



Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Report for the Third Quarter of 2013

2013-023

October 2013

Section I. Important Reminders

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

All directors attended the board session for reviewing this report.

Zhou Jianguo, company principal, Chen Maozheng, GM, Wei Hanping, chief of the accounting work, and Tang Xiaoping, chief of the accounting organ (chief of accounting), hereby confirm that the financial statements enclosed in this report are factual, accurate and complete.

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

Section II. Financial Highlights & Change of Shareholders

I. Major accounting data and financial indexes

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

Yes No

	30 Sept. 2013	31 Dec. 2012	Increase/decrease (%)	
Total assets (RMB Yuan)	4,595,246,085.23	3,712,770,828.30	23.77%	
Net assets attributable to shareholders of the Company (RMB Yuan)	1,653,191,050.85	1,635,376,098.73	1.09%	
	Jul.-Sept. 2013	YoY increase/decrease (%)	Jan.-Sept. 2013	YoY increase/decrease (%)
Operating revenues (RMB Yuan)	154,286,475.60	-40.68%	474,974,336.20	-32.86%
Net profit attributable to shareholders of the Company (RMB Yuan)	3,528,324.44	-84.88%	16,578,664.81	-73.86%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	599,005.21	-97.42%	10,218,805.25	-83.9%
Net cash flows from operating activities (RMB Yuan)	--	--	-12,312,244.25	93.68%
Basic EPS (RMB Yuan/share)	0.003	-85%	0.0164	-73.84%
Diluted EPS (RMB Yuan/share)	0.003	-85%	0.0164	-73.84%
Weighted average ROE (%)	0.21%	-1.27%	1.01%	-3.05%

Items and amounts of extraordinary gains and losses

Applicable Inapplicable

Unit: RMB Yuan

Item	Amount as of Jan.-Sept. 2013	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	5,880,381.95	Gain on disposal of office buildings and living quarters
Other non-operating income and expenses other than the above	473,477.61	Mainly other non-operating income
Less: Income tax effects	-6,000.00	
Total	6,359,859.56	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in

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

Applicable Inapplicable

II. Total number of shareholders at the period-end and shares held by the top ten shareholders

Unit: share

Total number of shareholders at the period-end		80,875				
Shares held by the top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of the shares held	Number of the restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
Shenzhen Investment Holdings Ltd.	State-owned legal person	63.55%	642,884,262	0		
Liu Yongkui	Domestic natural person	0.3%	3,027,749	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas legal person	0.15%	1,479,550	0		
Yang Shuilian	Domestic natural person	0.12%	1,233,200	0		
Wu Haoyuan	Overseas natural person	0.11%	1,109,300	0		
Wang Zhongming	Domestic natural person	0.11%	1,095,808	0		
China International Capital Co., Ltd.	Domestic non-state-owned legal person	0.1%	1,014,927	0		
Peng Qionghui	Domestic natural person	0.09%	895,000	0		
Xue Haoyuan	Domestic natural person	0.09%	894,956	0		
LI, LONG CHIU	Overseas natural person	0.08%	789,535	0		

Shares held by the top ten non-restricted share holders			
Name of shareholder	Number of non-restricted shares held	Type of shares	
		Type	Number
Shenzhen Investment Holdings Ltd.	642,884,262	RMB ordinary shares	
Liu Yongkui	3,027,749	RMB ordinary shares	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,479,550	Domestically listed foreign shares	
Yang Shuilian	1,233,200	RMB ordinary shares	
Wu Haoyuan	1,109,300	Domestically listed foreign shares	
Wang Zhongming	1,095,808	Domestically listed foreign shares	
China International Capital Co., Ltd.	1,014,927	RMB ordinary shares	
Peng Qionghui	895,000	RMB ordinary shares	
Xue Haoyuan	894,956	RMB ordinary shares	
LI, LONG CHIU	789,535	Domestically listed foreign shares	
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	Unknown		
Shareholders taking part in margin financing and securities lending (if any)	Naught among the top ten shareholders		

Did any shareholder of the Company carry out an agreed buy-back in the reporting period?

