Nanchang City, Jiangxi Province	Nanchang City, Jiangxi Province	Urban infrastructure investment and construction	100.00		Establishment
SCG Changzhou Wujin Jinwu Road Construction Co., Ltd.	Changzhou City, Jiangsu Province	Changzhou City, Jiangsu Province	Urban infrastructure investment and construction	100.00		Establishment
Shanghai International Tourism 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
SCG Yibin Daxikou Construction Co., Ltd.	Yibin City, Sichuan Province	Yibin City, Sichuan Province	Urban infrastructure investment and construction	100.00		Establishment
SCG Chengdu Construction Engineering Co., Ltd.	Chengdu City, Sichuan Province	Chengdu City, Sichuan Province	Urban infrastructure investment and construction	100.00		Establishment
SCG Investment Co., Ltd.	Shanghai	Shanghai	Investment management	100.00		Establishment
SCG (Caribbean) Co., Ltd.	Port of Spain, Trinidad & Tobago	Port of Spain, Trinidad & Tobago	Building construction	100.00		Establishment
SCG E-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
SCG Wenzhou Oujiangkou Construction Co., Ltd.	Wenzhou City, Zhejiang	Wenzhou City, Zhejiang	Urban infrastructure investment and construction	100.00		Business combination under different control
SCG Wenzhou Qidu Bridge Construction Co., Ltd.	Wenzhou City, Zhejiang Province	Wenzhou City, Zhejiang	Urban infrastructure investment and construction	100.00		Establishment
Sihui Huijian Road Reconstruction Construction Development Co., Ltd.	Zhaoqing City, Guangdong Province	Zhaoqing City, Guangdong Province	Urban infrastructure investment and construction	90.00		Establishment
Zhaoqing Huijian Railway Station Complex Construction Development Co., Ltd.	Zhaoqing City, Guangdong Province	Zhaoqing City, Guangdong Province	Urban infrastructure investment and construction	95.00		Establishment
SCG Meishan Construction Engineering Co., Ltd.	Meishan City, Sichuan Province	Meishan City, Sichuan Province	Urban infrastructure investment and construction	100.00		Establishment
Changzhou Jintan Maoshan Traveling Road Construction Co., Ltd.	Changzhou City, Jiangsu Province	Changzhou City, Jiangsu Province	Urban infrastructure investment and construction	70.00		Establishment
SCG Wenzhou Oujiangkou Traffic Engineering Construction Co., Ltd.	Wenzhou City, Zhejiang	Wenzhou City, Zhejiang	Urban infrastructure investment and construction	95.00		Establishment
Zhuhai Jinwan District	Zhuhai City,	Zhuhai City,	Urban infrastructure	69.98		Establishment

Jianjin Ecological City Construction Co., Ltd.	Guangdong Province	Guangdong Province	investment and construction			
Huzhou Zhili Cultural and Sports Center Construction Development Co., Ltd.	Huzhou City, Zhejiang Province	Huzhou City, Zhejiang Province	Urban infrastructure investment and construction	90.00		Establishment
Nanjing Qiaoyuan Construction Management Co., Ltd.	Nanjing City, Jiangsu Province	Nanjing City, Jiangsu Province	Urban 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 City, Shandong Province	Jining City, Shandong Province	Urban 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	Urban infrastructure investment and construction	100.00		Business combination under different control
Shanghai Minchuan Sports Development Co., Ltd.	Shanghai	Shanghai	Urban infrastructure investment and construction	80.00		Establishment
SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	Shaoxing City, Zhejiang Province	Shaoxing City, Zhejiang Province	Building construction	100.00		Business combination under different control
Rizhao Hujian Urban Development and Construction Co., Ltd.	Rizhao City, Shandong Province	Rizhao City, Shandong Province	Urban infrastructure investment and construction	90.00		Establishment
Hainan Hujian Construction Co., Ltd.	Haikou City, Hainan Province	Haikou City, Hainan Province	Building construction	100.00		Establishment
Qingdao Rail Traffic Park Hujian Investment and Development Co., Ltd.	Qingdao City, Shandong Province	Qingdao City, Shandong Province	Urban infrastructure investment and construction	90.00		Establishment
Tianjin House Construction Development Group Co., Ltd.	Tianjin City	Tianjin City	Real estate development	51.00		Business combination under different control

Basis for holding half of or less voting rights but still controlling the investee as well as holding more than half of the voting rights but not controlling the investee:

Companies with the shareholding percentage in the scope of merger exceeding 50%, and is involved in the scope of merger:

According to the Articles of Association, the Group can control the Shanghai Construction Dongxu Real Estate Co., Ltd. as per the voting right proportion, so that the company and its subsidiaries are included in the scope of merger, and calculated by the equity method.

Companies with the shareholding percentage exceeding 50%, and is not involved in the scope of merger:

According to the Articles of Association, the Group cannot control the Hangzhou Hujian Urban Development and Construction Co., Ltd. and Changshu Hujian Environmental Water Affairs 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). Important non-wholly-owned subsidiaries

√ Applicable □ Not applicable

Name of subsidiary	Shareholding proportion of minority shareholders	Profit or loss attributable to minority shareholders in current period	Unit: RMB		Currency: RMB	
			Dividends declared to minority shareholders in current period		Closing balance of minority equity	
Nanjing Aojian Property Co., Ltd.	49.00%	23,928,909.18			1,586,341,095.50	
Shanghai Qixian Property Co., Ltd.	50.00%	9,577,817.28	325,000,000.00		684,910,357.28	
Zara Mining Share Company of the State of Eritrea	40.00%	120,796,538.70			321,198,702.79	

Shanghai Enterprise Partnership Partnership	Jianfan Management (Limited Partnership)	79.98%	-495,903.29		3,999,504,096.71
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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).

(4). 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
Nanjing Aojian Property Co., Ltd.	3,535,825,378.87	4,308.72	3,535,829,687.59	298,398,880.47		298,398,880.47	1,732,025,420.89	3,125.75	1,732,028,546.64	543,432,248.06		543,432,248.06
Shanghai Qixian Property Co., Ltd.	1,675,104,409.46	47,715,709.36	1,722,820,118.82	352,999,404.29		352,999,404.29	1,026,604,967.84	45,447,466.11	1,072,052,433.95	371,387,353.98		371,387,353.98
Zara Mining Share Company of the State of Eritrea	622,615,420.67	871,407,676.78	1,494,023,097.45	670,609,369.96	20,416,970.51	691,026,340.47	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
Shanghai Jianfan Enterprise Management Partnership (Limited Partnership)	480,105.54	5,000,000,000.00	5,000,480,105.54	152.06		152.06						

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating revenue	Net profit	Total comprehensive incomes	Cash flow generated from operating activities	Operating revenue	Net profit	Total comprehensive incomes	Cash flow generated from operating activities
Nanjing Aojian Property Co., Ltd.		48,834,508.54	48,834,508.54		124,940,587.08	46,533,141.80	46,533,141.80	-320,306,459.96
Shanghai Qixian Property Co., Ltd.	49,505,606.79	19,155,634.56	19,155,634.56		3,929,033,493.43	645,727,898.21	645,727,898.21	-347,823,026.58
Zara Mining Share Company of the State of Eritrea	963,351,053.16	301,991,346.76	257,566,567.63	299,604,596.40	634,167,314.18	67,741,199.33	75,453,241.26	406,663,487.82
Shanghai Jianfan Enterprise Management Partnership (Limited Partnership)		-620,046.52	-620,046.52	-628,857.50				

(5). Major limitations on use of enterprise group assets and payment of enterprise group debts

☐ Applicable ☒ Not applicable

(6). Financial support or other supports provided to structured entities included in consolidated financial statements

☒ Applicable ☐ Not applicable

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	Not applicable
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
Shanghai Xijiu Enterprise Management Partnership (Limited Partnership)	The Group is general partner, executes partnership affairs, and controls partnership.	None
Shanghai Tonghang Enterprise Management Partnership (Limited Partnership)	The Group is general partner, executes partnership affairs, and controls partnership.	None
Shanghai Jianfan Enterprise Management Partnership (Limited Partnership)	The Group is general partner, executes partnership affairs, and controls partnership.	None
Huadian Gaintime (Beijing) Investment Fund Management Co., Ltd. 2020 Series 1 Feichi - Jianling Single Fund Trust	The Group owns inferior shares	None
Jingo • Kaiyuan • Hengye Bojin Building Property Right Trust	The Group is the main body of credit enhancement	To be liable for making up the difference

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 Construction Dongxu Real Estate Co., Ltd.
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Acquisition cost/disposal consideration	
-- Cash	171,164,871.00
-- Fair value of non-cash assets	
Total cost/disposal consideration	171,164,871.00
Minus: Net assets of the subsidiaries calculated based on the proportion of assets acquired/disposed	171,133,655.29
Difference	31,215.71
Wherein: Adjustment to the capital reserves	31,215.71
Adjustment to surplus reserve	
Adjustment to undistributed profit	

Other notes

☐ Applicable ☒ Not applicable
3. Equity in joint ventures or associates
☒ Applicable ☐ Not applicable
(1). Important joint ventures or associates
☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Name of joint ventures or associates	Main business place	Registration place	Nature of business	Shareholding proportion (%)		Accounting treatment method of joint ventures or associates
				Direct	Indirect	
Joint venture:						
Suzhou Jianjia Building Component Product Co., Ltd.	Suzhou	Suzhou	Production of building components	50.00		Calculated by equity method
Wuxi Jian'an Building Component Product Co., Ltd.	Wuxi	Wuxi	Production of building components	50.00		Calculated by equity method
Associate:						
Hangzhou Hujian Urban Development and Construction Co., Ltd.	Hangzhou	Hangzhou	Urban infrastructure investment and construction	99.00		Calculated by equity method
Shanghai Lin-gang New District Jingang Xijiu Property Co., Ltd.	Shanghai	Shanghai	Real estate development	49.00		Calculated by equity method
SCG Angong Equity Investment Funds Partnership (Limited Partnership)	Shanghai	Shanghai	Equity investment	59.40		Calculated by equity method
Fulton II (Fulton SCG Development LLC)	America	America	Real estate development	49.99		Calculated by equity method
Fulton III (Three Fulton Square LLC)	America	America	Real estate development	49.99		Calculated by equity method

(2). Main financial information of important joint ventures
☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

	Closing balance/amount incurred in the current period		Beginning balance/amount in the previous period	
	Suzhou Jianjia Building Component Product Co., Ltd.	Wuxi Jian'an Building Component Product Co., Ltd.	Suzhou Jianjia Building Component Product Co., Ltd.	Wuxi Jian'an Building Component Product Co., Ltd.
Current assets	167,677,420.17	79,455,183.44	114,454,721.16	112,640,311.45
Wherein: Cash and cash equivalents	16,972,218.22	6,050,316.62	7,794,617.12	2,573,094.19
Non-current assets	10,823,062.85	18,547,608.99	11,298,798.44	17,658,547.81
Total assets	178,500,483.02	98,002,792.43	125,753,519.60	130,298,859.26

Current liabilities	118,302,295.40	57,112,811.09	92,705,725.57	85,638,725.92
Non-current liabilities				
Total liabilities	118,302,295.40	57,112,811.09	92,705,725.57	85,638,725.92
Minority shareholder's equity				
Equity assigned to the shareholders of parent company	60,198,187.62	40,889,981.34	33,047,794.03	44,660,133.34
Shares of net assets calculated as per the shareholding proportion	30,099,093.81	20,444,990.67	16,523,897.02	22,330,066.67
Adjustments				
-- Goodwill				
-- Unrealized profit of internal transaction				
-- Others				
Book value of equity investment in joint ventures	30,099,093.81	20,444,990.67	16,523,897.02	22,330,066.67
Fair value of equity investment in joint ventures with public offer				
Operating revenue	79,731,768.81	20,749,561.97	60,874,357.22	106,517,330.14
Financial expenses	3,459,496.53	1,017,175.79	3,418,493.50	1,548,053.88
Income tax expenses	7,637,644.04	88,866.45	356,421.35	5,041,666.77
Net profit	27,150,393.58	-3,770,152.00	-7,812,012.54	13,980,912.72
Net profit of discontinued operations				
Other comprehensive incomes				
Total comprehensive incomes	27,150,393.58	-3,770,152.00	-7,812,012.54	13,980,912.72
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

	Closing balance/amount incurred in the current period					Beginning balance/amount in the previous period				
	Hangzhou Hujian Urban Development and Construction Co., Ltd.	Shanghai Lin-gang New District Jingang Xijiu Property Co., Ltd.	SCG Angong Equity Investment Funds Partnership (Limited Partnership)	Fulton II (Fulton SCG Development LLC)	Fulton III (Three Fulton Square LLC)	Hangzhou Hujian Urban Development and Construction Co., Ltd.	Shanghai Lin-gang New District Jingang Xijiu Property Co., Ltd.	SCG Angong Equity Investment Funds Partnership (Limited Partnership)	Fulton II (Fulton SCG Development LLC)	III (Three Fulton Square LLC)
Current assets	546,208,400.20	2,408,460,219.04	1,122,645,145.42	11,633,108.56	344,245,323.26	284,625,803.61		1,110,217,129.35	34,846,240.46	401,492,782.82
Non-current assets	2,162,757,837.15	416,103.80		2,212,804,289.59	1,122,344,977.27	799,403,523.52			2,661,260,072.24	1,163,163,086.39
Total assets	2,708,966,237.35	2,408,876,322.84	1,122,645,145.42	2,224,437,398.15	1,466,590,300.53	1,084,029,327.13		1,110,217,129.35	2,696,106,312.70	1,564,655,869.2
Current liabilities	2,122,447.25	490,124,634.25	4,921,046.27	155,733,800.27	50,232,171.02			4,203,576.71	331,477,061.84	53,705,996.65
Non-current liabilities	1,626,300,000.00			916,791,014.40	348,372,288.45				1,152,171,327.42	357,136,991.63
Total liabilities	1,628,422,447.25	490,124,634.25	4,921,046.27	1,072,524,814.67	398,604,459.47			4,203,576.71	1,483,648,389.26	410,842,988.28
Minority shareholder's equity										
Equity assigned to the shareholders of parent company	1,080,543,790.10	1,918,751,688.59	1,117,724,099.15	1,151,912,583.48	1,067,985,841.06	1,084,029,327.13		1,106,013,552.64	1,212,457,923.44	1,153,812,880.93
Shares of net assets calculated as per the shareholding proportion	1,069,738,352.19	940,188,327.41	663,953,822.55	575,841,100.48	533,886,121.95	1,078,565,694.38		656,972,050.27	606,107,715.93	576,791,059.21
Adjustments				-11,189,870.90		6,147.68			-4,999,864.35	
-- Goodwill										
-- Unrealized profit of internal transaction				-11,189,870.90					-4,999,864.35	
-- Others						6,147.68				
Book value of equity investments in associates	1,069,738,352.19	940,188,327.41	663,953,461.29	564,651,229.58	533,886,121.95	1,078,571,842.06		656,972,050.27	601,107,851.58	576,791,059.21
Fair value of equity investment in associates with public offer										
Operating revenue				790,174,917.10	162,014.40				496,328,214.75	1,245,546.00
Net profit	-8922717.03	-1,248,311.41	7,514,669.51	18,509,068.82	-11,572,198.84	-1,243,492.87		6,288,552.64	122,182,256.42	-4,590,962.29
Net profit of discontinued operations										
Other comprehensive incomes										
Total comprehensive incomes	-8922717.03	-1,248,311.41	7,514,669.51	18,509,068.82	-11,572,198.84	-1,243,492.87		6,288,552.64	122,182,256.42	-4,590,962.29
Dividends received from associates in the current year										

(4). Summary of financial information of unimportant joint ventures and associates

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

	Closing balance/amount incurred in the current period	Beginning balance/amount in the previous period
Joint venture:		
Total book value of investment	18,922,219.47	17,233.42
Total amount of following items according to shareholding proportion		
-- Net profit	951,057.98	-2,306.35
-- Other comprehensive incomes		
-- Total comprehensive incomes	951,057.98	-2,306.35
Associate:		
Total book value of investment	1,826,890,134.15	1,582,868,232.98
Total amount of following items according to shareholding proportion		
-- Net profit	23,830,069.44	20,500,116.58
-- Other comprehensive incomes		
-- Total comprehensive incomes	23,830,069.44	20,500,116.58

(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 in joint ventures

□ Applicable √ Not applicable

(8). Contingent liabilities related to investment in associates or joint ventures

□ Applicable √ Not applicable

4. Important 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, 2020, 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 name	Items presented in financial statements	Ending book value	Maximum loss exposure
Industry funds	Long-term equity investment	881,767,049.21	881,767,049.21

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.

