

Stock Symbol: 000011, 200011

Stock Name: SZPRD A, SZPRD B

Announcement No.: 2018-11

SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.

FIRST QUARTER REPORT 2018 (SHORT VERSION)

Part I Important Notes

The Board of Directors (or the “Board”), the Supervisory Board as well as the Directors, Supervisors and senior management of ShenZhen Properties & Resources Development (Group) Ltd. (inclusive of its consolidated subsidiaries, the “Company”; exclusive of its subsidiaries, the “Parent Company”, except where the context otherwise requires) hereby guarantee the factuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions in this Report.

All the Company’s Directors have attended the Board meeting for the review of this Report.

Chen Yugang, the Company’s legal representative, Wang Hangjun, the Company’s head of financial affairs, and Shen Xueying, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Part II Key Corporate Information

I Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

☐ Yes ☒ No

	January-March 2018	January-March 2017	Change
Sales revenue (RMB)	544,366,414.09	1,038,683,462.42	-47.59%
Net income attributable to shareholders of the listed company (RMB)	53,456,824.88	301,597,814.36	-82.28%
Net income attributable to shareholders of the listed company before nonrecurring gains and losses (RMB)	53,039,124.57	301,333,394.74	-82.40%
Net cash flows from operating activities (RMB)	-96,704,935.74	-252,974,419.19	-61.77%
Basic earnings per share (RMB/share)	0.0897	0.5061	-82.28%
Diluted earnings per share (RMB/share)	0.0897	0.5061	-82.28%
Weighted average return on equity (%)	1.81%	11.77%	-9.96%
	March 31, 2018	December 31, 2017	Change
Total assets (RMB)	4,952,479,502.71	5,393,331,548.87	-8.17%
Equity attributable to shareholders of the listed company (RMB)	2,977,280,648.84	2,921,693,794.08	1.90%

Nonrecurring gains and losses:

☒ Applicable ☐ Not applicable

Unit: RMB

Item	January-March 2018	Note
Gains and losses on disposal of non-current assets (inclusive of offset allowance for asset impairments)	-20,561.94	
Non-operating revenue and expense other than above	577,175.10	
Less: Income tax effects	138,912.85	
Total	417,700.31	--

Explanation of why the Company classifies an item as a nonrecurring gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Nonrecurring Gains and Losses, or reclassifies any nonrecurring gain/loss item listed in the said explanatory announcement as a recurring gain/loss:

☐ Applicable ☒ Not applicable

No such cases for the Reporting Period.

II Total Number of Shareholders and Top 10 Shareholders' Holdings at Period-End

1. Numbers of Common Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Common shareholders at period-end		47,299		Preferred shareholders with resumed voting rights at period-end (if any)		0	
Top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage at period-end (%)	Shares	Restricted shares	Pledged or frozen shares		
					Status	Shares	
Shenzhen Construction Investment Holdings Corporation	State-owned juridical person	54.33%	323,796,324	293,997,370			
Shenzhen Investment Management Corporation	State-owned juridical person	9.49%	56,582,573	56,582,573			
Du Xinye	State-owned juridical person	0.65%	3,880,800				
Zhou Qun	Domestic natural person	0.52%	3,115,450				
Du Yunfeng	Domestic natural person	0.39%	2,323,000				
Shenzhen Duty-Free Commodity Enterprises Co., Ltd.	Domestic non-state-owned juridical person	0.29%	1,730,300	1,730,300			
Yang Yaochu	Domestic natural person	0.24%	1,410,620				
Li Jing	Domestic natural person	0.20%	1,176,740				
Mai Furong	Domestic natural person	0.19%	1,130,500				
Chen Liying	Domestic natural	0.16%	953,521				

	person					
Top 10 non-restricted shareholders						
Name of shareholder	Non-restricted shares held at period-end	Type of shares		Type	Shares	
Shenzhen Construction Investment Holdings Corporation	29,798,954	RMB common stock			29,798,954	
Du Xinye	3,880,800	RMB common stock			3,880,800	
Zhou Qun	3,115,450	RMB common stock			3,115,450	
Du Yunfeng	2,323,000	RMB common stock			2,323,000	
Yang Yaochu	1,410,620	Domestically listed stock for foreign investors			1,410,620	
Li Jing	1,176,740	Domestically listed stock for foreign investors			1,176,740	
Mai Furong	1,130,500	Domestically listed stock for foreign investors			1,130,500	
Chen Liying	953,521	Domestically listed stock for foreign investors			953,521	
Zhang Shaoming	729,300	RMB common stock			729,300	
Wuhan Xingkaiyuan Electrical Power Engineering Co., Ltd	700,000	RMB common stock			700,000	
Related or acting-in-concert parties among shareholders above	The first and second principal shareholders of the Company are managed by Shenzhen Investment Holding Corporation, the actual controlling shareholder of the Company. And the Company does not know whether there are related parties or acting-in-concert parties among the other 8 shareholders.					
Shareholders conducting securities margin trading (if any)	N/A					