Yes No

Section III. Significant Events

I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

For the reporting period, the Company achieved operating revenues of RMB 474.97 million, down 32.86% over the same period of last year; operating profit of RMB 18.50 million, representing a year-on-year decrease of 77.89%; total profit of RMB 24.85 million, down 70.27% on the year-on-year basis; and net profit attributable to shareholders of the Company of RMB 16.58 million, decreasing 73.86% over the same period of last year.

The reporting period saw a sales income carried over from real estate of RMB 66.36 million, down 61.13% over the same period of last year, causing a considerable drop in the operating revenues. This was mainly because the real estate income for the reporting period still mainly came from the sale of the residual houses of JinYE Island by the subordinate Shantou Hualin Company; and the advances from the Chuanqi Mountain project stood at RMB 1,137.48 million at the end of the reporting period but could not yet be carried over into sales income due to dissatisfaction of the carry-over conditions.

Financial expenses decreased over the same period of last year mainly because capitalized interest increased.

Non-operating incomes increased over the same period of last year mainly because of the gain on disposal of office buildings and living quarters.

Cash received from sale of goods and rendering of services stood at RMB 1,483.77 million for the reporting period, up 126.63% from the same period of last year, mainly because of the advances from the Chuanqi Mountain project.

Cash paid for goods and services stood at RMB 1,300.98 million for the reporting period, up 96.27% from the same period of last year, mainly because the Company increased its input to the ongoing SPG Chuanqi Mountain project, SPG Shanglin Garden project and the Shantou Yuejing Orient project, as well as newly bought a land parcel for the Shantou Chaoyang Jingzai Bay project.

Net cash flows from investing activities stood at RMB 4.66 million, up 212.27% over the same period of last year, which was mainly because of the cash from disposal of office buildings and living quarters.

Net cash flows from financing activities stood at RMB -110.65 million, down 149.45% over the same period of last year, which was mainly because the cash received as bank borrowings decreased 49.13% while the cash for repaying bank borrowings increased 22.92%.

Prepayments stood at RMB 90.20 million, up 127.32% over the year-begin, which was mainly

because of the prepayments for construction.

Closing net inventories stood at RMB 3,408.67 million, up 40% over the year-begin, which was mainly because the Company increased its input to the ongoing SPG Chuanqi Mountain project, SPG Shanglin Garden project and the Shantou Yuejing Orient project, as well as newly bought a land parcel for the Shantou Chaoyang Jingzai Bay project.

Closing other current assets stood at RMB 35.21 million, up 352.57% over the year-begin, which was mainly because the turnover tax and income tax on the house pre-sale income and the construction advances in the reporting period were paid.

Closing short-term borrowings stood at RMB 20 million, down 79.17% over the year-begin, which was mainly because an entrustment borrowing of RMB 70 million was repaid in the reporting period.

Closing accounts received in advance stood at RMB 1,413.36 million, up 247.10% over the year-begin, which was mainly because the pre-sale income from the SPG Chuanqi Mountain project increased.

Closing payroll payable stood at RMB 17.79 million, down 51.49% over the year-begin, which was mainly because some remuneration for last year was paid in the reporting period.

Closing taxes and fares payable stood at RMB 7.66 million, down 61.62% over the year-begin, which was mainly because the enterprise income tax for last year was paid in the reporting period.

II. Progress and influence of significant events, as well as the analysis and explanation on solutions

(1) In the reporting period, the actual management situation of the Company was of no difference with *The Company Law* as well as the relevant provisions of CSRS; no any change about the significant contentious matters and the disclose situation of the semi-year report; no any event was commonly questioned, bankruptcy reorganized or had transaction in assets; had no carried out stock ownership incentive; no any significant substantial change of the significant related party transaction or significant contract performance compared to the disclose situation of the semi-year report.

(2) On 12 July 2013, the Company won the bid of the land use right which used to be Nanfang Building Materials Industry and Trade Co., Ltd. in Jingzaiwan, Shantou Chaoyang, with the bidding amount of RMB 282 million. Recently was conducting the relevant procedures of the land use right and the land transfer procedure was predicted to be totally completed in the midmonth of December. The pre-planning of the project development had launched the bidding procedure according to the plan.

(3) According to the arrangement of the project development, the Chuanlin Mountain Project of Shenzhen Properties Groups, which lies in the Guangming New District, Shenzhen, had started to

deal with the completion acceptance, and it was predicted to reach the carry-over conditions in the fourth quarter. The sold building account had partly been carried forward to the operating income of this year.