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

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 expenditures 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, 2020, there was no interest rate swap arrangement by the Group.

On December 31, 2020, 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 508,259,827.07 (on December 31, 2019: RMB 482,852,062.62). The Management believes that 100 basis points reasonably reflect 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 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 2020 and 2019.

On December 31, 2020, 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, 2020, 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 32,818,689.15 (December 31, 2018: RMB 48,283,958.58). 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 as below:

Item name	Ending balance	Ending balance of previous year
Financial assets held for trading	2,634,031,074.66	3,152,499,005.64
Financial assets measured at fair value through the current profit or loss		
Available-for-sale financial assets		
Other non-current financial assets		
Other equity instrument investments		
Total	2,634,031,074.66	3,152,499,005.64

On December 31, 2020, if the value of equity instruments increase or decrease by 20% and the other variables remain the same, the net profit of the Company would increase or decrease by RMB 526,806,214.93 (December 31, 2019: net profit RMB 630,499,801.13). The management believes that 20% reasonably reflects the scope of potential changes in the value of equity instruments for the next year.

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 name	Ending fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(I) Financial assets held for trading	1,666,405,630.80	967,625,443.86		2,634,031,074.66
1. Financial assets measured at fair value through current profit and loss	1,666,405,630.80	967,625,443.86		2,634,031,074.66
(1) Debt instrument investment				
(2) Equity investment	1,666,405,630.80	967,625,443.86		2,634,031,074.66
(3) Derivative financial assets				
2. Financial assets measured at fair value through the current profit or loss				
(1) Debt instrument investment				
(2) Equity investment				
(II) Other creditor's right investment				
(III) Other equity instrument investments		220,911,139.77	461,347,897.64	682,259,037.41
(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. Productive biological assets				
(VI) Receivables financing		5,219,963,581.36		5,219,963,581.36
(VII) Other non-current financial assets		2,485,904,310.13	609,945,246.39	3,095,849,556.52
Total assets continuously measured at fair value	1,666,405,630.80	8,894,404,475.12	1,071,293,144.03	11,632,103,249.95
(VI) Financial liabilities held for trading				
1. Financial liabilities measured at fair value through current profit and loss				
Wherein: trading bonds issued				
Derivative financial liabilities				
Others				

2. Financial liabilities designated at fair value with their variance recorded into current profits and losses				
Total liabilities continuously measured at fair value				
II. Non-continuous fair value measurement				
(I) Assets held for sale				
Total amount of assets non-continuously measured at fair value				
Total liabilities non-continuously measured at fair value				

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. Qualitative and quantitative information about valuation techniques and 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 name	Ending balance of previous year	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	Other increases (Note)	Sale	Settlement		
◆Financial assets held for trading											
Financial assets measured at fair value through the current profit or loss											
—Debt instrument investment											
—Equity investment											
—Derivative financial assets											
—Others											
Financial assets measured at fair value through the current profit or loss											
—Debt instrument investment											
—Others											
◆Receivables financing											
◆Other creditor's right investment											
◆Other equity instrument investments	509,030,000.00	230,796,177.00	245,840,000.00		-78,068,023.70	14,779,698.45	30,650,045.89			461,347,897.64	
◆Other non-current financial assets	416,132,477.00			18,771,468.46		217,914,014.64		100,000,000.00		552,817,960.10	34,903,945.46
Financial assets measured at fair value through the current profit or loss	416,132,477.00			18,771,468.46		217,914,014.64		100,000,000.00		552,817,960.10	34,903,945.46
—Debt instrument investment											
—Equity investment											
—Derivative financial assets											
—Others	416,132,477.00			18,771,468.46		217,914,014.64		100,000,000.00		552,817,960.10	34,903,945.46
Financial assets measured at fair value through the current profit or loss											
—Debt instrument investment											
—Others											
Total	925,162,477.00	230,796,177.00	245,840,000.00	18,771,468.46	-78,068,023.70	232,693,713.09	30,650,045.89	100,000,000.00		1,014,165,857.74	34,903,945.46
Wherein: Profit and loss related to financial assets											
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 therefor

☐ 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**

☒ 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 Shanghai Construction (Group) Corporation

2. Subsidiaries of the Company

See the notes for details of the subsidiaries of the Company

☒ Applicable ☐ Not applicable

For detailed information about subsidiaries of the Company, see Note VII “Equity in Other Entities”.

3. Joint ventures and associates of the Company

See the notes for details of the important joint ventures or associates of the enterprise

☒ Applicable ☐ Not applicable

For detailed information about the important joint ventures or associates of the Company, see Note VII “Equity in Other Entities”.

The information on other joint ventures or associates which produced balance for conducting related 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
Shanghai Real Estate Landscape Development Co., Ltd.	Joint venture of the Company
Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	Joint venture of the Company
Shanghai Ask Construction and Decoration Engineering Inc.	Joint venture of the Company
Suzhou Jianjia Building Component Product Co., Ltd.	Associate of the Company
Wuxi Jian'an Building Component Product Co., Ltd.	Associate of the Company
Shanghai Metro Shield Engineering Co., Ltd.	Joint venture of the Company
Shanghai Shendi Landscape Investment Construction Co., Ltd.	Joint venture of the Company
Shanghai Lianhe Pawn Liability Co., Ltd.	Joint venture of the Company
Three Fulton Square LLC	Joint venture of the Company
Fulton SCG Development LLC	Joint venture of the Company
Fulton SCG Development Phase II LLC	Joint venture of the Company
Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	Joint venture of the Company

Hangzhou Hujian Urban Development and Construction Co., Ltd.	Joint venture of the Company
Ningbo Center Building Construction Development Co., Ltd.	Joint venture of the Company
Shanghai East Bund Construction Real Estate Development Co., Ltd.	Joint venture of the Company
SCG Anhao Equity Investment Funds Management Co., Ltd.	Joint venture of the Company
Shanghai Dianke Intelligence System Co., Ltd.	Joint venture of the Company
Beijing Diaoyutai Decoration Engineering Co., Ltd.	Joint venture of the Company
Wuxi Jinghongyuan Supply Chain Management Co., Ltd.	Joint venture of the Company
Tianjin Huagui Real Estate Development Co., Ltd.	Joint venture of the Company
Tianjin Binhai New District Linbi Real Estate Development Co., Ltd.	Joint venture of the Company
Tianjin Jinxi Huacheng Property Co., Ltd.	Joint venture of the Company
Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.	Former joint venture of the Company

Other notes

☐ Applicable ☒ Not applicable
4. Other related parties
☒ Applicable ☐ Not applicable

Name of other related parties	Relations to the Company
Shanghai Construction No. 1 Industrial Co., Ltd.	Under the control of the same parent company
Shanghai Construction No. 2 Industrial Co., Ltd.	Under the control of the same parent company
Shanghai Construction No. 4 Industrial Co., Ltd.	Under the control of the same parent company
Shanghai Construction No. 5 Industrial Co., Ltd.	Under the control of the same parent company
Shanghai Yijian Building Technology Consulting Co., Ltd.	Under the control of the same parent company
Shanghai Dongqing Construction Labor Services Co., Ltd.	Under the control of the same parent company
Shanghai Qunli Industrial Co., Ltd.	Under the control of the same parent company
Shanghai Fengjing Landscape Industrial Co., Ltd.	Under the control of the same parent company
Shanghai Flowers and Trees Company Ltd.	Under the control of the same parent company
Shanghai Construction Hospital	Under the control of the same parent company
Shanghai Chengjiehua Construction Engineering Consulting Co., Ltd.	Under the control of the same parent company
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Under the control of the same parent company
China SFECO Group	Under the control of the same parent company
Shanghai Tuobo Laite Real Estate Co., Ltd.	Under the control of the same parent company
Shanghai Shenwei Construction Decoration Engineering Co., Ltd.	Under the control of the same parent company
Shanghai Zhongyu Engineering Construction Technology Co., Ltd.	Under the control of the same parent company
Shanghai Dijiu Security Service Co., Ltd.	Under the control of the same parent company
Shanghai International Tendering Co., Ltd.	Under the control of the same parent company
Shanghai Jinmen Import and Export Co., Ltd.	Under the control of the same parent company
Shanghai Construction No. 5 (Group) Co., Ltd. - Industrial Company	Under the control of the same parent company
Shanghai Wood Industry Institute Co., Ltd.	Under the control of the same parent company
Shanghai Construction Education & Training Service Center Co., Ltd.	Under the control of the same parent company
Shanghai New Century Industrial Co., Ltd.	Under the control of the same parent company
Shanghai Xinyu Engineering Construction & Supervision Co., Ltd.	Under the control of the same parent company
SCG (Caribbean) Co., Ltd.	Under the control of the same parent company
SCG Taxi Co., Ltd.	Under the control of the same parent company
Shanghai Urban Construction Material Co., Ltd.	Others

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	1,133,844,660.12	949,121,120.18
Shanghai Qunli Industrial Co., Ltd.	Subcontract cost	322,461,394.10	540,296,064.40
Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	Purchase of goods	100,888,918.99	93,255,295.97
Shanghai Metro Shield Engineering Co., Ltd.	Cost of receiving labor service and subcontracting works	89,915,993.78	89,766,436.35
Shanghai Real Estate Landscape Development Co., Ltd.	Cost of purchase of goods and acceptance of services	68,807,307.29	38,214,991.05
Shanghai Dianke Intelligence System Co., Ltd.	Subcontract cost	61,663,282.04	13,818,073.33
Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.	Purchase of goods	48,065,392.06	133,089,949.15
Shanghai Dijiu Security Service Co., Ltd.	Security expenses	45,588,536.79	40,240,928.31
Shanghai Construction No. 1 Industrial Co., Ltd.	Rental expenses of scaffolds with socket and spigot joints, and acceptance of services	21,499,483.12	15,084,787.33
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Supervision fee	16,453,664.37	16,469,374.55
Wuxi Jinghongyuan Supply Chain Management Co., Ltd.	Receipt of labor services	6,355,957.50	
Shanghai Chengjiehua Construction Engineering Consulting Co., Ltd.	Supervision fees and cost consulting fees	5,801,623.11	4,843,397.15
Shanghai Construction No. 4 Industrial Co., Ltd.	Rental of revolving materials	4,895,276.50	38,941.00
Shanghai Fengjing Landscape Industrial Co., Ltd.	Accepting labor services and purchase of goods	2,571,274.68	
Shanghai Shendi Landscape Investment Construction Co., Ltd.	Subcontract cost, and purchase of goods	2,048,161.00	1,514,266.88
Shanghai Ask Construction and Decoration Engineering Inc.	Subcontract cost	1,926,605.52	
Construction Corporation	Property management fee and utilities	1,397,300.10	1,983,785.95
Shanghai Construction Hospital	Receipt of labor services	939,101.00	2,551,996.00
Shanghai Yijian Building Technology Consulting Co., Ltd.	Receipt of labor services	710,000.00	1,300,757.28
Shanghai Construction Education & Training Service Center Co., Ltd.	Receipt of labor services	563,293.49	547,402.88
Shanghai Flowers and Trees Company Ltd.	Purchase of goods and accepting labor services	653,917.11	10,848,127.74
SCG Taxi Co., Ltd.	Receipt of labor services	394,538.73	143,605.00
Shanghai Construction No. 2 Industrial Co., Ltd.	Property management fee and utilities	337,024.62	
Shanghai Wood Industry Institute Co., Ltd.	Test fee and technical service fee	8,410.38	34,382.07
Shanghai Urban Construction Material Co., Ltd.	Purchase of goods		603,362,498.64
Beijing Diaoyutai Decoration Engineering Co., Ltd.	Receipt of labor services		79,920.78
Shanghai International Tendering Co., Ltd.	Receipt of labor services		9,716.98

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
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Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	Income from subcontract works	580,683,840.00	308,881,195.30
Shanghai East Bund Construction Real Estate Development Co., Ltd.	Income from subcontract works	219,657,431.18	
Hangzhou Hujian Urban Development and Construction Co., Ltd.	Income from subcontract works	215,375,885.00	142,288,910.00
Ningbo Center Building Construction Development Co., Ltd.	Income from subcontract works	170,307,008.94	58,515,881.70
Shanghai Metro Shield Engineering Co., Ltd.	Income from subcontract works and sales of goods	96,061,624.81	5,104,731.26
Shanghai Construction Hospital	Income from subcontract works and rendering labor services	38,609,638.08	91,418,476.98
Shanghai Construction No. 5 (Group) Co., Ltd. - Industrial Company	Income from subcontract works and rendering labor services	33,057,347.72	24,042,678.00
Shanghai Shendi Landscape Investment Construction Co., Ltd.	Income from subcontract works and rendering labor services	31,175,477.06	
Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.	Selling goods	25,694,440.45	34,871,043.33
Shanghai Construction No. 2 Industrial Co., Ltd.	Income from subcontract works and rendering labor services	15,003,823.79	5,312,701.16
Shanghai Fengjing Landscape Industrial Co., Ltd.	Income from subcontract works and rendering labor services	12,529,203.70	5,455,311.09
Construction Corporation	Income from subcontract works and rendering labor services	11,107,145.76	19,625,586.31
Shanghai Construction No. 4 Industrial Co., Ltd.	Income from subcontract works and provision of services	9,648,302.75	
Shanghai Construction No. 1 Industrial Co., Ltd.	Income from subcontract works and rendering labor services	6,302,748.13	10,665,452.29
Shanghai Real Estate Landscape Development Co., Ltd.	Income from subcontract works and rendering labor services	3,192,138.56	
Shanghai Flowers and Trees Company Ltd.	Income from subcontract works and rendering labor services	2,171,351.26	2,550,769.90
Shanghai Dianke Intelligence System Co., Ltd.	Incomes from rendering labor services and selling goods	4,157,479.66	356,091.52
Shanghai Construction No. 7 Industrial Co., Ltd.	Income from subcontract works and provision of services	1,043,266.39	
Shanghai Lianhe Pawn Liability Co., Ltd.	Selling goods	849,056.64	918,849.60
Shanghai Construction Education & Training Service Center Co., Ltd.	Income from subcontract works and rendering labor services	767,572.74	229,199.07
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Incomes from rendering labor services	235,439.96	
Suzhou Jianjia Building Component Product Co., Ltd.	Selling goods	29,866.02	
Shanghai Dijiu Security Service Co., Ltd.	Incomes from rendering labor services	22,416.00	44,821.00
China SFECO Group	Incomes from rendering labor services	5,242.72	
Fulton SCG Development LLC	Income of project management		1,037,955.00
Shanghai International Tendering Co., Ltd.	Income from subcontract works		353,211.01
Shanghai Yijian Building Technology Consulting Co., Ltd.	Incomes from rendering labor services		180,031.76

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

Name of lessee	Name of lessor	Type of leased assets	Unit: RMB	Currency: RMB
			Lease income recognized in current period	Lease income recognized in previous period
Shanghai Construction No. 1 Industrial Co., Ltd.	No. 1 Group	Premises	5,684,148.60	5,684,148.60
China SFECO Group	Shanghai SFECO	Office building	3,644,283.04	2,628,571.56
Shanghai Fengjing Landscape Industrial Co., Ltd.	Garden Group	Premises	3,238,419.05	3,238,419.04
Construction Corporation	No. 1 Group	Premises	1,283,230.47	1,283,230.47
Shanghai Construction No. 2 Industrial Co., Ltd.	No. 2 Group	Premises	1,131,840.00	1,131,840.00
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	No. 1 Group	Premises	522,871.43	522,871.43
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	SCG Real Estate	Premises	72,409.52	
Shanghai Construction Education & Training Service Center Co., Ltd.	No. 2 Group	Premises	25,000.00	
Shanghai Qunli Industrial Co., Ltd.	No. 5 Group	Premises	10,285.70	6,171.42

