

Stock Code: 000029, 200029

Stock Name: SPG, SPG-B

Announcement No.: 2021-046

SHENZHEN SPECIAL ECONOMIC ZONE REAL ESTATE & PROPERTIES (GROUP) CO., LTD.

THIRD QUARTERLY REPORT 2021

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. (hereinafter referred to as the “Company”) and all the members of the Company’s Board of Directors hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions.

Important Notes:

1. The Board of Directors, the Supervisory Committee as well as the directors, supervisors and senior management of the Company hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions, and collectively and individually accept legal responsibility for such contents.
2. The Company’s legal representative, Chief Financial Officer, and head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the financial statements carried in this Report are true, accurate and complete.
3. Indicate whether the financial statements in this Report have been audited by an independent auditor.

Yes No

I Key Financial Information

(I) Key Accounting Data and Financial Indicators

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

Yes No

	Q3 2021	YoY change (%)	Q1-Q3 2021	YoY change (%)
Operating revenue (RMB)	272,065,605.11	-56.22%	966,663,823.58	-20.61%
Net profit attributable to the listed company’s shareholders (RMB)	29,640,906.70	-70.82%	163,539,812.93	-17.75%
Net profit attributable to the listed company’s shareholders before exceptional gains and losses (RMB)	29,576,289.10	-70.78%	162,466,061.77	-17.87%
Net cash generated from/used in operating activities (RMB)	—	—	-1,264,096,374.55	-1,397.71%
Basic earnings per share (RMB/share)	0.1004	-4.47%	0.1617	-17.71%
Diluted earnings per share (RMB/share)	0.1004	-4.47%	0.1617	-17.71%
Weighted average return on equity (%)	0.77%	-1.99%	4.26%	-8.48%
	30 September 2021	31 December 2020	Change (%)	

Total assets (RMB)	6,181,890,175.11	4,936,916,746.74	25.22%
Equity attributable to the listed company's shareholders (RMB)	3,873,072,154.75	3,797,512,488.22	1.99%

(II) Exceptional Gains and Losses√ Applicable Not applicable

Unit: RMB

Item	Q3 2021	Q1-Q3 2021	Note
Non-operating income and expense other than the above	86,156.80	1,431,668.21	
Less: Income tax effects	21,539.20	357,917.05	
Total	64,617.60	1,073,751.16	--

Other items that meet the definition of exceptional gain/loss:

 Applicable Not applicable

No such cases in the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

 Applicable Not applicable

No such cases in the Reporting Period.

(III) Changes in Key Financial Statement Line Items and Explanation√ Applicable Not applicable

Unit: RMB

Key income statement item	Q1-Q3 2021	Q1-Q3 2020	Change (%)	Reason for change
Operating revenue	966,663,823.58	1,217,660,802.78	-20.61%	Decrease in carryforwards of property sales
Marketing expense	31,229,738.10	49,259,539.14	-36.60%	Adjustment to the marketing pace
Finance costs	-17,527,527.04	-6,794,077.29	-157.98%	Increase in interest income
Return on investment	1,889,160.47	15,816,818.60	-88.06%	Decrease in income from investments in wealth management products
Key cash flow statement item	Q1-Q3 2021	Q1-Q3 2020	Change (%)	Reason for change
Net cash generated from/used in operating activities	-1,264,096,374.55	97,409,818.45	-1397.71%	Payment for land
Net cash generated from/used in investing activities	-951,251,423.49	1,020,818,810.32	193.19%	Purchase of monetary funds
Net cash generated from/used in financing activities	243,164,282.22	-166,923,900.00	245.67%	Project company's receipt of loan from minority shareholder
Key balance sheet statement	30 September 2021	31 December 2020	Change (%)	Reason for change
Monetary assets	702,463,353.84	2,687,465,070.01	-73.86%	Purchase of monetary funds and payment for land
Inventories	3,977,470,978.35	1,220,464,112.56	225.90%	Increase in property development projects
Accounts payable	100,660,778.43	176,926,614.28	-43.11%	Payment for engineering service
Contract liabilities	322,759,572.82	196,786,977.19	64.01%	Increase in property pre-sale revenue

II Shareholder Information**(I) Numbers of Ordinary Shareholders and Preference Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders**