Overview of the significant event	Date of disclosure	Index to the relevant announcement disclosed on the website
On 12 July 2013, the Company won the bid of the land use right as well as the above-ground structures which used to be Nanfang Building Materials Industry and Trade Co., Ltd. in Jingzaiwan, Shantou Chaoyang, with the bidding amount of RMB 282 million.	13 July 2013	http://www.cninfo.com.cn
Mr. Yang Jiayong resigned from the Company's position of vice president because of the work changes and would no more be in office.	21 Aug. 2013	http://www.cninfo.com.cn

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

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform					
Commitment in acquisition reports or reports on equity changes					
Commitments made upon the assets reorganization					
Commitments made upon IPO or refinancing					
Other commitments made to minority shareholders					
Executed in time or not?	Yes				
Detailed reason for failing to execute and the next plan (if any)	Inapplicable				

IV. Predict the 2013 annual operating results

Warnings of possible loss or large-margin change of the accumulated net profit made during the period from the beginning of the year to the end of the next reporting period compared with the same period of the last year according to prediction, as well as explanations on the reasons

Applicable Inapplicable

Predictions: significant increase in the same direction

Type of the predicted data: Interval data

	Jan.-Dec. 2013			Jan.-Dec. 2012	Increase/decrease (%)			
	Estimated accumulative net profit (RMB Ten thousand)	20,000	--	23,800	10,681	Increase	87.25%	--
Basic EPS (RMB Yuan/share)	0.198	--	0.235	0.106	Increase	86.79%	--	121.70%
Explanation about the predictions	The Chuanqi Mountain Project of Shenzhen Properties Groups, which lies in the Guangming New District, Shenzhen, had started to deal with the completion acceptance, and it was predicted to reach the carry-over conditions in the fourth quarter. The sold building account had partly been carried forward to the operating income of this year.							

V. Securities investment

Variety of securities	Code of securities	Name of securities	Initial investment cost (RMB Yuan)	Number of shares held at period-begin	Shareholding percentage at period-begin	Number of shares held at period-end	Shareholding percentage at period-end	Closing book value (RMB Yuan)	Gain/loss for report period (RMB Yuan)	Accounting title	Source of stock
Total			0.00	0	--	0	--	0.00	0.00	--	--
Disclosure date of the board announcement on approval of the securities investment											
Disclosure date of the general meeting announcement on approval of the securities investment (if any)											

Shareholdings in other listed companies

Applicable Inapplicable

VI. Derivative investments

Unit: RMB Ten thousand

Operator	Relation	Related-party transaction or not	Type of derivative investment	Initial investment amount	Ending date	Opening investment amount	Impairment provision (if any)	Closing investment amount	Proportion of the closing investment amount in the	Actual gain/loss in reporting period	Ending date

									Company's closing net assets (%)		
Total				0	--	--	0		0	0%	0
Capital source for derivative investment				No derivative investments							
Disclosure date of the board announcement on approval of the derivative investments											
Disclosure date of the general meeting announcement on approval of the derivative investments (if any)											

VII. Researches, visits and interviews received in the reporting period

Time of reception	Place of reception	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company
18 July 2013	The office	Telephone Communication	Individual	Individual investor	The influence on the Company's operating of the Macro-Economy Policy and whether the Company has asset restructuring plan; had not offer the written sources.
6 Aug. 2013	The office	Telephone Communication	Individual	Individual investor	The operating situation of the first half year of 2013 and the disclosure appointment time of the semi-year report; had not offer the written sources.
18 Sep. 2013	The office	Field research	Institution	Jinshi Financial Services Group	Discuss the question about the Share B of the Company transferring to the Share H, and the relevant information had reported to the Shenzhen Stock Exchange investor relations platform according to the requirements.