The company as the lessee:

☒ Applicable ☐ Not applicable

Name of lessor	Name of lessee	Type of leased assets	Unit: RMB	Currency: RMB
			Lease expenses recognized in current period	Lease expenses recognized in previous period
Shanghai Construction No. 2 Industrial Co., Ltd.	No. 2 Group	Premises	14,475,363.97	13,068,067.90
Construction Corporation	Material Company	Land use rights and real estate	12,952,380.95	12,952,380.95
Shanghai Construction No. 1 Industrial Co., Ltd.	No. 1 Group	Premises	8,305,195.89	8,178,196.64
Shanghai Fengjing Landscape Industrial Co., Ltd.	Garden Group	Premises	4,522,089.52	3,683,948.10
Construction Corporation	Installation Group	Land use rights and real estate	4,160,000.00	4,160,000.00
Shanghai Construction No. 1 Industrial Co., Ltd.	The Company	Premises	3,447,619.05	
Shanghai Construction No. 4 Industrial Co., Ltd.	No. 4 Group	Premises	3,283,492.17	3,752,152.00
Shanghai Construction No. 5 Industrial Co., Ltd.	No. 5 Group	Premises	3,170,282.18	74,135.81
Shanghai Flowers and Trees Company Ltd.	Garden Group	Premises	3,136,190.48	99,166.67
Construction Corporation	SCG Electronic Commerce Company	Premises	1,478,380.95	1,344,000.00
Shanghai Construction Hospital	Shanghai Jibao Construction Labor Co., Ltd.	Premises	597,030.00	500,000.00
Shanghai Construction Hospital	Shanghai Shenbao Construction Engineering Co., Ltd.	Premises	142,857.14	142,857.14
Construction Corporation	Foundation Group	Premises	121,088.40	121,088.40
Shanghai New Century Industrial Co., Ltd.	No. 4 Group	Premises		208,192.00

Description of related lease

☐ Applicable ☒ Not applicable

(4). Related guarantees

The Company as the guarantor

☐ Applicable ☒ Not applicable

The Company as the guaranteed party

☒ Applicable ☐ Not applicable

Guarantor	Guaranteed Party	Guaranteed amount	Starting date of guarantee	Unit: RMB	Currency: RMB
				Due date of guarantee	Whether the guarantee has been fulfilled
Construction Corporation	Installation Group	3,500,000.00	2015	2022/3/1	No
Construction Corporation	Foundation Group	69,799,927.00	2013	2021/7/28	No
Construction Corporation	Decoration Group	1,200,000.00	2018	2021/12/3	No
Construction Corporation	Building Materials Technology	920,360,362.40	2020	2021/5/7	No
Construction Corporation	SCG Real Estate	15,592,110,558.55	2014	2030/2/14	No
Construction Corporation	Huadong Construction	44,000,000.00	2020	2021/2/2	No
Construction Corporation	Shanghai SFECO	75,437,569.77	2018	2021/10/30	No
Construction Corporation	SCG American Construction Inc.	3,109,114,850.00	2018	2023/2/24	No
Construction Corporation	Garden Group	11,320,347.12	2018	2023/6/9	No
Construction Corporation	SCG Wujin Overhead Company	293,460,000.00	2011	2026/3/13	No
Construction Corporation	SCG Wenzhou Oujiangkou Company	2,924,500,000.00	2017	2030/4/1	No
Construction Corporation	SCG Investment Company	7,969,850,000.00	2016	2023/12/31	No
Construction Corporation	SCG Meishan Company	3,100,000,000.00	2020	2030/12/30	No
Construction Corporation	SCG Qidu Bridge Company	1,000,000,000.00	2019	2031/6/17	No
Construction Corporation	Huzhou Zhili Company	322,414,000.00	2020	2035/12/30	No
Construction Corporation	Oujiangkou Traffic Company	489,950,000.00	2019	2033/9/30	No
Construction Corporation	Minchuan Sports	50,364,831.73	2020	2038/10/27	No
Construction Corporation	SCG Water Conservancy Company	74,778,847.80	2020	2023/1/13	No

Description of related guarantees

☐ Applicable ☒ Not applicable**(5). Fund lending/borrowing 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

Item name	Amount incurred in the current period	Unit: RMB 10,000	Currency: RMB
		Amount incurred in the previous period	
Remuneration of key management personnel	2,355.65	2,312.74	

(8). Other related party transactions

√ Applicable □ Not applicable

Loan entrusted by related parties

Related parties	Related parties	Ending balance	Opening balance
Short-term borrowings			
	Shanghai Tuobo Laite Real Estate Co., Ltd.	1,817,032,291.67	1,750,000,000.00
	China SFECO Group		70,000,000.00
	Shanghai Fengjing Landscape Industrial Co., Ltd.	50,058,819.44	
Non-current liabilities due within one year			
	Shanghai Construction Hospital		60,000,000.00
	Construction Corporation	401,596,527.78	
Long-term borrowings			
	Construction Corporation	700,000,000.00	1,100,000,000.00
	China SFECO Group	180,000,000.00	180,000,000.00

Interest expenditures

Corresponding entity	Amount incurred in the current period	Amount incurred in the previous period
Construction Corporation	47,381,250.00	44,412,402.24
Shanghai Construction Hospital	237,500.00	2,889,583.33
Shanghai Tuobo Laite Real Estate Co., Ltd.	67,032,291.67	38,031,466.66
China SFECO Group	4,648,750.00	6,288,194.46
Shanghai Fengjing Landscape Industrial Co., Ltd.	171,111.11	
Total	119,470,902.77	91,621,646.69

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					
	Shanghai Metro Shield Engineering Co., Ltd.	56,164,685.20	2,858,176.07	5,632,111.51	281,605.58
	Construction Corporation	43,890,554.32	7,975,226.66	78,247,629.98	2,497,425.31
	Shanghai Shendi Landscape Investment Construction Co., Ltd.	16,783,775.33	839,188.77	3,313,564.00	165,678.20
	Shanghai East Bund Construction Real Estate Development Co., Ltd.	13,022,874.00	651,143.70	2,071,553.00	
	Shanghai Fengjing Landscape Industrial Co., Ltd.	5,775,127.00		5,775,127.00	
	Shanghai Real Estate Landscape Development Co., Ltd.	5,176,871.22	387,043.33	4,031,995.22	297,605.27
	Shanghai Construction Hospital	3,982,304.09	452,152.05	4,554,297.43	84,924.34
	Shanghai Construction No. 4 Industrial Co., Ltd.	3,016,650.00			
	Shanghai Dianke Intelligence System Co., Ltd.	2,385,200.00	138,010.00		
	Shanghai Construction No. 1 Industrial Co., Ltd.	2,019,984.40	98,179.27	56,399.00	
	Fulton SCG Development LLC	671,001.14		1,046,430.00	
	Shanghai Construction Education & Training Service Center Co., Ltd.	500,000.00	50,000.00	500,000.00	
	Tianjin Jinxi Huacheng Property Co.,	376,128.00	56,419.20		

	Ltd.				
	Shanghai Flowers and Trees Company Ltd.	122,000.00		350,040.00	
	Hangzhou Hujian Urban Development and Construction Co., Ltd.	3,273.12		32,310,339.00	
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	897.00	44.85	19,940,897.00	997,044.85
	Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.			56,429,137.21	
	Ningbo Center Building Construction Development Co., Ltd.			8,945,800.00	447,290.00
	Shanghai Construction No. 5 (Group) Co., Ltd. - Industrial Company			2,480,000.00	
Receivables financing					
	Shanghai Dianke Intelligence System Co., Ltd.	1,200,000.00			
Advance payment					
	Shanghai Metro Shield Engineering Co., Ltd.			2,230,000.00	
	Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.			164,050.00	
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	16,039.00		16,039.00	
	Shanghai Jinmen Import and Export Co., Ltd.			200.00	
	Shanghai Dianke Intelligence System Co., Ltd.	69.08		69.08	
Other receivables					
	Tianjin Huagui Real Estate Development Co., Ltd.	122,464,476.52	6,123,223.83		
	Fulton SCG Development Phase II LLC	126,472,465.42		131,125,794.96	
	Tianjin Binhai New District Linbi Real Estate Development Co., Ltd.	104,580,788.77	5,229,039.44		
	Shanghai East Bund Construction Real Estate Development Co., Ltd.	5,180,000.00		36,000,000.00	
	Wuxi Jian'an Building Component Product Co., Ltd.	2,912,302.60	116,492.10	12,302.60	615.13
	Shanghai International Tendering Co., Ltd.	2,392,800.00	110,750.00	1,609,000.00	79,699.99
	Shanghai Metro Shield Engineering Co., Ltd.	2,000,000.00	100,000.00	2,001,454.15	100,072.71
	Ningbo Center Building Construction Development Co., Ltd.	1,300,000.00	65,000.00	1,500,000.00	75,000.00
	Construction Corporation	363,852.00	18,192.60	363,852.00	18,192.60
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	78,165.26	525.00	28,500.00	400.00
	Shanghai Dongqing Construction Labor Services Co., Ltd.	48,028.30	2,401.42	40,680.00	2,034.00
	SCG Anhao Equity Investment Funds Management Co., Ltd.	20,000.00	1,000.00	20,000.00	
	Shanghai Zhongyu Engineering Construction Technology Co., Ltd.	11,179.56			
	Shanghai Construction Hospital	1,907.28			
	Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.			54,316,345.57	
	Hangzhou Fuyang Qinwang Construction Development Co., Ltd.			50,400,000.00	2,520,000.00
	Three Fulton Square LLC			1,883,574.00	
	Shanghai Construction No. 1			1,030,000.00	51,500.00

	Industrial Co., Ltd.				
	Suzhou Jianjia Building Component Product Co., Ltd.			19,459.50	972.98

(2). Payables

√ Applicable □ Not applicable

		Unit: RMB	Currency: RMB
Item name	Related parties	Ending book balance	Ending book balance
Accounts payable			
	Shanghai Dongqing Construction Labor Services Co., Ltd.	404,438,756.21	480,076,471.93
	Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	129,937,997.83	114,288,257.66
	Shanghai Shendi Landscape Investment Construction Co., Ltd.	71,988,741.58	5,964,546.58
	Shanghai Qunli Industrial Co., Ltd.	62,601,888.39	78,571,195.83
	Shanghai Construction No. 4 Industrial Co., Ltd.	39,931,037.45	34,399,375.00
	Shanghai Real Estate Landscape Development Co., Ltd.	13,541,948.63	14,524,508.30
	Shanghai Dijiu Security Service Co., Ltd.	7,582,341.88	5,835,015.22
	Shanghai Dianke Intelligence System Co., Ltd.	6,918,688.19	501,319.81
	Construction Corporation	6,800,000.00	6,800,000.00
	Shanghai Metro Shield Engineering Co., Ltd.	5,833,354.99	9,849,297.99
	Shanghai Shenwei Construction Decoration Engineering Co., Ltd.	4,530,000.00	4,530,000.00
	Wuxi Jinghongyuan Supply Chain Management Co., Ltd.	4,313,365.00	
	Wuxi Jian'an Building Component Product Co., Ltd.	3,742,964.18	4,242,964.18
	Shanghai Flowers and Trees Company Ltd.	3,547,629.23	2,396,523.00
	Shanghai Construction No. 1 Industrial Co., Ltd.	2,790,043.85	1,211,785.00
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	1,574,465.90	3,820,918.70
	Shanghai Construction No. 5 Industrial Co., Ltd.	883,770.00	883,770.00
	Shanghai Chengjiehua Construction Engineering Consulting Co., Ltd.	491,840.00	1,302,906.81
	Shanghai Ask Construction and Decoration Engineering Inc.	156,797.69	156,797.69
	Shanghai Xinyu Engineering Construction & Supervision Co., Ltd.	98,699.60	98,699.60
	Shanghai Wood Industry Institute Co., Ltd.	70,000.00	70,000.00
	SCG Taxi Co., Ltd.	18,869.00	
	Beijing Diaoyutai Decoration Engineering Co., Ltd.	14,442.79	14,442.79
	Shanghai International Tendering Co., Ltd.	500.37	500.37
	Shanghai Urban Construction Material Co., Ltd.		732,712,167.80
	Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.		82,248,143.59
	Shanghai Yijian Building Technology Consulting Co., Ltd.		616,000.00
	Shanghai Zhongyu Engineering Construction Technology Co., Ltd.		90,000.00
	Shanghai Lianhe Pawn Liability Co., Ltd.		50,000.00
Notes payable			
	Shanghai Metro Shield Engineering Co., Ltd.	52,025,558.00	
	Shanghai Dongqing Construction Labor Services Co., Ltd.	5,434,849.50	92,972,331.44
	Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	1,662,667.61	
	Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.		20,500,000.00
Other payables			
	Hangzhou Hujian Urban Development and Construction Co.,	349,262,047.00	45,000,000.00

	Ltd.		
	Shanghai Construction No. 4 Industrial Co., Ltd.	211,884,666.00	213,574,630.00
	Shanghai Dongqing Construction Labor Services Co., Ltd.	195,465,475.11	140,653,389.00
	Construction Corporation	182,886,065.05	185,229,063.58
	SCG (Caribbean) Co., Ltd.	75,712,775.96	79,208,165.84
	Shanghai Qunli Industrial Co., Ltd.	5,773,218.53	7,058,664.65
	Shanghai Fengjing Landscape Industrial Co., Ltd.	5,652,611.91	1,130,522.39
	Shanghai Dianke Intelligence System Co., Ltd.	3,777,748.00	55,500.00
	Shanghai Flowers and Trees Company Ltd.	3,051,361.64	42,500.00
	China SFECO Group	1,010,217.65	32,267.66
	Shanghai International Tendering Co., Ltd.	296,013.48	543,966.47
	Shanghai Dijiu Security Service Co., Ltd.	185,221.23	110,000.00
	Shanghai Construction Education & Training Service Center Co., Ltd.	47,290.00	12,490.00
	Shanghai New Century Industrial Co., Ltd.	20,000.00	20,000.00
	Shanghai Jinmen Import and Export Co., Ltd.	14,100.00	14,100.00
	Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.		3,197,755.15
	Shanghai Shendi Landscape Investment Construction Co., Ltd.		1,318,197.90
	Shanghai Construction No. 1 Industrial Co., Ltd.		37,000.00
	Shanghai Construction No. 2 Industrial Co., Ltd.		1,800.00
Advances from customers			
	Shanghai Metro Shield Engineering Co., Ltd.		58,486,481.25
	Fulton SCG Development LLC		23,682,962.75
	Shanghai Shendi Landscape Investment Construction Co., Ltd.		500,000.00
	Shanghai Urban Construction Material Co., Ltd.		6,600.00

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

External significant commitment, nature and amount as of the date of balance sheet