Unit: share

Number of ordinary shareholders	57,265	Number of preference shareholders with resumed voting rights (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge, marked or frozen	
					Status	Shares
Shenzhen Investment Holdings Co., Ltd.	State-owned corporation	57.19%	578,595,836			
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	Domestic non-state-owned legal person	6.35%	64,288,426			
Yang Jianmin	Domestic natural person	0.37%	3,766,777			
Pan Jun	Domestic natural person	0.32%	3,254,300			
Lin Weirong	Domestic natural person	0.31%	3,128,600			
Wang Yulan	Domestic natural person	0.23%	2,288,391			
Liu Yuqing	Domestic natural person	0.21%	2,100,201			
Shenzhen Bao'an Songgang Huamei Industry Company	Domestic non-state-owned legal person	0.18%	1,835,300			
Zang Xiangfeng	Domestic natural person	0.16%	1,614,363			
He Qiao	Domestic natural person	0.16%	1,575,000			
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by type				
		Type	Shares			
Shenzhen Investment Holdings Co., Ltd.	578,595,836	RMB-denominated ordinary stock	578,595,836			
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	64,288,426	RMB-denominated ordinary stock	64,288,426			
Yang Jianmin	3,766,777	RMB-denominated ordinary stock	3,766,777			
Pan Jun	3,254,300	RMB-denominated ordinary stock	3,254,300			
Lin Weirong	3,128,600	RMB-denominated ordinary stock	3,128,600			
Wang Yulan	2,288,391	RMB-denominated ordinary stock	2,288,391			
Liu Yuqing	2,100,201	RMB-denominated ordinary stock	2,100,201			
Shenzhen Bao'an Songgang Huamei Industry Company	1,835,300	RMB-denominated ordinary stock	1,835,300			
Zang Xiangfeng	1,614,363	RMB-denominated ordinary stock	1,614,363			
He Qiao	1,575,000	RMB-denominated ordinary stock	1,575,000			
Related or acting-in-concert parties among the shareholders above	Among the top 10 shareholders of the Company, Shenzhen State-Owned Equity Operation and Management Co., Ltd. is the wholly-owned subsidiary of Shenzhen Investment Holdings Co., Ltd. The Company does					

	not know whether there exists related-party relationship among the other shareholders, or whether they are persons acting in concert as prescribed in the <i>Administrative Measures for the Acquisition of Listed Companies</i> .
Top 10 shareholders engaged in securities margin trading (if any)	Among the top 10 shareholders, the third shareholder holds 1,466,400 shares of the Company in his credit security account; the fifth shareholder holds 1,969,900 shares of the Company in his credit security account; the seventh shareholder holds 2,010,201 shares of the Company in his credit security account; the eighth shareholder holds 1,835,300 shares of the Company in its credit security account; the ninth shareholder holds 1,600,663 shares of the Company in its credit security account; the tenth shareholder holds 1,279,600 shares of the Company in his credit security account.

(II) Number of Preference Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

III Other Significant Events

Applicable Not applicable

The Measures for the Management of Employees' Co-investment and the Measures for the Management of Employees' Co-investment of Linxijun Project were deliberated and approved at the 63rd Meeting of the 7th Board of Directors and the 2021 First Extraordinary General Meeting. For more details, see the Announcement on Resolutions of the 63rd Meeting of the 7th Board of Directors (Announcement No. 2021-023) and the Announcement on Resolutions of the 2021 First Extraordinary General Meeting of Shareholders (Announcement No. 2021-026) disclosed on 1 July and 17 July 2021. During the Reporting Period, the co-investment employees followed the investment in projects through establishing a partnership enterprise and completed the payment of co-investment subscription funds.

During the Reporting Period, the Company received the Letter of Commitment on Avoiding Horizontal Competition from the controlling shareholder Shenzhen Investment Holdings Co., Ltd. which took effect since 27 September 2021. For more details, see the Announcement on Receiving the Letter of Commitment on Avoiding Horizontal Competition from the Controlling Shareholder (Announcement No. 2021-032) disclosed by the Company on 11 September 2021 and the Announcement on Resolutions of the 2021 First Extraordinary General Meeting (Announcement No. 2021-34) disclosed by ShenZhen Properties & Resources Development (Group) Ltd. on 27 September 2021.

In June 2021, the Company purchased wealth management products with its own funds of RMB1.3 billion. For more details, see the Announcement on Progress of Purchasing Wealth Management Products with its Own Funds (Announcement No. 2021-022) disclosed by the Company on 4 June 2021. Above wealth management products have been partly redeemed during the Reporting Period. For more details, see the Announcement on Progress of Purchasing Wealth Management Products with its Own Funds (Announcement No. 2021-036) disclosed by the Company on 24 September 2021.

On 28 September 2021, the Company participated in the land use right assignment activity through quotation held by the Land and Mining Rights Business Branch of Shenzhen Exchange Group Co., Ltd., and won the use right of No. A511-0039 state-owned land with RMB965 million. For more details, see the Announcement on Winning the Bid of State-Owned Land Use Right (Announcement No. 2021-039) disclosed by the Company on 30 September 2021.