Section IV. Financial Statements

I. Financial statements

1. Consolidated balance sheet

Prepared by Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	345,216,402.58	496,805,905.01
Settlement reserves		
Intra-group lendings		
Transactional financial assets		
Notes receivable		
Accounts receivable	22,557,255.33	24,413,187.02
Accounts paid in advance	90,196,308.54	39,677,550.07
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable		
Dividend receivable	1,052,192.76	1,052,192.76
Other accounts receivable	58,808,114.29	56,894,335.01
Financial assets purchased under agreements to resell		
Inventories	3,408,666,740.84	2,431,754,464.54
Non-current assets due within 1 year		
Other current assets	35,211,663.15	7,780,460.78
Total current assets	3,961,708,677.49	3,058,378,095.19
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets		
Held-to-maturity investments		

Long-term accounts receivable		
Long-term equity investment	75,225,969.30	75,225,969.30
Investing property	471,979,495.29	487,373,443.43
Fixed assets	58,225,650.53	63,204,808.66
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	6,849,321.78	5,866,106.75
R&D expense		
Goodwill		
Long-term deferred expenses	640,130.46	427,321.35
Deferred income tax assets	19,881,649.62	19,881,649.62
Other non-current assets	735,190.76	2,413,434.00
Total of non-current assets	633,537,407.74	654,392,733.11
Total assets	4,595,246,085.23	3,712,770,828.30
Current liabilities:		
Short-term borrowings	20,000,000.00	96,000,000.00
Borrowings from Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Transactional financial liabilities		
Notes payable		
Accounts payable	50,347,827.38	72,660,833.60
Accounts received in advance	1,413,358,128.72	407,194,198.80
Financial assets sold for repurchase		
Handling charges and commissions payable		
Employee's compensation payable	17,792,875.73	36,675,028.18
Tax payable	7,660,457.72	19,958,153.14
Interest payable	16,786,160.70	18,395,916.84
Dividend payable		
Other accounts payable	384,918,701.92	394,741,726.29

Reinsurance premiums payable		
Insurance contract reserves		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Non-current liabilities due within 1 year	344,448,750.02	299,261,270.80
Other current liabilities		
Total current liabilities	2,255,312,902.19	1,344,887,127.65
Non-current liabilities:		
Long-term borrowings	803,705,226.72	849,636,078.25
Bonds payable		
Long-term payables	10,712,420.53	11,136,124.62
Specific payables		
Estimated liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	814,417,647.25	860,772,202.87
Total liabilities	3,069,730,549.44	2,205,659,330.52
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	1,011,660,000.00	1,011,660,000.00
Capital reserves	978,244,858.10	978,244,858.10
Less: Treasury stock		
Specific reserves		
Surplus reserves	4,974,391.15	4,974,391.15
Provisions for general risks		
Retained profits	-352,575,740.55	-369,154,405.36
Foreign exchange difference	10,887,542.15	9,651,254.84
Total equity attributable to owners of the Company	1,653,191,050.85	1,635,376,098.73
Minority interests	-127,675,515.06	-128,264,600.95
Total owners' (or shareholders') equity	1,525,515,535.79	1,507,111,497.78
Total liabilities and owners' (or shareholders') equity	4,595,246,085.23	3,712,770,828.30

Legal representative: Zhou Jianguo

Person-in-charge of the accounting work: Wei Hanping

Chief of the accounting division: Tang Xiaoping

2. Balance sheet of the Company

Prepared by Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	240,843,962.33	223,827,179.97
Transactional financial assets		
Notes receivable		
Accounts receivable	5,458,936.93	13,663,339.96
Accounts paid in advance	7,201,869.57	55,500.00
Interest receivable		
Dividend receivable		
Other accounts receivable	668,717,918.69	343,568,799.28
Inventories	2,240,185,505.38	1,844,523,622.50
Non-current assets due within 1 year		
Other current assets	16,343,739.90	
Total current assets	3,178,751,932.80	2,425,638,441.71
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	328,396,683.90	298,396,683.90
Investing property	412,531,770.69	426,426,812.91
Fixed assets	31,983,340.13	33,944,334.56
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	1,499,766.78	327,266.75
R&D expense		