1. Other important financial commitments

(1) Borrowings secured by mortgage of assets

Asset accounts	Mortgage name	Book value of mortgage subject	Principal amount of borrowings	Term of borrowing
Long-term receivables	Leased assets that are acquired under finance lease	57,309,689.51	17,226,234.68	2017-07-20 to 2022-06-05
Inventories	SCGMIMAONE	982,104,160.96	629,750,723.50	2019-12-19 to 2022-12-18
Inventories	BROADWAYELITE	1,923,138,763.05	965,469,746.95	2019-12-11 to 2021-06-11
Fixed assets	INVESTELHARBORRESORTS	571,906,818.68	570,176,904.70	2017-09-08 to 2021-01-10
Intangible assets		315,717,061.45		
Fixed assets	Buildings	21,081,519.00	10,000,000.00	2020-07-1 to 2021-06-28
Intangible assets	Land use rights	13,427,777.46		
Fixed assets	Floors 9 - 14 and parking lots at two basements, No. 666, East Daming Road, Shanghai	349,418,699.76	350,000,000.00	2015-02-15 to 2030-02-14
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	774,060,990.18	583,900,000.00	2017-05-19 to 2026-11-07
Investment properties	(No. 282, No. 284, No. 286, No. 288-294, No. 306, No. 308, No. 310, No. 312-318, No. 328, No. 330, No. 332, No. 334, No. 338, No. 340, No. 342, No. 350) Jiamusi Road; No. 488 Jiamusi Road; No. 606, Yingkou Road. Yingkou Road No. 578-588 (Room 101, Room 102, Room 103, Room 105, Room 107, Room 110, Room 111, Room 1001, Room 1002, Room 1003, Room 1004, Room 1005, Room 1006, Room 1007, Room 1008, Room 1009, Room 1010, Room 1011, Room 1012, Room 1013, Room 1014.	30,799,471.58	22,181,250.00	2014-02-28 to 2023-12-31
Investment properties	83,349.03 square meters, located at No. 255, Beihe Road, Jiading District, (H.F.D.J.Z. [2008] No. 001957)	82,765,306.83	113,500,000.00	2015-03-19 to 2027-03-18
Inventories	H.M.Z. [2018] Immovable Property Rights No. 058215, H.M.Z. [2018] Immovable Property Rights No. 049587, H.F.D.M.Z. [2018] No. 049586, H.M.Z. [2018] Immovable Property Rights No. 010698, H.F.D.M.Z. [2018] No. 039254, H.F.D.M.Z. [2018] No. 044942, and H.F.D.M.Z. [2018] No. 001387	282,941,103.29	2,040,000,000.00	2019-06-18 to 2034-06-17
Inventories	H. [2018] P.Z. Immovable Property Rights No. 014276 of all buildings and structures built on the construction land	5,555,611,965.73	1,611,174,346.05	2019-01-16 to 2024-01-03
Inventories	Land Use Right of Gan [2018] Immovable Property Rights No. 0010749 in new area	792,320,864.33	220,175,269.93	2019-01-11 to 2022-01-02
Inventories	H. [2017] J.Z. Immovable Property Rights No. 019037/H. [2017] J.Z. Immovable Property Rights No. 019047/H. [2020] J.Z. Immovable Property Rights No. 18003306/ H. [2020] J.Z. Immovable Property Rights No. 18003307	2,035,043,511.24	726,000,000.00	2019-01-04 to 2022-01-03
Inventories	Land Use Right of NO.2017G45 Plot: S. [2018] N.J. Immovable Property Rights No. 0025987	1,960,087,618.17	576,685,988.96	2019-01-23 to 2022-07-10
Inventories	J. (2019) J.N.Q. Immovable Property Rights No. 1058721	965,120,000.00	533,900,305.00	2020-03-30 to 2023-03-24
Inventories	Land use right of Xinyi Village (48/11 Qiu), Huaxin Town, Qingpu District	1,397,380,000.00	80,683,195.51	2020-04-23 to 2023-02-27
Inventories	No. 11, No. 13, No. 15, No. 17, No. 7, No. 9 of Haimiao Road, Dongli District, Tianjin City, No. 148, No. 150, No. 152, No. 154, No. 156, No. 158, No. 160, No. 162, No. 164, No. 166, No. 168, No. 170, No. 172, No. 174,	93,891,368.56	79,000,000.00	2020-01-02 to 2021-07-01

Asset accounts	Mortgage name	Book value of mortgage subject	Principal amount of borrowings	Term of borrowing
	No. 176, No. 178, No. 180, No. 182, No. 184, No. 186, No. 188, No. 190, No. 192, No. 194, No. 196, No. 198, No. 200, No. 202 of Manjiang Avenue, Dongli District, Tianjin City, Supporting Public Building II – No. 201-233 of Huacheng Tingyuan at the northwest of the intersection of Dengzhou Road and Manjiang East Avenue, Dongli District (Jin (2030) Dongli District Immovable Property Rights No. 1002198-1002264)			
Inventories	Center area of Sino-Singapore Eco-City in Binhai New Area (Jin (2016) Immovable Property Rights No. 1008775 in Sino-Singapore Eco-City in Binhai New Area	1,267,877,980.66	491,000,000.00	2018-11-28 to 2021-11-26
Inventories	LS9-03, LS9-04, LS9-06, LS9-207, LS9-301, LS9-303, LS9-304, LS9-311, LS9-314, LS11-11, LS11-21, LS11-23, LS11-27, LS11-35, LS11-45 at the intersection of Youyi Road and Zhujiang Avenue, Hexi District (FDZJZ No. 103010930574, No. 103010930575, No. 103010930577, No. 103010930587, No. 103010930597, No. 103010930604, No. 103010930607, No. 103010930616, No. 103010930618, No. 103010930630, No. 103010930633, No. 103010930644, No. 103010930665, No. 103010930667, No. 103010930672)	32,939,803.00	20,720,000.00	2020-05-09 to 2025-04-23
Investment properties	No. 105, No. 401-418, No. 501-518, No. 608-609, No. 612, No. 711, No. 717-718, No. 901-918, Building A, No. 138, Taigu Road, Heping District, Tianjin City, No. 812, Building A, No. 138, Taigu Road, Heping District, Tianjin City, No. 811, No. 813-818 Building A, No. 138, Taigu Road, Heping District (FDZHPZ No. 010067594, No. 010067596 – 010067599, No. 010067604 - 010067644)	94,567,250.00	60,000,000.00	2020-09-25 to 2021-08-25
Investment properties	No. A-1505, Xinhua Building, No. 35-37, Baoding Avenue, Heping District, Tianjin City (FDZHPZ No. 010032875)	5, 919, 041.10	20,000,000.00	2020-02-27 to 2021-02-27
Investment properties	Building A, No. 1501, Building A, No. 1506, Xinhua Building, No. 35-37, Baoding Avenue, Heping District, Tianjin City (FDZJZ No. 101020900294, No. 101020900295)	7, 479, 480.722	30,000,000.00	2020-07-14 to 2021-01-13
Fixed assets	No. 3-2, No. 3-1, No. 3 Road, Jiuyuan Industrial Park, Bodi District, Tianjin City (Jin (2017) Baodi District Immovable Property Rights No. 1001672, No. 1001673); West of Zhengong Road and North of Xingguang Avenue, Jiuyuan Industrial Park, Baodi District (Jin (2017) Baodi District Immovable Property Rights No. 1001671, No. 1001674, No. 1001675);	139,149,029.68		
Investment properties	No. 2-329, No. 2-N1-235, No. 2-N1-278, No. 2-N1-281, No. 4-323, No. 4-327, No. 4-N3-234, No. 4-N3-Z-221, No. 5-335, No. 5-NE-276, No. 6-312-1, No. 6-313, No. 6-314, No. 6-315, No. 6-320, No. 6-321, No. 6-N5-214, No. 6-N5-215, No. 6-N5-217, No. 6-N5-223, No. 6-N5-Z-201, No. 7-304, No. 8-306, No. 8-308 - 8-312, No. 8-N7-213 of North Gulou Street, Nankai District, No. 2-101 - 2-105, No. 2-201 - 2-229, No. 2-301 - 2-327, No. 2-401 - 2-412 of East Gulou Street, Nankai District, underground stores 01-20, office area, conference room (Jin (2018) Nankai District Immovable Property Rights No. 1001290, No. 1001292, No. 1001295, No. 1001297, No. 1001300, No. 1001302 - 1001340, No. 1001356 to 1001358, No. 1001363, No. 1001365, No. 1001367, No. 1001369, No. 1001371, No. 1001372, No. 1001386, No. 1001391, No. 1001393, No. 1001394, No. 1001397, No. 1001398, No. 1001400, No. 1001402 - 1001409, No. 1001411 - 1, No. 1001421, 1001423 - 1001426, No. 1001428 - 1001430, No. 1001437, No. 1001438, No. 1001671, No. 1001673, No. 1001674, No. 1001676 - 1001679, No. 1001681 - 1001683, No. 1001689 - 1001693, No. 1001695, No. 1001699 - 1001701, No. 1001703, No. 1003606, No. 1003838, No. 1003842, No.	224,399,972.39	200,000,000.00	2019-12-03 to 2021-06-11

Asset accounts	Mortgage name	Book value of mortgage subject	Principal amount of borrowings	Term of borrowing
	1005562, No. 1005564 - 1005566, No. 1005568, No. 1005569, No. 1005571 - 1005575, No. 1005890, No. 1005891			
Fixed assets	No. 4-3-301 east of Gulou East Street, Nankai District, Tianjin City (FDZJZ No. 104030902566)	6,643.65	20,000,000.00	2020-02-28 to 2021-02-28
Investment properties	No. 102, 510, 513, 516, 524, 602, 605, 607-611, 613, 615-617, 620, 621, 803-807, 809-824, 902-910, 913-917, 919-924, 1002-1011, 1013-1021, 1101-1103, Zone A, underground Floor 1-2 and underground Floor 4-9, Zone B, Tianjin Real Estate Trading Building, No. 55, Weidi Street, Hexi District, Tianjin City (FDZJZ No. 103020922735, No. 103020922737, No. 103020922738, No. 1030309216116, No. 103030922739, No. 103030922741 - 103030922746, No. 103030922748, No. 103030922750, No. 103030922752 - 103030922754, No. 103030922756, No. 103030922757, No. 103030922759 - 103030922761, No. 103030922763 - 103030922767, No. 103030922769 - 103030922771, No. 103030922773, No. 103030922776, No. 103030922778 - 103030922782, No. 103030922784 - 103030922793, No. 103030923301 - 103030923315, No. 103030923318 - 103030923320, No. 103030923322 - 103030923324, No. 103030923414, No. 103030923415, No. 103030923417 - 103030923419, No. 103030923421 - 103030923426, No. 103030923428 - 103030923431)	191,622,692.00	100,000,000.00	2020-12-28 to 2021-12-28
Investment properties	No. 1012, Zone A, No. 55, Weidi Avenue, Hexi District, Tianjin City (FDZJZ No. 103030922783)	3,027,814.00		
Investment properties	No. 1012, Zone A, No. 55, Weidi Avenue, Hexi District, Tianjin City (FDZJZ No. 103030922783)	secondary mortgage		
Fixed assets	No. 212, No. 214 (now No. 124), Chongqing Avenue, Heping District, Tianjin City (FDZJZ No. 101020902210)	3,456,416.53		
Investment properties	No. 25, Jieyuan Avenue, Hongqiao District (Jin (2019) Hongqiao District Immovable Property Rights No. 1001543); Room 201, No. 25, Jieyuan Avenue, Hongqiao District (Jin (2019) Hongqiao District Immovable Property Rights No. 1001542); Room 202, No. 25, Jieyuan Avenue, Hongqiao District (Jin (2019) Hongqiao District Immovable Property Rights No. 1001541); Room 301, No. 25, Jieyuan Avenue, Hongqiao District (Jin (2019) Hongqiao District Immovable Property Rights No. 1001540); Room 302, No. 25, Jieyuan Avenue, Hongqiao District (Jin (2019) Hongqiao District Immovable Property Rights No. 1001544);	40,816,706.74	40,000,000.00	2020-01-21 to 2021-01-21

Tianjin House Group has mortgaged No. 10-12 Jiefang Road, Heping District, Tianjin (FDZJZ No. 101020801621) before the acquisition in September 2020 to provide guarantee for the short-term loan contract of RMB 48,927,326.96 signed with Tianjin Hedong Sub-branch of China Construction Bank Co., Ltd.; Mortgaged No. 12, No. 76, Chifeng Avenue, Heping District, Tianjin (FDZJZ No. 101020800098, No. 101020752191) to provide guarantee for the short-term loan contract of RMB 70,000,000.00 signed with Tianjin Hedong Sub-branch of China Construction Bank Co., Ltd.; Mortgaged No. 70, Harbin Avenue, No. 161, Liaoning Road, Heping District, Tianjin (FDZJZ No. 101031202000, No. 101020752190) to provide guarantee for the short-term loan contract of RMB 580,000,000.00 signed with Tianjin Branch of China Bohai Bank Co., Ltd. The ending owner of above mortgage assets is Tianjin Guohong Hongrui Enterprise Management Co., Ltd.

2) Borrowings secured by mortgage of assets

Asset accounts	Description of pledge	Book value of pledge subject	Principal amount of borrowings	Term of borrowing
Long-term receivables	Financing lease payment receivable	99,110,163.00	69,000,000.00	2020-12-21 to 2021-12-20
Long-term receivables	Financing lease payment receivable	188,211,491.00	128,090,000.00	2020-12-17 to 2021-12-20
Long-term receivables	Financing lease payment receivable	872,373,760.22	694,939,251.92	2017-07-20 to 2022-06-05
Long-term receivables	Collection right for the PPP Project	1,651,388,869.14	1,438,689,407.00	2019-1-11 to 2029-6-20
Long-term receivables	Collection right for the PPP Project	1,160,059,809.31	1,000,000,000.00	2019-6-18 to 2030-12-27
Accounts receivable		156,479,242.33		
Accounts receivable	Revenue right for the PPP Project	41,660,774.62	490,624,280.08	2019-11-1 to 2033-9-30
Receivables financing	Trade acceptance bill	110,303,177.62	111,472,663.05	2020-3-26 to 2021-11-22
Long-term receivables	Collection right for the PPP Project	311,142,605.71	13,065,704.34	2019-9-20 to 2033-9-9
Monetary funds	Fixed deposit receipt of RMB 50,000,000.00	50,075,000.00	47,500,000.00	2020-12-08 to 2021-12-08
Monetary funds	Fixed deposit receipt of RMB 6,000,000.00	6,083,589.04	5,700,000.00	2020-05-20 to 2021-05-19
Monetary funds	Fixed deposit receipt of RMB 3,000,000.00	3,040,315.07	2,850,000.00	2020-05-28 to 2021-05-24
Monetary funds	Fixed deposit receipt of RMB 6,000,000.00	6,078,780.82	5,700,000.00	2020-06-02 to 2021-06-02
Monetary funds	Fixed deposit receipt of RMB 100,000,000.00	104,029,216.44	99,000,000.00	2020-01-09 to 2021-01-09
Monetary funds	Fixed deposit receipt of RMB 20,000,000.00	20,000,000.00	19,000,000.00	2020-02-19 to 2021-02-19
Monetary funds	Fixed deposit receipt of RMB 12,000,000.00	12,000,000.00	11,400,000.00	2020-05-21 to 2021-05-19
	Collection right for RMB 1,041,740,000.00 of Tianjin Shantytown Targeted Relocation and Resettlement Housing and Supporting Infrastructure (Heyuan West Zone Phase I) Project of Tianjin Indemnificatory Housing Construction Investment Co., Ltd.		50,000,000.00	2020-01-13 to 2021-01-13
	Collection right for RMB 2,625,133,800.00 of the purchase service agreement with the People's Government of Hongqiao District, Tianjin		1,098,884,536.98	2016-07-12 to 2021-01-12
	Collection right for RMB 70,320,586.00 of Commercial Residential Building Project (Plot 5 of Shuangqing New Home) of Tianjin Huaqing Property Co., Ltd.; Collection right for RMB 120,754,773.00 of Jincheng Shuangqing (gua) Plot 2011-139 (Rongyue Garden) Low-Cost Commercial Residential Building Project of Tianjin Huafu Property Co., Ltd.		70,000,000.00	2020-06-23 to 2021-06-24
	Collection right for RMB 8,249,833.00 of Targeted Economically Affordable Relocation and Resettlement Housing Project in Yunjiangli Plot, Xiaerlou, Xiaohaidi, Hexi District of Tianjin House Construction Development Group Co., Ltd.		48,927,326.96	2018-08-31 to 2022-05-30
	100% equity of Nanjing Aohe Real Estate Development Co., Ltd.		600,000,000.00	2017-9-11 to 2021-6-10
	100% equity of Shanghai Greenment Environmental Technologies Co., Ltd.		132,780,000.00	2020-10-10 to 2025-10-9

(3) Other important mortgage and pledge matters

On September 11, 2020, SCG Real Estate Company took the cash flow generated by the trust beneficiary right of basic assets [Jingu · Kaiyuan · Hengye Bojin Building Property Right Trust] of Kaiyuan – SCG Bojin Building asset-backed special plan as the source of direct repayment, took net income from property operation generated by the target property held by Suzhou Hengye Real Estate Development Co., Ltd. as the first repayment source for expected revenue and principal of preferred Grade A asset-backed securities. It raised fund of RMB 1.001 billion by establishing “Kaiyuan – SCG Bojin Building asset-backed special plan”. During the existence of the special plan, to ensure the fulfillment of all obligations, Suzhou Hengye Real Estate Development Co., Ltd. mortgaged the unsold part of Floor 1-28, Suzhou Hengye Bojin Building, No. 1337, Sanxiang Road, Suzhou City (Book value as of December 31, 2020: RMB 281,899,380.61 for inventory and RMB 375,084,640.08 for investment real estate) owned and leased by it to China Jingu International Trust Co., Ltd., and pledged the receivables, fruits and other earnings of rental income generated by the lease and operation of Suzhou Hengye Bojin Building, No. 1337, Sanxiang Road, Suzhou City that it has the right to dispose during the existence of the special plan to China Jingu International Trust Co., Ltd. In accordance with the *Credit Enhancement Arrangement Agreement*, the Company undertakes the liquidity support obligation, repurchase for degrading, repurchase for operating income shortfall, payment and provision of support payments and other credit enhancement obligations.