IV Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

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

30 September 2021

Unit: RMB

Item	30 September 2021	31 December 2020
Current assets:		
Monetary assets	702,463,353.84	2,687,465,070.01
Settlement reserve		
Loans to other banks and financial institutions		

Held-for-trading financial assets	510,767,599.33	
Derivative financial assets		
Notes receivable	11,114,994.95	35,438,045.34
Accounts receivable	55,993,577.86	59,590,944.06
Receivables financing		
Prepayments	11,517,698.85	3,205,534.51
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	16,225,307.09	32,745,043.84
Including: Interest receivable		
Dividends receivable	1,052,192.76	1,052,192.76
Financial assets purchased under resale agreements		
Inventories	3,977,470,978.35	1,220,464,112.56
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	128,265,569.09	102,907,134.79
Total current assets	5,413,819,079.36	4,141,815,885.11
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	377,489.65	377,489.65
Investments in other equity instruments	37,811,287.05	37,510,860.51
Other non-current financial assets		
Investment property	596,946,146.28	616,365,621.53
Fixed assets	26,322,494.00	28,039,978.43
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development costs		
Goodwill		
Long-term prepaid expense	1,235,547.16	61,667.53
Deferred income tax assets	105,378,131.61	112,745,243.98
Other non-current assets		
Total non-current assets	768,071,095.75	795,100,861.63
Total assets	6,181,890,175.11	4,936,916,746.74
Current liabilities:		
Short-term borrowings	52,261,448.28	76,893,995.94
Borrowings from the central bank		
Loans from other banks and financial		

institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	309,963,085.83	
Accounts payable	100,660,778.43	176,926,614.28
Advances from customers	7,234,825.01	5,940,092.15
Contract liabilities	322,759,572.82	196,786,977.19
Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	56,949,499.33	60,467,834.09
Taxes and levies payable	534,560,448.32	459,709,646.95
Other payables	600,816,147.79	277,105,129.74
Including: Interest payable	16,535,277.94	16,535,277.94
Dividends payable		
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities		
Other current liabilities	16,052,821.06	8,917,027.07
Total current liabilities	2,001,258,626.87	1,262,747,317.41
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	7,714,318.04	7,480,233.43
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities	9,601,940.74	9,601,940.74
Other non-current liabilities		
Total non-current liabilities	17,316,258.78	17,082,174.17
Total liabilities	2,018,574,885.65	1,279,829,491.58
Owners' equity:		
Share capital	1,011,660,000.00	1,011,660,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	978,244,910.11	978,244,910.11
Less: Treasury stock		

Other comprehensive income	28,197,323.73	28,163,050.13
Specific reserve		
Surplus reserves	218,724,273.67	218,724,273.67
General reserve		
Retained earnings	1,636,245,647.24	1,560,720,254.31
Total equity attributable to owners of the Company as the parent	3,873,072,154.75	3,797,512,488.22
Non-controlling interests	290,243,134.71	-140,425,233.06
Total owners' equity	4,163,315,289.46	3,657,087,255.16
Total liabilities and owners' equity	6,181,890,175.11	4,936,916,746.74

Legal representative: Liu Zhengyu

Chief Financial Officer: Wang Jianfei

Head of the financial department: Qiao Yanjun

2. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2021	Q1~Q3 2020
1. Revenues	966,663,823.58	1,217,660,802.78
Including: Operating revenue	966,663,823.58	1,217,660,802.78
Interest income		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	758,251,988.28	960,778,486.08
Including: Cost of sales	487,064,303.36	605,566,564.44
Interest expense		
Fee and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and levies	198,738,261.87	256,360,411.16
Selling expense	31,229,738.10	49,259,539.14
Administrative expense	58,747,211.99	56,386,048.63
R&D expense		
Finance costs	-17,527,527.04	-6,794,077.29
Including: Interest expense		
Interest income	17,610,476.40	7,502,105.11
Add: Other income	1,139,049.16	948,216.96
Return on investment ("-" for loss)	1,889,160.47	15,816,818.60
Including: Share of profit or loss of joint ventures and associates		
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Exchange gain ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	8,571,018.86	
Credit impairment loss ("-" for loss)	1,167,580.27	
Asset impairment loss ("-" for loss)		534,500.00

Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	221,178,644.06	274,181,852.26
Add: Non-operating income	1,587,259.37	3,428,723.89
Less: Non-operating expense	155,591.16	2,073,834.53
4. Gross profit (“-” for loss)	222,610,312.27	275,536,741.62
Less: Income tax expense	60,786,470.63	76,660,884.16
5. Net profit (“-” for net loss)	161,823,841.64	198,875,857.46
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	161,823,841.64	198,875,857.46
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	163,539,812.93	198,840,278.63
5.2.1 Net profit attributable to non-controlling interests	-1,715,971.29	35,578.83
6. Other comprehensive income, net of tax	434,659.62	-5,938,704.24
Attributable to owners of the Company as the parent	34,273.60	-6,275,302.44
6.1 Items that will not be reclassified to profit or loss	300,426.54	-4,528,691.88
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments	300,426.54	-4,528,691.88
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-266,152.94	-1,746,610.56
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-266,152.94	-1,746,610.56
6.2.7 Other		
Attributable to non-controlling interests	400,386.02	336,598.20
7. Total comprehensive income	162,258,501.26	192,937,153.22
Attributable to owners of the Company as the parent	163,574,086.53	192,564,976.19
Attributable to non-controlling interests	-1,315,585.27	372,177.03
8. Earnings per share		
8.1 Basic earnings per share	0.1617	0.1965
8.2 Diluted earnings per share	0.1617	0.1965

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Liu Zhengyu

Chief Financial Officer: Wang Jianfei

Head of the financial department: Qiao Yanjun

3. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2021	Q1~Q3 2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,193,484,545.48	1,264,810,543.01
Net increase in customer deposits and deposits from other banks and financial institutions		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, fees and commissions received		
Net increase in loans from other banks and financial institutions		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax and levy rebates	36,956.05	30,184.28
Cash generated from other operating activities	291,631,335.69	189,648,016.53
Subtotal of cash generated from operating activities	1,485,152,837.22	1,454,488,743.82
Payments for commodities and services	1,960,830,478.99	335,093,891.09
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other banks and financial institutions		
Payments for claims on original insurance contracts		
Net increase in loans to other banks and financial institutions		
Interest, fees and commissions paid		
Policy dividends paid		
Cash paid to and for employees	109,899,447.97	112,729,873.31
Taxes and levies paid	259,655,231.62	604,692,731.70
Cash used in other operating activities	418,864,053.19	304,562,429.27
Subtotal of cash used in operating activities	2,749,249,211.77	1,357,078,925.37
Net cash generated from/used in operating activities	-1,264,096,374.55	97,409,818.45
2. Cash flows from investing activities:		
Proceeds from disinvestment		1,000,000,000.00
Return on investment	1,889,160.47	20,917,568.22
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	1,700.00	1,000.00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	797,803,419.53	
Subtotal of cash generated from investing activities	799,694,280.00	1,020,918,568.22
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	1,063,945.34	99,757.90
Payments for investments		
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units	449,881,758.15	
Cash used in other investing activities	1,300,000,000.00	
Subtotal of cash used in investing activities	1,750,945,703.49	99,757.90
Net cash generated from/used in investing activities	-951,251,423.49	1,020,818,810.32
3. Cash flows from financing activities:		
Capital contributions received		

Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings received		
Cash generated from other financing activities	331,178,702.21	
Subtotal of cash generated from financing activities	331,178,702.21	0.00
Repayment of borrowings		
Interest and dividends paid	88,014,419.99	166,923,900.00
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	88,014,419.99	166,923,900.00
Net cash generated from/used in financing activities	243,164,282.22	-166,923,900.00
4. Effect of foreign exchange rates changes on cash and cash equivalents	-34,837.73	-366,192.25
5. Net increase in cash and cash equivalents	-1,972,218,353.55	950,938,536.52
Add: Cash and cash equivalents, beginning of the period	2,669,103,926.82	1,507,189,760.35
6. Cash and cash equivalents, end of the period	696,885,573.27	2,458,128,296.87

(II) Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of the New Standards Governing Leases from 2021

Applicable Not applicable

Whether the Company needs to adjust items in the balance sheet at the beginning of the year

Yes No

The reason for not adjusting balance sheet account at the beginning of the year:

In accordance with the provisions of the new leasing standards, from 1 January 2021, the group chooses to recognize right-of-use assets and lease liabilities for all leased assets at the present value of the minimum lease payment for future rent payable, with the exception of simplified short-term leases and leases of low-value assets, and to recognize depreciation and interest expenses respectively, without adjusting the information for comparable periods. In practice, there are not many leased assets within the group, which is the main reason to simplify short-term leases and leases of low-value assets and no longer recognize its right-of-use assets and lease liabilities.

2. Retrospective Restatement of Previous Comparative Data due to the First Execution of the New Standards Governing Leases from 2021

Applicable Not applicable

(III) Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes No

These financial statements have not been audited by such an auditor.

Board of Directors

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

25 October 2021