Goodwill		
Long-term deferred expenses	147,058.50	189,456.15
Deferred income tax assets	6,814.20	6,814.20
Other non-current assets	735,190.76	1,376,400.00
Total of non-current assets	775,300,624.96	760,667,768.47
Total assets	3,954,052,557.76	3,186,306,210.18
Current liabilities:		
Short-term borrowings		70,000,000.00
Transactional financial liabilities		
Notes payable		
Accounts payable	18,076,731.39	24,195,725.69
Accounts received in advance	1,133,523,524.50	280,272,668.00
Employee's compensation payable	6,910,763.51	10,848,111.62
Tax payable	4,793,125.74	6,204,121.44
Interest payable	16,535,277.94	18,020,083.50
Dividend payable		
Other accounts payable	653,585,124.16	608,165,106.86
Non-current liabilities due within 1 year	344,448,750.02	299,261,270.80
Other current liabilities		
Total current liabilities	2,177,873,297.26	1,316,967,087.91
Non-current liabilities:		
Long-term borrowings	570,715,874.49	649,636,078.25
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	570,715,874.49	649,636,078.25
Total liabilities	2,748,589,171.75	1,966,603,166.16
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	1,011,660,000.00	1,011,660,000.00
Capital reserves	978,244,858.10	978,244,858.10

Less: Treasury stock		
Specific reserves		
Surplus reserves		
Provisions for general risks		
Retained profits	-784,441,472.09	-770,201,814.08
Foreign exchange difference		
Total owners' (or shareholders') equity	1,205,463,386.01	1,219,703,044.02
Total liabilities and owners' (or shareholders') equity	3,954,052,557.76	3,186,306,210.18

Legal representative: Zhou Jianguo

Person-in-charge of the accounting work: Wei Hanping

Chief of the accounting division: Tang Xiaoping

3. Consolidated income statement for the reporting period

Prepared by Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Unit: RMB Yuan

Item	Jul.-Sept. 2013	Jul.-Sept. 2012
I. Total operating revenues	154,286,475.60	260,092,023.21
Including: Sales income	154,286,475.60	260,092,023.21
II. Total operating cost	151,445,351.40	229,692,873.52
Including: Cost of sales	121,135,903.01	198,307,415.26
Business tax and surcharges	10,752,288.56	13,766,085.08
Sales expenses	5,012,467.40	2,686,916.96
Administration expenses	15,731,770.77	13,902,482.50
Financial expenses	-1,187,078.34	1,029,973.72
Add: gain/(loss) from change in fair value ("-" means loss)		0.00
Gain/(loss) from investment ("-" means loss)		0.00
III. Business profit ("-" means loss)	2,841,124.20	30,399,149.69
Add: non-operating income	3,007,255.65	13,330.50
Less: non-operating expense	83,072.36	116,923.10
Including: loss from non-current asset disposal	65,147.31	12,306.83
IV. Total profit ("-" means loss)	5,765,307.49	30,295,557.09

Less: Income tax expense	2,195,533.09	6,921,279.56
V. Net profit (“-” means loss)	3,569,774.40	23,374,277.53
Including: Net profit achieved by combined parties before the combinations		0.00
Attributable to owners of the Company	3,528,324.44	23,328,496.44
Minority shareholders’ income	41,449.96	45,781.09
VI. Earnings per share	--	--
(I) Basic earnings per share	0.003	0.02
(II) Diluted earnings per share	0.003	0.02
VII. Other comprehensive incomes	-21,787.53	-230,313.25
VIII. Total comprehensive incomes	3,547,986.87	23,143,964.28
Attributable to owners of the Company	3,548,637.90	23,159,028.66
Attributable to minority shareholders	-651.03	-15,064.38

Legal representative: Zhou Jianguo

Person-in-charge of the accounting work: Wei Hanping

Chief of the accounting division: Tang Xiaoping

4. Income statement of the Company for the reporting period

Prepared by Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Unit: RMB Yuan

Item	Jul.-Sept. 2013	Jul.-Sept. 2012
I. Total sales	12,317,621.10	17,438,099.54
Less: cost of sales	5,313,615.63	5,676,010.54
Business taxes and surcharges	2,265,397.22	2,832,560.68
Distribution expenses	3,473,100.44	1,407,623.71
Administrative expenses	7,823,257.94	6,442,126.39
Financial costs	-961,752.67	-701,658.21
Add: gain/(loss) from change in fair value (“-” means loss)		0.00
Gain/(loss) from investment (“-” means loss)		0.00
II. Business profit (“-” means loss)	-5,595,997.46	1,781,436.43