Tianjin House Group has mortgaged the collection right for RMB 1,041,740,000.00 of Tianjin Shantytown Targeted Relocation and Resettlement Housing and Supporting Infrastructure (Heyuan West Zone Phase I) Project of Tianjin Indemnificatory Housing Construction Investment Co., Ltd. before the acquisition in September 2020, to provide guarantee for the financial leasing contract signed with CMB Financial Leasing Co., Ltd.. The total price of the financial leasing contract is RMB 500,000,000.00. The balance on December 31, 2020 was RMB 264,845,526.87, among which, RMB 162,657,199.42 was included in long-term payables and RMB 102,188,327.45 was included in non-current liabilities due within one year.

Tianjin House Group has mortgaged investment real estates of shops on street level at No. 9-4-301, No. 9-4-302, No. 15-1-13, Mingdu Xinyuan, Jiefang South Road, Hexi District, Tianjin City (Jin (2019) Hexi District Immovable Property Rights No. 1020273 - 1020275), No. 10-12, Jiefang Road, Heping District, Tianjin City (FDZJZ No. 101020801621) before the acquisition in September 2020, to provide guarantee for the factoring contract signed with Tianjin Jinrong Assets Management Co., Ltd. On December 31, 2020, the owner of mortgaged shops on street level at No. 9-4-301, No. 9-4-302, No. 15-1-13, Mingdu Xinyuan, Jiefang South Road, Hexi District, Tianjin City (Jin (2019) Hexi District Immovable Property Rights No. 1020273 - 1020275) with the book value of RMB 42,721,833.48 and No. 10-12, Jiefang Road, Heping District, Tianjin City (FDZJZ No. 101020801621) was Tianjin Guohong Hongrui Enterprise Management Co., Ltd.. The total amount of the factoring contract is RMB 100,000,000.00. The balance of RMB 90,000,000.00 on December 31, 2020 is included in non-current liabilities due within one year.

Tianjin House Group has mortgaged No. 12 and No. 76, Chifeng Avenue, Heping District, Tianjin City (FDZJZ No. 101020800098, No. 101020752191), No. 173-175, Jiefang Road, Heping District, Tianjin City (FDZJZ No. 101021007776) before the acquisition in September 2020, to provide guarantee for the financial leasing contract signed with Bank of Tianjin Financial Leasing Co., Ltd.. The ending owner of the mortgage assets is Tianjin Guohong Hongrui Enterprise Management Co., Ltd. The total price of the financial leasing contract is RMB 300,000,000.00. The balance on December 31, 2020 was RMB 230,000,000.00, among which, RMB 160,000,000.00 was included in long-term payables and RMB 70,000,000.00 was included in non-current liabilities due within one year.

Tianjin House Group has mortgaged No. 129, Heping Road, Tianjin City (FDZJHZ No. 070400000053), No. 14, Baotou Avenue, Heping District, Tianjin City (FDZJZ No. 101020752194), No. 112, Xinhua Road, Heping District, Tianjin City (FDZJZ No. 101020751892), No. 199, Xinhua Road, Heping District, Tianjin City (FDZJZ No. 101020751898), No. 74, Yingkou Avenue, Heping District, Tianjin City (FDZJZ No. 101020800007), No. 100-104, Jiefang Road, Tianjin City (Jin 2016 Heping District Immovable Property Rights No. 1007624), No. 125, Jiefang Road, Tianjin City (FDZJHZ No. 070400000054), No. 71, Munan Avenue, Tianjin City (FDZJHZ No. 070400000056), No. 112, Shandong Road, Tianjin City (FDZJZ No. 101020752195), No. 11, Yangfuyin Road, Tianjin City (FDZJZ No. 101020752192), No. 25, Chongqing Avenue, Tianjin City (FDZJZ No. 101031300440) before the acquisition in September 2020, to provide guarantee for the factoring contract signed with Tianjin Jinrong Assets Management Co., Ltd. The ending owner of above mortgage assets is Tianjin Guohong Hongrui Enterprise Management Co., Ltd. The total amount of the factoring contract is RMB 200,000,000.00. The balance of RMB 200,000,000.00 on December 31, 2020 is included in non-current liabilities due within one year.

For unconfirmed commitments related to the affiliated party, see Note “X. Related Parties and Related Party

Transactions” for details; For unconfirmed commitment related to the investment of the joint venture, see “Note “X. Equity in Other Entities” for details.

2. Contingencies

(1). Important contingencies existing 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, 2020, the balance of borrowers' outstanding loans amounted to RMB 3,566,985,509.90. (As of December 31, 2019, the balance of borrowers' outstanding loans amounted to RMB 5,875,497,000.00.)

Item name	Amount in current period	Previous amount
Merchant Plot 21 - 12 at south Hexi, Nanjing	800,000,000.00	1,300,000,000.00
Aohe Haiyue Mingdu	626,740,000.00	
Haiyue Xuandi	517,947,000.00	
Nanchang Wanli Haiyuemingdi	489,386,000.00	
Langshi Plot 21 - 11 at south Hexi, Nanjing	473,307,009.90	1,900,000,000.00
Haishang Shengyuan	279,321,000.00	
Haishang Huiyuan	215,130,000.00	
Suzhou Haiyue Mingdu	7,451,500.00	23,567,000.00
Tianjin Haiyuemingdi	2,370,000.00	
Haiyue Mingdu		2,640,000,000.00
Plot 125-3, Pujiang Town (Zijun)		11,930,000.00
Haiyue Nanshan in Xuzhou	154,923,000.00	
Xuzhou Hanyuan International Licheng	410,000.00	
Total	3,566,985,509.90	5,875,497,000.00

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, 2020, the outstanding balance of the guarantee was RMB 1,818,269.00. (As of December 31, 2019, the outstanding balance of the guarantee was RMB 22,658,661.35).)

Tianjin House Group has pledged the fixed deposit receipt of RMB 80,000,000.00 before the acquisition in September 2020 to provide joint liability guarantee for the borrowings of RMB 79,200,000.00 of Tianjin Industrialized Building Co., Ltd.. As of December 31, 2020, this guarantee liability has not been discharged.

Tianjin House Group has pledged the fixed asset (FDZJZ No. 101020902210) and investment real estate (Jin (2019) Hongqiao District Immovable Property Rights No. 1001543, No. 1001542, No. 1001541, No. 1001540 and No. 1001544) before the acquisition in September 2020 to provide joint liability guarantee for the borrowings of RMB 40,000,000.00 of Tianjin Industrialized Building Co., Ltd. As of December 31, 2020, this guarantee liability has not been discharged.

(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. As of December 31, 2020, the court has accepted the case, and designated professional institutions to appraise the reconstruction cost, reinforcement scheme design and construction cost of the damaged buildings involved in the case in the demolition, reconstruction and reinforcement of the houses. No. 7 Group has submitted the materials required for the appraisal according to the requirements of the appraisal institutions. For the compensation amount, the proportion of liability shall be determined based on the official conclusion on the cost of reconstruction and reinforcement issued by appraisal institutions as well as the damage and depreciation of houses, and the fault degree of both parties. 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

XV. Events After the Balance Sheet Date

1. Important non-adjusting events

☐ Applicable ☒ Not applicable

2. Profit distribution

☒ Applicable ☐ Not applicable

	Unit: RMB	Currency: RMB
Profit or dividend to be distributed		1,291,137,670.56
Profit or dividend declared after deliberation and approval		

According to the proposal approved at the 17th meeting of the 8th Board of Directors on April 22, 2021, the Company intends to pay all shareholders with RMB 1.45 (tax inclusive) every 10 shares. As of December 31, 2020, the Company's total share capital is 8,904,397,728 shares, based on which the calculated total cash dividend is RMB 1,291,137,670.56 (tax inclusive). The remaining undistributed profits are carried forward to the next distribution. The Company will not participate in this profit distribution by repurchasing its shares held in the special account (as of December 31, 2020, the total shares repurchased by the Company was 18,457,984; finally, the data on the registration date of implementation of equity distribution shall prevail).

3. Sales return

☐ Applicable ☒ Not applicable

4. Notes for other events after the balance sheet date

☒ Applicable ☐ Not applicable

1. Terminate transaction on main board of Shanghai Stock Exchange by separating subsidiaries

The Company's first extraordinary Shareholders' Meeting in 2021 was held on February 8, 2021. At the meeting, the *Proposal of Shanghai Construction Group Co., Ltd. on Terminating Transaction on Main Board of Shanghai Stock Exchange by Separating Subsidiaries* was passed. Building Materials Science and Technology, a subsidiary of the Company submitted an application for revoking initial public offering and listing to CSRC and received the *Notice of CSRC Administrative License on Terminating the Review* ([2021] No. 26). CSRC decided to end the review of the application for an initial public offering and listing of Building Materials Science and Technology.

2. Matters involved in the lawsuit between Tianjin House General Contracting Company and the Owner of Wanlv Yuan No. 1

On February 22, 2021, Tianjin House Group Construction Engineering General Contracting Co., Ltd. (hereinafter referred to as "Tianjin House General Contracting Company") filed a civil action to Haikou Intermediate People's Court of Hainan Province against Hainan Lvlong Exhibition Development Co., Ltd. ("Hainan Lvlong"). In 2014, Tianjin House General Contracting Company and Hainan Lvlong signed the *Engineering Construction Contract*, with the tentative total contract amount of RMB 307,086,241.70, agreeing that Tianjin House General Contracting Company contracts the Wanlv Yuan No.1 (Haikou Exhibition Center Phase II) Project tendered by Hainan Lvlong. With the amount of the main contract remaining unchanged, both parties signed three supplementary agreements regarding the changes and additional works of facade coating, doors and

windows and curtain wall decoration engineering, garden landscape engineering, exterior facade, landscape and garden, refined decoration of public parts. The total tentative project price is RMB 109,293,157.50. Tianjin House General Contracting Company has completed the construction and delivery of the project involved, and submitted the settlement documents to Hainan Lvlong. However, Hainan Lvlong failed to review the documents within the time agreed in the contract. According to the statistics of Tianjin House General Contracting Company, the total cost of the completed workloads of the project is RMB 456,974,972.49 (including the added and changed workloads). As of the filing date, Hainan Lvlong has only paid RMB 303,913,796.05 to Tianjin House General Contracting Company. The unsettled project fund is RMB 153,061,176.44. Claims of Tianjin House General Contracting Company: (1) Hainan Lvlong shall pay Tianjin House General Contracting Company with unsettled project fund of RMB 153,061,176.44 and overdue interests. (2) Tianjin House General Contracting Company shall enjoy the repayment priority within above unsettled project fund of the project involved.

On March 19, 2021, Tianjin House General Contracting Company has submitted the *Property Preservation Application* and corresponding guarantees to Haikou Intermediate People's Court to apply to the court for sealing up the land under the name of Hainan Lvlong. As of the issuance date of the report, no further progress has been made in the lawsuit.

As of December 31, 2020, the balance of receivables from Hainan Lvlong by Tianjin House General Contracting Company is RMB 89,081,900.07, and the impairment provision shall be accrued according to the expected credit loss rate of 50%. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

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). Replacement of non-monetary assets

☐ Applicable ☒ Not applicable

(2). Replacement of other assets

☐ Applicable ☒ Not applicable

4. Annuity plan

☐ Applicable ☒ Not applicable

5. Termination of operation

☐ 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 name	Architecture, contract, design, construction	Real estate development	Construction industry	Urban infrastructure investment and construction	Trade in complete equipment and other commodities	Zara Mining	Project management consulting, labor dispatch and other services	Undistributed amount	Compensating among segments	Total
I. Foreign transaction income	20,167,414.61	622,801.29	1,445,210.46	140,085.50	503,539.11	96,335.11	157,337.12	0.00	0.00	23,132,723.20
II. Inter-segment transaction income	544,323.88	1,368.90	733,856.07	2,856.22	73,625.73	0.00	93,454.53	0.00	1,449,485.33	0.00
III. Income from investment in associates and joint ventures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,929.49	1,433.72	3,495.77
IV. Losses from impairment of assets	-101,241.46	-57,055.03	-21,501.70	-19,727.05	13,982.11	0.00	-6,491.36	0.00	-17,107.34	-174,927.15
V. Depreciation and amortization expenses	182,107.78	18,732.10	15,790.07	1,504.47	1,471.39	15,280.46	10,523.81	0.00	969.86	244,440.22
VI. Total profits (total losses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	781,612.85	340,239.82	441,373.03
VII. Income tax expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	118,142.03	-1,000.04	119,142.07
VIII. Net profit (net losses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	663,470.82	341,239.86	322,230.96
IX. Total assets	23,571,050.92	8,255,431.38	2,776,964.53	3,125,522.64	439,249.83	170,692.21	3,183,655.46	0.00	9,386,893.61	32,135,673.36
X. Total liabilities	19,026,343.72	7,499,023.68	2,501,304.86	1,685,250.70	404,792.08	135,872.81	2,085,180.83	0.00	5,591,944.61	27,745,824.07
XI. Other important non-cash items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term equity investment in the associates and joint ventures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	564,121.03	0.00	564,121.03
Increase in amounts of other non-current assets beyond long-term equity investment	1,292,066.44	170,534.77	10,594.99	299,605.77	16,507.28	0.00	666,645.51	0.00	0.00	2,455,954.76

(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) Arbitration between the Company and the owner of the Oriental Arc Project

On July 16, 2020, the Company filed an arbitration with Shanghai Arbitration Commission for the unpaid project payment of Suzhou Qianning Real Estate Co., Ltd. (hereinafter referred to as "Suzhou Qianning"), the owner of the Oriental Arc Project, claiming the project fund of RMB 473 million and relevant overdue interest of RMB 48.62 million, RMB 523 million in total, from Suzhou Qianning.

On April 12, 2005, Suzhou Qianning and Shanghai Construction (Group) Corporation signed the *General Construction Contract for Oriental Arc Project* (hereinafter referred to as the "General Contract"), with the tentative total contract amount of RMB 1.5 billion. On January 1, 2011, Suzhou Qianning, Shanghai Construction (Group) Corporation and the Company confirmed that the performance subject of the above General Contract was changed to the Company. On March 21, 2017, the Company completed its contractual obligations as agreed, and the project was completed and accepted. On January 20, 2020, the Company, Suzhou Qianning and Jiangsu Xinyong Zhonghe Engineering Management Co., Ltd signed the *Project Settlement Examination and Approval Sheet*, determining the approved final settlement amount of RMB 1,579,395,217.90, and Suzhou Qianning had paid RMB 1,106,379,781.48 as the project fund. On July 16, 2020, the Company filed an arbitration with Shanghai Arbitration Commission for the unpaid project payment of Suzhou Qianning.