Indicate by tick mark whether any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conducted any promissory repo during the Reporting Period.

☐ Yea ☒ No

No such cases in the Reporting Period.

2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

☐ Applicable ☒ Not applicable

Part III Significant Events

I Changes in Selected Financial Statement Items and Explanation of why

√ Applicable □ Not applicable

1. Other accounts receivable stood at RMB23,732,485.54 at the end of the Reporting Period, down by 74.02% from the opening amount, mainly because of the collection of the final payment from the share transfer of two taxi service subsidiaries in the Reporting Period.
2. The advances from customers stood at RMB131,168,812.43 at the end of the Reporting Period, down by 74.63% from the opening amount, mainly because of the carry-over of the advances from customers for property sales available for carry-over in the Reporting Period.
3. Other comprehensive income stood at RMB-1,981,557.26 at the end of the Reporting Period, up by 51.81% from the opening amount, mainly because of the increase of the differences arising from translation of foreign currency-denominated financial statements caused by changes in foreign exchange rates.
4. The sales revenue realized by the Company in the Reporting Period stood at RMB544,366,414.09, down by 47.59% from the same period of last year, mainly because of the dramatic decrease of revenues from real estate business caused by the slump of the average settlement price for various projects.
5. The cost of sales in the Reporting Period stood at RMB465,535,043.55, up by 77.38% from the same period of last year, mainly because of the increase of the project settlement area.
6. The taxes and surtaxes of the Company in the Reporting Period stood at RMB4,305,000.94, down by 98.78% from the same period of last year, mainly because of the dramatic decrease of the increment tax on land value caused by the slump of the gross profit rate of projects settled in the Reporting Period.
7. The selling expense of the Company in the Reporting Period stood at RMB2,237,799.47, down by 54.82% from the same period of last year, mainly because of the decrease of paid sales agent fees and service charges caused by the reduction of sales realized in the Reporting Period.
8. The finance costs of the Company in the Reporting Period stood at RMB-18,926,710.87, the income (negative) was up by 162.12%, mainly because of the increase of interest revenue in the Reporting Period.
9. The asset impairment losses of the Company in the Reporting Period stood at RMB0.00, the asset impairment losses of the same period of last year was of RMB-233,280.00, mainly because of the return of accounts receivable of the same period of last year which were accrued bad debt provision by aging analysis method into bad debt provision.
10. Both the investment income realized by the Company and the investment income in joint ventures and associates in the Reporting Period were RMB-280,948.37, both down by 132.31% from the same period of last year, mainly because of the reduction of revenues realized by joint ventures of the Company in the Reporting Period.
11. The net non-operating revenue of the Company in the Reporting Period stood at RMB556,613.16, up by 83.54% from the same period of last year, mainly because of the increase of confiscated income in the Reporting Period.
12. The income tax expense of the Company in the Reporting Period stood at RMB17,958,805.45, down by 82.03% from the same period of last year, mainly because of the reduction of profits realized by the Company in

the Reporting Period.

13. The operating income, pretax income and net income (attributable to the Parent Company) realized by the Company in the Reporting Period respectively stood at RMB70,859,017.17, RMB71,415,630.33, and RMB53,456,824.88, respectively down by 82.34%, 82.21% and 82.28%, mainly because of the decrease of income arising from real estate business realized by the Company in the Reporting Period and because of the slump of gross profit rate of projects settled

14. Other comprehensive income, net of tax, of the Company in the Reporting Period stood at RMB2,130,029.88, up by 426.07% from the same period of last year, mainly because of the increase of the differences arising from translation of foreign currency-denominated financial statements caused by changes in foreign exchange rates.