Add: non-business income	540,000.00	
Less: non-business expense	20,000.00	15,000.00
Including: loss from non-current asset disposal	0.00	
III. Total profit (“-” means loss)	-5,075,997.46	1,766,436.43
IV. Net profit (“-” means loss)	-5,075,997.46	1,766,436.43
V. Earnings per share	--	--
VI. Total comprehensive incomes	-5,075,997.46	1,766,436.43

Legal representative: Zhou Jianguo

Person-in-charge of the accounting work: Wei Hanping

Chief of the accounting division: Tang Xiaoping

5. Consolidated income statement for Jan.-Sept. 2013

Prepared by Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Total operating revenues	474,974,336.20	707,456,226.28
Including: Sales income	474,974,336.20	707,456,226.28
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating cost	456,474,970.22	623,831,221.77
Including: Cost of sales	367,842,905.73	508,790,024.38
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	35,287,444.46	58,482,168.79
Selling and distribution expenses	11,892,013.30	8,943,293.19

Administrative expenses	43,214,713.06	43,165,905.68
Financial expenses	-1,762,106.33	4,449,829.73
Asset impairment loss		
Add: Gain/(loss) from change in fair value (“-” means loss)		0.00
Gain/(loss) from investment (“-” means loss)		50,000.00
Including: share of profits in associates and joint ventures		
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	18,499,365.98	83,675,004.51
Add: non-operating income	6,532,696.24	76,292.34
Less: non-operating expense	178,836.68	165,481.37
Including: loss from non-current asset disposal	71,659.29	21,482.63
IV. Total profit (“-” means loss)	24,853,225.54	83,585,815.48
Less: Income tax expense	8,215,293.36	20,103,622.75
V. Net profit (“-” means loss)	16,637,932.18	63,482,192.73
Including: Net profit achieved by combined parties before the combinations	0.00	0.00
Attributable to owners of the Company	16,578,664.81	63,412,594.53
Minority shareholders’ income	59,267.37	69,598.20
VI. Earnings per share	--	--
(I) Basic earnings per share	0.0164	0.0627
(II) Diluted earnings per share	0.0164	0.0627
VII. Other comprehensive incomes	1,766,105.83	-306,532.84
VIII. Total comprehensive incomes	18,404,038.01	63,175,659.89
Attributable to owners of the Company	17,814,952.12	63,198,021.54
Attributable to minority shareholders	589,085.89	-22,361.65

Legal representative: Zhou Jianguo

Person-in-charge of the accounting work: Wei Hanping

Chief of the accounting division: Tang Xiaoping

6. Income statement of the Company for Jan.-Sept. 2013

Prepared by Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Total sales	37,606,463.46	52,617,000.78
Less: cost of sales	16,369,664.47	18,749,040.41
Business taxes and surcharges	7,234,494.54	8,340,361.92
Distribution expenses	7,616,779.02	3,591,038.63
Administrative expenses	21,027,724.93	20,034,755.36
Financial costs	153,816.04	-2,066,680.05
Impairment loss		
Add: gain/(loss) from change in fair value (“-” means loss)		0.00
Gain/(loss) from investment (“-” means loss)		0.00
Including: income from investment on associates and joint ventures		
II. Business profit (“-” means loss)	-14,796,015.54	3,968,484.51
Add: non-business income	602,002.01	30,231.00
Less: non-business expense	45,644.48	15,000.00
Including: loss from non-current asset disposal	4,644.48	
III. Total profit (“-” means loss)	-14,239,658.01	3,983,715.51
Less: income tax expense		
IV. Net profit (“-” means loss)	-14,239,658.01	3,983,715.51
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		
VI. Other comprehensive income		
VII. Total comprehensive income	-14,239,658.01	3,983,715.51

Legal representative: Zhou Jianguo

Person-in-charge of the accounting work: Wei Hanping

Chief of the accounting division: Tang Xiaoping

7. Consolidated cash flow statement for Jan.-Sept. 2013

Prepared by Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,483,769,682.66	654,720,138.94
Net increase of deposits from customers and dues from banks		
Net increase of loans from the central bank		
Net increase of funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase of deposits of policy holders and investment fund		
Net increase of disposal of tradable financial assets		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received		
Other cash received relating to operating activities	106,617,272.26	61,616,695.25
Subtotal of cash inflows from operating activities	1,590,386,954.92	716,336,834.19
Cash paid for goods and services	1,300,977,015.14	662,848,364.31
Net increase of customer lendings and advances		
Net increase of funds deposited in the central bank and amount due from banks		