On February 4, 2021, Shanghai Arbitration Commission issued HZA Z (2020) No. 1713 award, as follows: (1) Suzhou Qianning shall pay RMB 467,992,030.78 to the Company within ten days from the date of award; (2) Suzhou Qianning shall pay overdue interest (interest base and interest period shall be subject to the award) to the Company within ten days from the date of award; (3) The Company enjoyed the repayment priority for the auction or discount price of the Oriental Arc Project contracted by it within the scope of project funds of unpaid RMB 467,992,030.78 of Suzhou Qianning. (4) Suzhou Qianning shall pay the attorney fee of RMB 1,700,000.00 to the Company within ten days from the date of award. (5) For the arbitration fee of RMB 3,018,522.00, the Company shall pay RMB 90,555.66 and Suzhou Qianning shall pay 2,927,966.34. Suzhou Qianning shall pay the arbitration fee of RMB 2,927,966.34 to the Company within ten days from the date of award.

As of December 31, 2020, the balance of accounts receivable of the Company is RMB 449.28 million, and the provision for impairment provided is RMB 23.7811 million, with the impairment provision drawing proportion of 5%. The management believed that for relevant assets involved, Suzhou Qianning has introduced third parties to acquire relevant creditor's rights. Relevant debts will be repaid after the acquisition. The management expects that the possibility of recovery is large. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(2) Lawsuit between No. 1 Group and the owner of Chengdu Longzhimeng Project

In October 2020, No. 1 Group filed a lawsuit with Chengdu Intermediate People's Court of Sichuan Province for unpaid amount of Chengdu Longzhimeng Plot A Project and applied for property preservation before litigation requesting the court to order Chengdu Ruifeng to pay the unpaid project payment of RMB 55,666,200.00 and corresponding interest, RMB 60,706,300.00 in total, and requesting the court to confirm that No. 1 Group shall enjoy the repayment priority for the discount or auction price of the project involved. The project was completed, accepted and filed in February 2018.

In February 2018, No. 1 Group filed a lawsuit with Chengdu Intermediate People's Court of Sichuan Province for unpaid amount of Chengdu Longzhimeng Plot B Project and applied for property preservation before litigation, requesting the court to order Chengdu Xiaofeng to pay the unpaid project payment of RMB 101,376,300.00 and corresponding interest, RMB 116,558,600.00 in total, and requesting the court to confirm that No. 1 Group shall enjoy the repayment priority for the discount or auction price of the project involved. The project was accepted for fire protection in July 2016.

On October 28, 2020, Chengdu Intermediate People's Court of Sichuan Province sealed up the use right of

four state-owned lands under Chengdu Ruifeng's name and froze 7 bank deposit accounts for Chengdu Longzhimeng Project Plot A. On December 29, 2020, Tong Jinquan, a shareholder of Chengdu Ruifeng, provided guarantee for the lawsuit with the bank deposit certificate of RMB 60.71 million under his name and applied for the replacement of property preservation. No. 1 Group can directly execute the bank deposit certificate in accordance with the effective judgment. On the same day, Chengdu Intermediate People's Court of Sichuan Province sealed up the use right of 1 state-owned land (Immovable Property Rights No. CGY (2012) No. 160) under the name of Chengdu Xiaofeng and froze three bank deposit accounts for Chengdu Longzhimeng Project Plot B. The valuation of the preserved assets can cover the object of action. In January 2021, the first trial was held. No. 1 Group applied to the court for judicial price appraisal of the project involved. Now, it is in the stage of providing documents for judicial price appraisal.

As of December 31, 2020, the book value of receivable balance for Longzhimeng Project Plot A of No. 1 Group was RMB 0, and the balance of contract assets was RMB 20,197,400.00. The bad debt provision was drawn individually as per 15%. Since the repayment priority is calculated from the payment date determined after the settlement, and the project is not settled, according to the law, the project is still within the validity of repayment priority. The management believes that the possibility of recovery of contract assets is high, and that the accounting treatments made correspondingly are appropriate. The book balance of accounts receivable for Longzhimeng Project Plot B of No. 1 Group was RMB 0, and the balance of contract assets was RMB 32,676,000.00. The bad debt provision was drawn individually as per 30%. Since the repayment priority is calculated from the payment date determined after the settlement, and the project is not settled, according to the law, the project is still within the validity of repayment priority. The management believes that the possibility of recovery of contract assets is high, and that the accounting treatments made correspondingly are appropriate.

(3) Lawsuit between No. 2 Group and the owner of Weile Fashion's Factory

In July 2020, No. 2 Group sued Shanghai Weile Fashion Co., Ltd. (hereinafter referred to as "Weile Fashion"), the owner of the Clothing Production Base Project for unpaid project fund of Weile Fashion as agreed in the contract, claiming the project fund of RMB 173 million and overdue interest of RMB 1.68 million. The total amount of the object of action is RMB 175 million.

In 2016, No. 2 Group and Weile Fashion signed the *General Construction Contract for the New High-grade Clothing Production Base*, and the tentative contract price is RMB 809 million. As of April 2020, relevant project had been accepted and the real estate ownership certificate was obtained, but Weile Fashion failed to cooperate in final settlement. As of June 30, 2020, the project fund of RMB 667 million has been received. Due to the major operating loss of La Chapelle Company, the parent company of Weile Fashion, to avoid any damage to the benefits of No. 2 Group, No. 2 Group submitted the pleading to Shanghai No. 1 Intermediate People's Court in July 2020.

The court held the first trial on September 15, 2020. Weile Fashion has submitted a judicial appraisal to the court. Currently, it is under judicial appraisal. At the same time, No. 2 Group has applied to the court for the repayment priority for the auction or discount price of assets involved. In accordance with (2020) H 01 MC No. 175 *Civil Judgement of Shanghai No. 1 Intermediate People's Court* and the attached *Notice of the Execution of Property Preservation*, the bank deposit of RMB 576,800.00 in 8 bank accounts of Weile Fashion has been frozen. The immovable property of Weile Fashion located at No. 58, Tanzhu Road, Minhang District, Shanghai City has been sealed up.

Accounting treatment: As of December 31, 2020, the book balance of accounts receivable was RMB 32,473,400.00. The bad-debt provision for receivables was drawn as per 30%. Since the settlement of the project involved has not been completed, the management believes that No. 2 Group shall enjoy the repayment priority. The court has frozen relevant assets of Weile Fashion, and it is expected that the possibility of recovery is large. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(4) Lawsuit between No. 5 Group and the owner of Palmbeach Sea-view City

In February 2020, No. 5 Group filed a lawsuit against Tongfeng Company, the owner of the Palmbeach Sea-view City project, for unpaid project fund of Tongfeng Company, claiming the project fund of RMB 213,370,000.00 and the corresponding interest from the date of the lawsuit.

On June 2, 2013, No. 5 Group and Tongfeng Company signed the *Construction Contract for Shanghai Palmbeach Sea-view City Plot D2*, to undertake the construction of Fengxian Palmbeach Sea-view City 1-4# Apartment and 2-4# Commercial Project. On July 8, 2016, they signed the *Supplementary Agreement for Project Construction*, agreeing remaining works and changing the scope of construction to civil construction, water and electricity installation to semi-finished surface. Fine decoration and other projects will be separately tendered by Party A. At the end of March 2017, No. 5 Group completed the construction and delivered it to Tongfeng Company, and submitted the settlement statement for review on April 5, 2017. The settlement amount was RMB

367,140,000.00. Tongfeng Company has paid RMB 153,770,000.00. On February 11, 2020, No. 5 Group filed a lawsuit with Shanghai No. 1 Intermediate People's Court for the unpaid project fund of Tongfeng Company.

The court held two trials on April 22 and July 22, 2020. On October 24, 2020, Tongfeng Company declared to enter the bankruptcy reorganization procedure. On November 23, No. 5 Group declared the creditor's rights to its manager, with a total amount of RMB 218,953,240.00 (unpaid project fund of RMB 213,366,880.00 and interest of RMB 5,586,360.00), including privileged debts of RMB 213,366,880. According to the materials of the meeting of the first creditor, the total amount of accounted assets of Tongfeng Company is RMB 5.767 billion now, among which the inventory is RMB 4.651 billion. At present, No. 5 Group has applied to the court for judicial appraisal, and is waiting for sealing up the land use right of 28/14 Qiu, No. 1 Street Block, Fengxin Town, Fengxian District, Shanghai City under the name of Tongfeng Company and construction in progress on it. The term of sealing-up in turn is 3 years from March 13, 2020 to March 12, 2023.

As of December 31, 2020, the book value of contract assets of No. 5 Group was RMB 75,973,200, and the provision for bad debts was drawn individually as per 50%. The management believes that No. 5 Group enjoys the repayment priority, which is the most prioritized compared with other creditor's rights. Moreover, the seal-up of the project involved is in turn. It is expected that the possibility of recovery is large. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(5) 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 Contract 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 H.01M.C. [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. On August 21, Shanghai No. 1 Intermediate People's Court made the first instance judgement: ① Confirm that the *Payment Agreement* between No. 4 Group and Longcheng Property is terminated; ② Order Longcheng Property to pay the remaining project amount of RMB 381,149,568.60 and overdue interest, and to support the repayment priority of No. 4 Group. And then, Longcheng Property appealed, requesting the court to cancel Item II in the first instance judgement and cancel the warranty guarantee amount of RMB 70 million. On January 19, 2021, the Shanghai High People's Court tried and found out that the facts ascertained in the first instance are correct, rejected the appeal and upheld the original judgement.

As of December 31, 2020, the book balance of accounts receivable of No. 4 Group was RMB 110,336,800.00 and the balance of contract assets was RMB 122,337,800.00. The bad-debt provision was drawn as per 15%. The management believed that it has won the second trial up to now, obtained the corresponding property preservation and return ability was expected to be great, so that the accounting treatments made correspondingly are

appropriate.

(6) Lawsuit between No. 4 Group and the Owner 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 Judgement (H.M.C. [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. After defenses in several preparatory hearings, questioning of evidences, judicial appraisal of construction costs and the formal hearing on September 9, 2020, both parties conducted sufficient argument on several problems: whether the overdue interest of the project progress payment is high; whether the amount of idle cost is correct; whether the borrowings of the construction unit shall be deducted from the project fund unpaid during the implementation of the project; Whether Defendant 3 (Beijing Jiacheng) shall be jointly and severally liable for Defendant 1 and Defendant 2. On December 30, 2020, Shanghai High People's Court made the first instance judgement: ① Order to terminate the contract involved between both parties; ② The Defendants shall pay the project funds for Plot 3-1 of RMB 343,336,779.18, overdue interest of RMB 8,520,755.11, project funds for 61 Qiu Factory of RMB 146,718,589.93 and overdue interest of RMB 7,462,254.44. ③ The Defendants shall pay the idle cost of RMB 23,683,800.00 of Plot 3-1, the idle cost of RMB 17,352,500.00 of 61 Qiu. ④ The Defendants shall pay the advance of RMB 1,210,000.00. ⑤ Enjoy the repayment priority for the project fund of RMB 490,055,369.11 of two projects. Enjoy the repayment priority for the project fund of RMB 343,336,779.18 of Plot 3-1 and for the project fund of RMB 146,718,589.93 of 61 Qiu Factory.

As of December 31, 2020, the book balance of accounts receivable of No. 4 Group was RMB 68.2313 million and the balance of contract assets was RMB 162.5871 million. The bad-debt provision was drawn specially as per 20%. Based on the auction price of RMB 548 million in 2009 of the frozen land, the management believes that its future auction price should be higher than that in 2009 because the plot is located at center Shanghai. Shanghai High People's Court made the first instance judgement that the Company shall enjoy the repayment priority for RMB 490,055,369.11 of the two projects. The management expects that the possibility of recovery is large, and believes that the accounting treatments made correspondingly are appropriate based on the knowledge of such matter.

(7) Lawsuit between No. 7 Group and the owners of the Construction Project of the Industrial Base of All-weather Patrol Inspection Instrument with Radar Precision Guidance

In October 2020, 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.

The court froze the assets involved according to the application for asset preservation of No. 7 Group, with a total amount of the preserved assets of RMB 156 million. As of December 31, 2020, the court has designated the construction cost appraisal institution to conduct judicial appraisal of the project involved. No. 7 Group has submitted the materials required for appraisal in accordance with the requirements of the appraisal institution.

As of December 31, 2020, the book balance of contract assets of No. 7 Group was RMB 66,749,700.00, and

the impairment provision of contract assets was drawn as per 15%. The management believes that the case is currently under judicial audit, the company has obtained the corresponding property preservation, and the value of the preserved assets is higher than the amount of the project fund involved in the lawsuit. It expects that the possibility of recovery is large and that the accounting treatments made correspondingly are appropriate.

(8) 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.: H.0115Q.Q. [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. 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 322,320,062.00 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. At present, the construction cost appraisal institution designated by the court has conducted judicial appraisal to the project involved. And No. 7 Group has submitted the materials required for appraisal in accordance with the requirements of the appraisal institution.

As of December 31, 2020, the book balance of contract assets of No. 7 Group was RMB 96,409,000.00, the balance of accounts receivable was RMB 2,436,200.00, and the impairment provision of contract assets was drawn as per 15%. The management believes that Shanjia Industry has the solvency, the Company enjoys the repayment priority and the above-mentioned amount was expected to be recovered with greater possibility. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(9) 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 (C.M.C.Z. [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 on 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 (J.0105M.C. [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 or 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. No. 1 Group applied to the Beijing Chaoyang District People's Court for participating in the distribution in October 2019 and entrusted the law firm to act as the agent for the execution of the case in January 2020, so far the case has no progress.

As of December 31, 2020, Beijing Pangu involves a number of lawsuits, and its actual controller is under the investigation of the special group. At present, all assets have been seized and frozen. The status has been maintained for more than 4 years. The management estimates that the recoverability of receivables is relatively low and the provision for bad debts is fully accrued for the book balance of accounts receivable of No. 1 Group. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(10) 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 RMB 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, recovered RMB 17.0737 million in 2019, and recovered RMB 1 million in 2020, the rest project funds and RMB 8.4213 million of the interest.

As of December 31, 2020, 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 30% is 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.

(11) 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 Zhenyu Real Estate Development Co., Ltd. (hereinafter referred to as Zhenyu 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 (M.M.C.Z. [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, Zhenyu 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 (M.Y.Z.Z. [2015] No. 141) to withdraw the appeal automatically upon the ruling at the final trial. In January 2020, the Mechanized Construction Group received the project fund of RMB 11,996,500 for the Zhangzhou Project involved by Wuhan Zhenyu.

As of December 31, 2020, the book value of accounts receivable of Mechanized Construction Group draw the bad debt provision as per 5%. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(12) Lawsuit between Tianjin House General Contracting Company and the owner of Yunnan Haihang Plaza

• Crowne Plaza

On June 29, 2020, Tianjin House Group Construction Engineering General Contracting Co., Ltd. (hereinafter referred to as "Tianjin House General Contracting Company") filed a civil action to Kunming Intermediate People's Court of Yunnan Province against Kunming Yangzijiang Property Co., Ltd. (hereinafter referred to as "Yangzijiang Property"). Tianjin House General Contracting Company and Yangzijiang Property signed the

General Construction Contract of Yunnan Haihang Plaza • Crowne Plaza Project on December 26, 2014, agreeing that Tianjin House General Contracting Company contracts to build the Yunnan Haihang Plaza • Crowne Plaza Project at No. 300, Huancheng West Road, Kunming City, developed by Yangzijiang Property. The contract price is a fixed comprehensive lump sum price of RMB 255,547,405.00. The contract term is from November 1, 2014 to June 30, 2016. The construct cost of the completed part of civil construction in the contract is RMB 238,692,305.70; the construction cost of completed part of fine decoration in the supplementary agreement for additions signed is RMB 938,409.15. The total construct cost of the completed part of the project is RMB 239,630,714.85. The additional cost incurred due to design changes or the defendant's instructions during the construction is RMB 24,793,700.84 (including recognized amount of RMB 24,156,043.19 and amount under review of RMB 637,657.65). As of the date of lawsuit, Yangzijiang Property only paid project fund of RMB 129,874,521.50 to Tianjin House General Contracting Company, with the unpaid project fund of RMB 134,549,894.19. Claims of Tianjin House General Contracting Company: (1) Terminate the *General Construction Contract of Yunnan Haihang Plaza • Crowne Plaza Project* signed by both parties; (2) Yangzijiang Property shall pay Tianjin House General Contracting Company with the project funds of RMB 109,756,193.35 and the overdue interest from September 1, 2018 to the actual payment date; (3) Yangzijiang Property shall pay Tianjin House General Contracting Company with the amount of RMB 24,793,700.84 for added items and changes; (4) Yangzijiang Property shall pay Tianjin House General Contracting Company with all losses of RMB 20,277,073.4 incurred to the Plaintiff; (5) Tianjin House General Contracting Company shall enjoy the repayment priority to the project within above amount unpaid by Yangzijiang Property.