15. The net cash flows from operating activities of the Company in the Reporting Period stood at RMB-96,704,935.74, the net outflow (negative) was down by 61.77% from the same period of last year, mainly because of the decrease of taxes paid by the Company in the Reporting Period.

16. The net cash flows from investing activities of the Company in the Reporting Period stood at RMB75,616,212.09, up by 51239.71% from the same period of last year, mainly because of the collection of the final payment for the share transfer of two taxi service subsidiaries in the Reporting Period.

17. The net increase in cash and cash equivalents of the Company in the Reporting Period stood at RMB-23,171,492.09, the net outflow (negative) was down by 90.86% from the same period of last year, mainly because of the reduction of the taxes paid by the Company in the Reporting Period.

II Progress, Influence and Solutions Associated with Significant Events

☐ Applicable ☒ Not applicable

III Commitments that the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company and Other Commitment Makers, Failed to Fulfill on Time during Reporting Period

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

IV Operating Result Forecast for January-June 2018

Warning of a forecast loss on or a forecast significant year-over-year change in net income for January-June 2018, as well as explanation of why:

☐ Applicable ☒ Not applicable

V Securities Investments

☒ Applicable ☐ Not applicable

Variety of security	Symbol of security	Name of security	Initial investment cost (RMB)	Opening holding (share)	Opening holding percentage	Closing holding (share)	Closing holding percentage	Closing book value (RMB)	Gain/loss in Reporting Period (RMB)	Accounting title	Source
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Stock	400016	Gintian A	2,991,975.03	1,431,567	0.43%	1,431,567	0.43%	2,991,975.03		Available-for-sale financial asset	Obtained in debt restructuring
Stock	420016	Gintian B	573,881.03	539,455	0.16%	539,455	0.16%	599,234.17		Available-for-sale financial asset	Obtained in debt restructuring
Total			3,565,856.06	1,971,022	--	1,971,022	--	3,591,209.20	0.00	--	--
Disclosure date of announcement on Board's consent for securities investment											
Disclosure date of announcement on shareholders' meeting's consent for securities investment (if any)											

VI Investments in Derivative Financial Instruments

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

VII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

☒ Applicable ☐ Not applicable

Date of visit	Way of visit	Type of visitor	About
January 5, 2018	SZSE EasyIR	Individual	Inquired of the situations of land auction
January 11, 2018	SZSE EasyIR	Individual	Inquired of the sales and land banking of Front Sea Project
January 11, 2018	By phone	Individual	Inquired of the future development strategy of the Company
January 12, 2018	SZSE EasyIR	Individual	Inquired of the overviews of Golden Collar's Resort Project
January 18, 2018	SZSE EasyIR	Individual	Inquired of the business development of the Company
January 26, 2018	SZSE EasyIR	Individual	Inquired of the bank landing of the Company
January 31, 2018	By phone	Individual	Inquired of the earnings forecast of the

			annual report of the Company
February 1, 2018	By phone	Individual	Inquired of the operation and stocks' price trend of the Company
February 2, 2018	SZSE EasyIR	Individual	Inquired of the situations of land in Meilin of the Company
February 7, 2018	By phone	Individual	Inquired of the stocks' price trend of the Company
February 8, 2018	SZSE EasyIR	Individual	Inquired of the stock price and performance of the Company
February 8, 2018	SZSE EasyIR	Individual	Inquired of the disclosure of annual report of the Company
February 11, 2018	SZSE EasyIR	Individual	Inquired of lifting the ban for restricted shares
February 12, 2018	SZSE EasyIR	Individual	Inquired of the development plan between Guangdong-Hong Kong-Macao Bay Area and the Company
February 14, 2018	SZSE EasyIR	Individual	Inquired of the advices for dividends scheme of the Company
March 6, 2018	SZSE EasyIR	Individual	Inquired of the investment plan between Guangdong-Hong Kong-Macao Bay Area and the Company
March 9, 2018	SZSE EasyIR	Individual	Inquired of the measures of state-owned enterprises reform
March 19, 2018	SZSE EasyIR	Individual	Inquired of the land banking and future planning of the Company
March 23, 2018	SZSE EasyIR	Individual	Inquired of the plan for state-owned enterprises reform and the restricted shares of major shareholders of the Company

VIII Irregularities in Provision of Guarantees for External Parties

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

IX Occupation of the Company's Money by Its Controlling Shareholder or Related Parties for Non-Operating Purposes

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.