Cash for paying claims of the original insurance contracts		
Cash for paying interest, handling charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	94,193,239.01	79,966,576.87
Various taxes paid	98,805,138.07	88,014,987.65
Other cash payment relating to operating activities	108,723,806.95	80,441,069.28
Subtotal of cash outflows from operating activities	1,602,699,199.17	911,270,998.11
Net cash flows from operating activities	-12,312,244.25	-194,934,163.92
II. Cash flows from investing activities:		
Cash received from withdrawal of investments		
Cash received from return on investments		0.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,524,637.46	16,500.00
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	7,524,637.46	16,500.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,868,316.09	4,163,753.00
Cash paid for investment		
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	2,868,316.09	4,163,753.00
Net cash flows from investing activities	4,656,321.37	-4,147,253.00

III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings	292,989,352.23	576,000,000.00
Cash received from issuance of bonds		
Other cash received relating to financing activities	25,000,000.00	
Subtotal of cash inflows from financing activities	317,989,352.23	576,000,000.00
Repayment of borrowings	370,316,902.32	301,272,355.34
Cash paid for interest expenses and distribution of dividends or profit	58,321,427.21	50,962,682.58
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities		
Sub-total of cash outflows from financing activities	428,638,329.53	352,235,037.92
Net cash flows from financing activities	-110,648,977.30	223,764,962.08
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-311,776.15	357,399.55
V. Net increase in cash and cash equivalents	-118,616,676.33	25,040,944.71
Add: Opening balance of cash and cash equivalents	463,713,702.77	324,967,185.86
VI. Closing balance of cash and cash equivalents	345,097,026.44	350,008,130.57

Legal representative: Zhou Jianguo

Person-in-charge of the accounting work: Wei Hanping

Chief of the accounting division: Tang Xiaoping

8. Cash flow statement of the Company for Jan.-Sept. 2013

Prepared by Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	898,487,340.22	48,007,162.14
Tax refunds received		
Other cash received relating to operating activities	85,583,854.13	305,701,687.85
Subtotal of cash inflows from operating activities	984,071,194.35	353,708,849.99
Cash paid for goods and services	468,167,038.09	215,887,260.25
Cash paid to and for employees	27,082,382.25	24,035,928.18
Various taxes paid	36,863,142.63	11,340,345.22
Other cash payment relating to operating activities	244,001,605.68	328,004,129.50
Subtotal of cash outflows from operating activities	776,114,168.65	579,267,663.15
Net cash flows from operating activities	207,957,025.70	-225,558,813.16
II. Cash flows from investing activities:		
Cash received from retraction of investments		
Cash received from return on investments		0.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities		0.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,067,052.09	448,597.00
Cash paid for investment	30,000,000.00	
Net cash paid to acquire subsidiaries and other business units	0.00	

Other cash payments relating to investing activities	0.00	
Subtotal of cash outflows from investing activities	32,067,052.09	448,597.00
Net cash flows from investing activities	-32,067,052.09	-448,597.00
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings		
Cash received from issuance of bonds	240,000,000.00	450,000,000.00
Other cash received relating to financing activities	25,000,000.00	0.00
Subtotal of cash inflows from financing activities	265,000,000.00	450,000,000.00
Repayment of borrowings	344,316,902.32	141,272,355.34
Cash paid for interest expenses and distribution of dividends or profit	46,553,882.32	45,225,318.69
Other cash payments relating to financing activities		0.00
Sub-total of cash outflows from financing activities	390,870,784.64	186,497,674.03
Net cash flows from financing activities	-125,870,784.64	263,502,325.97
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-477.47	-264.10
V. Net increase in cash and cash equivalents	50,018,711.50	37,494,651.71
Add: Opening balance of cash and cash equivalents	190,825,250.83	144,779,100.65
VI. Closing balance of cash and cash equivalents	240,843,962.33	182,273,752.36

Legal representative: Zhou Jianguo

Person-in-charge of the accounting work: Wei Hanping

Chief of the accounting division: Tang Xiaoping

II. Audit report

Is this report audited?

Yes No

This report is not audited.