In July 2020, Kunming Intermediate People's Court of Yunnan Province issued (2020) Y 01 MC No. 2623 *Civil Judgement* for Property Preservation and (2020) Y 01 ZB No. 346 notice to assist in enforcement, sealed up: the land use right (ZHKGY (2011) No. 00620, area: 10,971.1 square meters) of the real estate under the name of Yangzijiang Property, located at the intersection of Huancheng West Road and Xiba Road, Kunming City. The term of sealing-up is 3 years from July 20, 2020 to July 19, 2023. On November 25, 2020, Kunming Intermediate People's Court of Yunnan Province issued (2020) 01 MC No. 2623 *Civil Judgement*, rejecting the objection raised by Yangzijiang Property to the jurisdiction of the case. As of December 31, 2020, the lawsuit has no other progress.

As of December 31, 2020, the balance of accounts receivable from Yangzijiang Property by Tianjin House General Contracting Company is RMB 123,652,318.73, and the impairment provision shall be accrued according to the expected credit loss rate of 50%. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(13) Lawsuit between Tianjin House General Contracting Company and the owner of Qionghai Yuquanzhuang

On October 9, 2020, Tianjin House General Contracting Company filed a civil lawsuit with The First Intermediate People's Court of Hainan Province against Qionghai Mingdao Industrial Co., Ltd. (hereinafter referred to as "Qionghai Mingdao"). On June 23, 2017, Tianjin House General Contracting Company and Qionghai Mingdao signed the *Project Construction Contract*, agreeing that Tianjin House General Contracting Company shall contract the Qionghai • Yuquanzhuang Hot Spring Cultural Tourist Town Project tendered by Qionghai Mingdao. The project content includes the construction of 72 villas, basements, 3# and 4# buildings and supporting projects. The tentative contract price is RMB 250 million. The final construction cost is settled based on the work amounts actually completed. On May 28, 2018, Qionghai Mingdao informed in the project contact list that the construction time of the first floor of # 4 building has not been determined. Tianjin House General Contracting Company sent several letters to Qionghai Mingdao inquiring about work resumption, but Qionghai Mingdao did not reply. As of the date of lawsuit, the project has not resumed and Qionghai Mingdao has not paid the construction costs for the completed project in accordance with the contract. Claims of Tianjin House General Contracting Company: (1) Terminate the *Project Construction Contract* signed by both parties; (2) Qionghai Mingdao shall pay the project fund of RMB 177,207,400.00 (the actual amount shall be subject to the conclusion of construction cost appraisal entrusted by the court) and the interest based on the loan prime rate (LPR) published by the National Inter-bank Lending and Loan Center from the date of lawsuit to the actual payment date. (3) Qionghai Mingdao shall pay Tianjin House General Contracting Company with the idle cost to the withdrawal date (RMB 25,640,500 tentatively calculated until September 2020) and the interest based on the loan prime rate (LPR) published by the National Inter-bank Lending and Loan Center from the date of lawsuit to the actual payment date. (4) Tianjin House General Contracting Company shall enjoy the repayment priority for the auction or discount price of the construction in process of Qionghai • Yuquanzhuang Hot Spring Cultural Tourist Town Project within the scope of project funds payable by Qionghai Mingdao.

On December 3, 2020, The First Intermediate People's Court of Hainan Province made (2020) Q 96 MC No. 612 *Civil Judgement* for Property Preservation and notice to assist in enforcement, to seal up the land use right (land certificate No.: QHGY (2016) No. 000100) of No. 469002100031GB05003 land under the name of

Qionghai Mingdao, located at Wenquan Guantang District, Jiaji Town, Qionghai City, Hainan Province. The sealing-up amount is RMB 202,847,900.00. The term of sealing-up is 3 years. As of December 31, 2020, the lawsuit has no other progress.

As of December 31, 2020, the balance of accounts receivable from Qionghai Mingdao by Tianjin House General Contracting Company is RMB 142,302,900.00, and the impairment provision shall be accrued according to the expected credit loss rate of 50%. Based on the knowledge of such matter, the management believes that the accounting treatments made correspondingly are appropriate.

(14) Lawsuit between Tianjin House General Contracting Company and the owner of Zhujiang International

On December 29, 2020, Tianjin House General Contracting Company applied to Tianjin No. 1 Intermediate People's Court for property preservation prior to lawsuit against Tianjin Zhujiang International Logistics Market Co., Ltd. (hereinafter referred to as "Zhujiang Logistics"). On January 12, 2021, it filed a civil lawsuit with Tianjin No. 1 Intermediate People's Court. On April 28, 2017, both parties signed the *Tianjin Project Construction Contract* for the project of new factory and affiliated buildings, which is to be contracted by Tianjin House General Contracting Company for the project of new factory building and affiliated buildings, agreeing that Tianjin House General Contracting Company contracts to build the new factory and affiliated buildings of Tianjin Zhujiang International Logistics Market Co., Ltd. developed by Zhujiang Logistics, located at No. 32, Hongze Road, Dasi Industrial Park, Xiqing Economic Development Zone, Tianjin. The contract price is RMB 32,635,463.00, and the contract is a unit price contract. The contract term is from April 22, 2017 to September 18, 2017. On September 27, 2017, both parties signed the *Tianjin Project Construction Contract* for the Zhujiang International Warehousing Base Project (Phase I), agreeing that Tianjin House General Contracting Company contracts to build Zhujiang International Warehousing Base developed by Zhujiang Logistics located at No. 1, Jin'an Avenue, Dasi Town, Xiqing District. The contract price is RMB 333,113,315, and the contract is a unit price contract. The contract term is from October 1, 2017 to December 30, 2018. After signing the Contract, both parties signed the *Tianjin Project Construction Contract (Supplementary Contract)* for the Phase I Project involved, adjusting the total construction area of the Phase I Project involved to 216,988 square meters and extending the completion date to December 8, 2021. After signing above two contracts, Tianjin House General Contracting Company entered the site for construction according to the contract, but Zhujiang Logistics failed to make payment in full timely in accordance with the contract. Due to the project demand and the financial difficulty of the defendant, Tianjin House General Contracting Company paid RMB 16,655,665.75 to the pre-deposit account for migrant workers on behalf of Zhujiang Logistics, but it hasn't repaid the amount till now. As of June 2019, the output value of works of two bid sections completed by Tianjin House General Contracting Company was RMB 244,311,075.00. According to the contract, Zhujiang Logistics shall pay Tianjin House General Contracting Company with the project fund of RMB 171,017,752.50, but the actual payment is RMB 76,500,000.00. The progress payment of RMB 94,517,752.50 is not paid according to the contract. Claims of Tianjin House General Contracting Company: (1) Terminate the *Tianjin Project Construction Contract* for the project of new factory and affiliated buildings signed on April 28, 2017, the *Tianjin Project Construction Contract* for the Zhujiang International Warehousing Base Project (Phase I) signed on September 27, 2017 and the *Tianjin Project Construction Contract (Supplementary Contract)*. (2) Zhujiang Logistics shall pay Tianjin House General Contracting Company with the project fund of RMB 167,811,075.00 (including the unpaid progress payment of RMB 94,517,752.5 according to the contract) and the overdue interest and liquidated damages until the actual payment date; (3) Zhujiang Logistics shall pay Tianjin House General Contracting Company with all losses of RMB 21,282,430.87; (4) Zhujiang Logistics shall pay Tianjin House General Contracting Company with RMB 16,655,665.75 paid to the pre-deposit account for migrant workers by Tianjin House General Contracting Company; (5) Tianjin House General Contracting Company shall enjoy the repayment priority for the auction or discount price of the project involved within the scope of above amount unpaid by Zhujiang Logistics.

On December 29, 2020, Tianjin No. 1 Intermediate People's Court issued (2020) J 01 CB No. 8 *Civil Judgement*, judging to: Freeze the bank deposit of RMB 205,749,271.62 of Zhujiang Logistics, or seal up and seize other assets with the equivalent value. On December 31, 2020, Tianjin No. 1 Intermediate People's Court issued the *Notice to Assist in Enforcement* to Tianjin Xiqing District Natural Resources Investigation and Registration Center, to seal up two lands under the name of Zhujiang Logistics, located in the west of Hongze Road and east of Yunze Road, Dasi Town, Xiqing District, Tianjin City (Immovable Property Rights No. 111051500287), and in Dasi Industrial Park, Dasi Town, Xiqing District (Immovable Property Rights No. 111051500222). The term of sealing-up in turn is 3 years from December 30, 2020 to December 29, 2023. As of the issuance date of the report, no further progress has been made in the lawsuit.

As of December 31, 2020, the balance of account receivables from Zhujiang Logistics by Tianjin House General Contracting Company is RMB 163,389,346.79, and the impairment provision shall be accrued according to the expected credit loss rate of 30%. 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			
Wherein: within 1 year (itemize)			
Within 1 year	3,725,038,638.53		
Sub-total within 1 year	3,725,038,638.53		
1-2 years	329,376,767.75		
2-3 years	318,045,900.77		
Over 3 years			
3-4 years	61,668,935.28		
4-5 years	66,735,284.93		
Over 5 years	279,788.26		
Minus: Provision for bad debts	-328,316,996.99		
Total	4,172,828,318.53		

(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	
Wherein:										
Bad debt provision made as per portfolio	4,501,113,496.48	100.00	328,285,177.95	7.29	4,172,828,318.53	4,024,631,611.08	100.00	255,170,080.99	6.34	3,769,461,530.09
Wherein:										
Architecture, contract, design, construction	4,122,947,391.68	91.60	328,285,177.95	7.96	3,794,662,213.73	3,987,315,483.28	99.07	255,170,080.99	6.40	3,732,145,402.29
Internal related parties	378,166,104.80	8.40			378,166,104.80	37,316,127.80	0.93			37,316,127.80
Total	4,501,145,315.52	100.00	328,316,996.99		4,172,828,318.53	4,024,663,430.12	100.00	255,201,900.03		3,769,461,530.09

Bad debt provision made individually:

☐ Applicable ☒ Not applicable

Bad debt provision made as per portfolio:

☒ Applicable ☐ Not applicable

Portfolio provision item: Architecture, contract, design, construction

Unit: RMB

Currency: RMB

Name	Ending balance		
	Accounts receivable	Provision for bad debts	Provision proportion (%)
Architecture, contract, design, construction	4,122,947,391.68	328,285,177.95	7.96
Internal related parties	378,166,104.80		
Total	4,501,113,496.48	328,285,177.95	

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	255,201,900.03	73,115,096.96				328,316,996.99
Total	255,201,900.03	73,115,096.96				328,316,996.99

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
Suzhou Qianing Real Estate Co., Ltd.	449,272,349.55	9.98	23,781,079.55
Shanghai Greenland (Wujiang) Real Estate Co., Ltd.	242,862,488.37	5.40	36,429,373.26
China Harbour Engineering Company Ltd.	187,115,308.82	4.16	37,423,061.76
Shanghai Yixin Real Estate Co., Ltd.	181,830,704.34	4.04	9,091,535.21
SCG Meishan Construction Engineering Co., Ltd.	155,739,518.00	3.46	
Total	1,216,820,369.08	27.04	106,725,049.78

(6). Accounts receivable derecognized due to transfer of financial assets

☐ 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 name	Ending balance	Beginning balance	
Interest receivable		9,442,286.34	
Dividends receivable	244,247,450.17	222,137,450.17	
Other receivables	7,499,393,312.87	3,616,035,575.50	
Total	7,743,640,763.04	3,847,615,312.01	

Other notes:

☐ Applicable ☒ Not applicable

Interest receivable**(1). Classification of interest receivable**

☒ Applicable ☐ Not applicable

		Unit: RMB	Currency: RMB
Item name	Ending balance	Beginning balance	
Fixed time deposit		938,447.50	
Entrusted loans		8,503,838.84	
Bond investments			
Total		9,442,286.34	

(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	
SCG Jiangxi Jiulonghu Municipal Engineering Design Co., Ltd..	4,506,000.00	4,506,000.00	
Huzhou Xinkaiyuan Crushed Stones Co., Ltd.	182,160,839.50	182,160,839.50	
SCG Nanchang Qianhu Construction Co., Ltd.	31,386,000.00	31,386,000.00	
SCG Yibin Cuiping Construction Co., Ltd.	4,084,610.67	4,084,610.67	
SCG Jianheng Equity Investment Funds Partnership (Limited Partnership)	22,110,000.00		
Total	244,247,450.17	222,137,450.17	

(5). Significant dividends receivable with aging over 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			
Wherein: within 1 year (itemize)			
Within 1 year	6,712,892,472.92		
Sub-total within 1 year	6,712,892,472.92		
1-2 years	690,567,197.21		
2-3 years	123,621,219.00		
Over 3 years			
3-4 years	18,647,640.07		
4-5 years	5,593,400.00		
Over 5 years	150,000.00		
Minus: Provision for bad debts	52,078,616.33		
Total	7,499,393,312.87		

(2). Classification of items as per natures

☒ Applicable ☐ Not applicable

		Unit: RMB	Currency: RMB
Payment nature	Ending book balance	Ending book balance	
Intercourse funds among enterprises	6,776,948,309.39	3,212,878,973.48	
Deposit, etc.	730,816,170.84	342,590,338.30	
Others	43,707,448.97	85,699,857.44	
Total	7,551,471,929.20	3,641,169,169.22	

(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, 2020	25,133,593.72			25,133,593.72
The balance on January 1, 2020 in the current period				
-- Be transferred to Stage 2				
-- Be transferred to Stage 3				
-- Be transferred to Stage 2				
-- Be transferred to Stage 1				
Provision in current period	26,945,022.61			26,945,022.61

Reversals in the current period				
Write-off in current period				
Canceled after verification in the current period				
Other changes				
Balance on December 31, 2020	52,078,616.33			52,078,616.33

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

(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	
Bad debt provision of other receivables	25,133,593.72	26,945,022.61				52,078,616.33
Total	25,133,593.72	26,945,022.61				52,078,616.33

Significant accounts receivable recovered or reversed among above accounts receivable:

☐ Applicable ☒ Not applicable

(5). Other receivables written off in 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 receivables (%)	Provision for bad debts Ending balance
Tianjin House Construction Development Group Co., Ltd.	Transaction payments of related parties	4,260,253,540.00	Within year 1	56.42	
Shanghai Bureau of Planning and Natural Resources	Deposit	528,000,000.00	Within year 1	6.99	26,400,000.00
SCG Changzhou Wujin Viaduct Construction Co., Ltd.	Transaction payments of related parties	307,146,025.20	Within year 1	4.07	
Jining Fenghuangtai Construction Co., Ltd.	Transaction payments of related parties	287,000,000.00	Within year 1	3.80	
SCG Wenzhou Oujiangkou Construction Co., Ltd.	Transaction payments of related parties	270,230,000.00	Within year 1	3.58	
Total	/	5,652,629,565.20	/	74.86	26,400,000.00

(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 investment

☒ Applicable ☐ Not applicable

Unit: RMB Currency: RMB

Item name	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	26,654,170,219.15		26,654,170,219.15	20,206,902,249.54		20,206,902,249.54
Investment in joint ventures and associates	1,852,805,670.53		1,852,805,670.53	1,615,002,885.04		1,615,002,885.04
Total	28,506,975,889.68		28,506,975,889.68	21,821,905,134.58		21,821,905,134.58

(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	400,000,000.00		1,000,000,000.00		
Shanghai Construction No. 2 (Group) Co., Ltd.	600,000,000.00	400,000,000.00		1,000,000,000.00		
Shanghai Construction No. 4 (Group) Co., Ltd.	712,642,250.98	400,000,000.00		1,112,642,250.98		
Shanghai Construction No. 5 (Group) Co., Ltd.	600,000,000.00	400,000,000.00		1,000,000,000.00		
Shanghai Construction No. 7 (Group) Co., Ltd.	600,000,000.00	400,000,000.00		1,000,000,000.00		
Shanghai Building Decoration Engineering Group Co., Ltd	400,000,000.00			400,000,000.00		
Shanghai Construction Design and Research General Institute Co., Ltd.	147,500,000.00			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 Building Materials Technology Group Co., Ltd. (original Shanghai Construction Material Engineering Co., Ltd.)	1,269,204,860.84		38,076,145.82	1,231,128,715.02		
Shanghai Gardens (Group) Co., Ltd.	572,193,782.45	40,000,000.00		612,193,782.45		
Shanghai Huadong Construction Machinery Factory Co., Ltd.	321,984,504.14			321,984,504.14		
Shanghai Construction Wuxi Co., Ltd.	1,000,000.00			1,000,000.00		
SCG Changzhou Wujin Zhongwu Road Construction Co., Ltd.	1,000,000.00			1,000,000.00		
SCG Changzhou Wujin Viaduct 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		
Shanghai SFECO (GROUP)	424,883,645.48			424,883,645.48		
SCG Wuxi Yanghu Road Construction and Administration Co., Ltd.	100,500,000.00			100,500,000.00		
SCG Kunshan Middle-ring Road Construction Co., Ltd.	315,000,000.00			315,000,000.00		
SCG Wuxi Beizhong Road Construction and Administration Co., Ltd.	6,000,000.00			6,000,000.00		
SCG America Group Inc.	118,908,400.00			118,908,400.00		

Zhuhai Shenhai Construction Engineering Co., Ltd.	6,000,000.00			6,000,000.00		
SCG Jiangxi Jiulonghu Municipal Engineering Design Co., Ltd..	42,000,000.00			42,000,000.00		
SCG Taizhou Tianxu Line Construction Co., Ltd.	180,000,000.00			180,000,000.00		
SCG Overseas Holdings Co., Ltd.	997,616.00			997,616.00		
SCG (Canada) Co., Ltd.	583,918.24			583,918.24		
Shanghai International Tourism 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		
SCG Nanchang Qianhu Construction Co., Ltd.	403,800,000.00			403,800,000.00		
Shanghai SINKO Air Conditioning Equipment Co., Ltd.	182,999,238.17			182,999,238.17		
SCG (Jiangsu) Steel Structure Co., Ltd.	448,500,750.00	250,000,000.00		698,500,750.00		
SCG Equipment Engineering Co., Ltd.	8,250,348.23	10,000,000.00		18,250,348.23		
SCG Yibin Daxikou Construction Co., Ltd.	6,000,000.00			6,000,000.00		
SCG Investment Co., Ltd.	3,000,000,000.00	38,076,145.82		3,038,076,145.82		
SCG (Caribbean) Co., Ltd.	6,361,300.00			6,361,300.00		
Shanghai Shang'an 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 E-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		
SCG Wenzhou Oujiangkou Construction Co., Ltd.	152,293,355.12			152,293,355.12		
SCG Wenzhou Qidu Bridge Construction Co., Ltd.	475,000,000.00			475,000,000.00		
SCG Chengdu Construction Engineering Co., Ltd.	98,000,000.00			98,000,000.00		
SCG Meishan Construction Engineering Co., Ltd.	909,200,000.00			909,200,000.00		
Sihui Huijian Road Reconstruction Construction Development Co., Ltd.	341,962,000.00			341,962,000.00		
Zhaoqing Huijian Railway Station Complex Construction Development Co., Ltd.	434,818,440.00			434,818,440.00		
Shanghai Municipal Precast Technology Development Co., Ltd.	30,000,000.00			30,000,000.00		
Changzhou Jintan Maoshan Traveling Road Construction Co., Ltd.	465,500,000.00			465,500,000.00		
Jining Fenghuangtai Construction Co., Ltd.	64,483,200.00			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	25,684,008.00		51,444,008.00		

SCG Yibin Cuiping Construction Co., Ltd.	10,118,554.30			10,118,554.30		
Huzhou Zhili Cultural and Sports Center Construction Development Co., Ltd.	94,500,000.00			94,500,000.00		
Rizhao Hujian Urban Development and Construction Co., Ltd.	63,000,000.00	63,000,000.00		126,000,000.00		
SCG Wenzhou Oujiaokou 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	79,777,200.00		232,333,600.00		
SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	251,000,000.00			251,000,000.00		
Shanghai Construction Jiulong Real Estate Co., Ltd.		3,356,697,874.20		3,356,697,874.20		
Tianjin House Construction Development Group Co., Ltd.		76,108,887.41		76,108,887.41		
Qingdao Rail Traffic Park Hujian Investment and Development Co., Ltd.		540,000,000.00		540,000,000.00		
Hainan Hujian Development Construction Co., Ltd.		6,000,000.00		6,000,000.00		
Shanghai Yueheng Construction & Development Co., Ltd.						
Total	20,206,902,249.54	6,485,344,115.43	38,076,145.82	26,654,170,219.15		

(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											
Sub-total											
II. Associates											
Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	255,521,380.01	50,400,000.00		899,669.07						306,821,049.08	
Ningbo Center Building Construction Development Co., Ltd.	245,388,515.07	180,000,000.00		-1,422,522.81						423,965,992.26	
Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	19,124,770.82			2,098,355.53						21,223,126.35	
Beijing Diaoyutai Decoration Engineering Co., Ltd.	16,396,377.08			-3,500,094.01						12,896,283.07	
Hangzhou Hujian Urban Development and Construction Co., Ltd.	1,078,571,842.06			-8,833,489.87						1,069,738,352.19	
Zhejiang Shangjia Construction Co., Ltd.		24,500,000.00		-6,339,132.42						18,160,867.58	
Sub-total	1,615,002,885.04	254,900,000.00		-17,097,214.51						1,852,805,670.53	
Total	1,615,002,885.04	254,900,000.00		-17,097,214.51						1,852,805,670.53	

4. Operating revenues and operating cost**(1). Operating revenue and operating costs**

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period		Amount incurred in the previous period	
	Revenue	Cost	Revenue	Cost
Main business	43,702,803,094.87	42,479,088,746.26	39,225,444,045.22	38,532,822,803.90
Other business	453,125,882.48	28,694,171.57	415,487,705.82	24,151,482.03
Total	44,155,928,977.35	42,507,782,917.83	39,640,931,751.04	38,556,974,285.93

(2). Income generated by contracts

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Contract classification	Contractual income	Total
Type of Commodities		
Architecture, contract, design, construction	44,143,794,414.43	44,143,794,414.43
By operation regions		
China Mainland	42,699,953,453.24	42,699,953,453.24
Other countries and areas	1,443,840,961.19	1,443,840,961.19
By time of goods transfer		
Be confirmed within one period	44,143,794,414.43	44,143,794,414.43
Total	44,143,794,414.43	44,143,794,414.43

Explanation of income generated by the contract:

□ Applicable √ Not applicable

(3). Statement of performance obligation

□ Applicable √ Not applicable

(4). Statement of amortizing to remaining performance obligations

□ Applicable √ Not applicable

5. Investment income

√ Applicable □ Not applicable

Unit: RMB Currency: RMB

Item name	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income calculated with the cost method	3,347,548,657.03	1,467,398,633.33
Long-term equity investment income under the equity method	-17,097,214.51	-159,492.25
Investment income from disposal of long-term equity investments		4,208,632.23
Investment income during the period of the financial assets held for trading	20,028,451.20	13,352,300.80
Dividend income from investments in other equity instruments investments during the holding period		11,563,543.31
Interest income from creditor's right investment during the holding period	131,506.85	
Interest income from other creditor's right investment during the holding period		
Investment income from disposal of financial assets held for trading		
Investment income from disposal of other equity instrument investments		
Investment income acquired from disposal of creditor's right investment		
Investment income acquired from disposal of other creditor's right investment		
Investment income during the period of other non-current financial assets	22,110,000.00	17,777,600.00
Others		2,655,947.47
Total	3,372,721,400.57	1,516,797,164.89

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 name	Amount	Statement
Profit or loss on disposal of non-current assets	7,238,569.04	
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)	496,756,102.23	
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	75,786.17	
Loss or profit 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		
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 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 creditor's right investment.	442,451,232.66	
Reversal of the provision on receivables and contract assets 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 revenue and expenses other than aforesaid items	-10,782,264.60	
Other profit or loss items that meet the definition of non-recurring profit or loss		
Effect of income tax	56,513.39	
Effect of minority equity	-153,851,836.70	
Total	781,944,102.19	

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	11.11	0.34	0.34
Net profit attributable to common shareholders of the Company after deducting non-recurring profits and losses	8.36	0.25	0.25

3. Difference in accounting data under domestic and foreign accounting rules

☐ Applicable ☒ Not applicable

4. Others

☒ Applicable ☐ Not applicable

The Company has changed the relevant accounting policy according to Accounting Standards for Business Enterprises, 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 name	Beginning balance of previous year	Ending balance of previous year	Ending balance
Current assets:			
Monetary funds	54,589,600,864.84	66,093,788,808.80	78,466,377,542.86
Balances with clearing companies			
Loans to banks and other financial institutions			
Financial assets held for trading	2,271,282,383.86	3,152,499,005.64	2,634,031,074.66
Derivative financial assets			
Notes receivable	380,015,754.92	992,645,290.83	844,560,853.34
Accounts receivable	25,263,060,164.39	36,382,708,474.79	44,187,510,101.16
Receivables financing	4,176,855,658.77	5,116,834,432.35	5,208,463,581.36
Advance payment	2,757,063,258.96	2,609,985,958.70	2,547,946,558.06
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	6,563,714,455.16	5,102,371,191.66	6,946,573,201.09
Financial assets purchased under resale agreements			
Inventories	75,530,929,253.22	88,042,901,462.95	71,171,702,665.48
Contract assets	Not applicable	Not applicable	38,907,929,592.58
Assets held for sale			
Non-current assets due within one year	776,057,843.97	1,069,584,919.54	1,412,712,280.97
Other current assets	2,630,766,291.85	2,672,010,768.48	3,528,719,842.13
Total current assets	174,939,345,929.94	211,235,330,313.74	255,856,527,293.69
Non-current assets:			
Disbursement of loans and advances			
Creditor's right investment	620,000,000.00		
Other creditor's right investment			
Long-term receivables	18,762,538,397.35	21,917,628,153.86	14,029,622,542.28
Long-term equity investment	2,552,135,177.57	4,535,182,233.21	5,668,773,930.52
Other equity instrument investments	614,477,158.64	764,007,075.93	682,259,037.41
Other non-current financial assets	1,456,176,318.89	1,857,439,448.52	3,095,849,556.52
Investment properties	4,225,930,232.90	4,969,343,961.23	5,908,503,416.62
Fixed assets	8,095,445,233.69	7,734,039,382.43	8,102,922,128.89
Construction in progress	527,887,251.10	484,838,908.75	718,450,768.50
Productive biological assets			
Oil and gas assets			

Item name	Beginning balance of previous year	Ending balance of previous year	Ending balance
Intangible assets	2,167,518,331.74	2,132,311,762.17	3,041,990,174.45
Development expenditures			
Goodwill	116,008,057.24	114,133,452.08	570,255,405.77
Long-term unamortized expenses	120,334,843.75	338,060,116.44	523,843,058.86
Deferred income tax assets	802,756,117.26	809,000,233.14	1,088,658,109.69
Other non-current assets	579,870,129.39	389,581,467.60	22,069,078,127.89
Total non-current assets	40,641,077,249.52	46,045,566,195.36	65,500,206,257.40
Total assets	215,580,423,179.46	257,280,896,509.10	321,356,733,551.09
Current liabilities:			
Short-term borrowings	4,935,485,552.49	5,821,804,016.21	9,686,608,793.49
Borrowings from central bank			
Loans from other banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	7,826,360,066.30	11,131,206,593.91	11,870,782,144.18
Accounts payable	55,259,870,894.87	76,541,684,887.28	124,425,316,865.01
Advances from customers	56,433,011,032.15	56,141,342,203.04	25,675,592.26
Contract liabilities	Not applicable	Not applicable	33,604,335,962.05
Financial assets sold under repurchase agreements			
Absorption of deposits and interbank deposits			
Receivings from vicariously traded securities			
Receivings from vicariously sold securities			
Employee compensation payable	689,612,800.06	830,501,601.75	1,374,679,936.05
Taxes and surcharges payable	3,639,152,177.66	3,954,255,488.92	4,714,386,355.48
Other payables	10,378,442,747.16	12,121,558,314.82	15,544,005,646.92
Handling charges and commissions payable			
Accounts payable for reinsurance			
Liabilities held for sale			
Non-current liabilities due within one year	5,128,077,952.10	7,991,541,778.41	18,039,510,454.41
Other current liabilities	139,684,659.97	188,535,677.61	862,982,063.20
Total current liabilities	144,429,697,882.76	174,722,430,561.95	220,148,283,813.05
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	29,598,014,199.55	44,189,370,794.24	47,081,681,791.36
Bonds payable	4,388,461,165.76	96,984,000.00	6,385,005,454.97
Wherein: Preferred stock			
Perpetual bonds			
Long-term payables	1,044,012,410.79	1,140,089,000.80	2,455,682,031.23
Long-term employee compensation payable	320,615,876.00	296,488,097.00	289,444,116.00
Estimated liabilities	4,593,416.66	6,002,194.11	13,096,936.42
Deferred income	191,139,945.82	173,018,009.04	165,922,638.94
Deferred income tax liabilities	582,232,427.10	429,763,249.68	868,892,192.66
Other non-current liabilities	52,836,070.67	53,705,996.65	50,231,681.65

Item name	Beginning balance of previous year	Ending balance of previous year	Ending balance
Total non-current liabilities	36,181,905,512.35	46,385,421,341.52	57,309,956,843.23
Total liabilities	180,611,603,395.11	221,107,851,903.47	277,458,240,656.28
Owner's equity:			
Share capital	8,904,397,728.00	8,904,397,728.00	8,904,397,728.00
Other equity instruments	6,500,000,000.00	6,500,000,000.00	8,690,000,000.00
Wherein: Preferred stock			
Perpetual bonds	6,500,000,000.00	6,500,000,000.00	8,690,000,000.00
Capital reserves	2,200,870,974.75	2,200,006,546.37	2,208,850,005.41
Minus: Treasury stock		55,121,123.98	63,704,768.29
Other comprehensive incomes	-19,609,157.34	-85,530,145.70	-159,514,148.62
Special reserve		2,384,562.98	6,761,132.95
Surplus reserves	1,304,508,959.56	1,513,091,171.63	1,896,263,993.70
General risk reserves			
Undistributed profits	11,866,727,394.94	14,074,908,867.70	15,197,438,705.84
Total equity attributable to owners of the parent company	30,756,895,899.91	33,054,137,607.00	36,680,492,648.99
Minority shareholder's equity	4,211,923,884.44	3,118,906,998.63	7,218,000,245.82
Total owner's equity	34,968,819,784.35	36,173,044,605.63	43,898,492,894.81
Total liabilities and owner's equity	215,580,423,179.46	257,280,896,509.10	321,356,733,551.09

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 22, 2021

Amendment Information

☐ Applicable ☒ Not applicable