

Stock Code: 000029, 200029

Stock Name: SPG, SPG-B

Announcement No.: 2023-038

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

THIRD QUARTERLY REPORT 2023

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 2023	YoY change (%)	Q1-Q3 2023	YoY change (%)
Operating revenue (RMB)	90,700,026.78	-43.37%	354,316,805.85	-32.68%
Net profit attributable to the listed company's shareholders (RMB)	686,777.00	-103.43%	-36,431,405.81	-129.12%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	-1,532,526.34	-92.44%	-44,001,435.49	1,304.53%
Net cash generated from/used in operating activities (RMB)	—	—	-63,333,407.59	89.63%
Basic earnings per share (RMB/share)	0.0007	-103.54%	-0.0360	-129.10%
Diluted earnings per share (RMB/share)	0.0007	-103.54%	-0.0360	-129.10%
Weighted average return on equity (%)	0.02%	0.52%	-0.92%	-4.09%
	30 September 2023	31 December 2022	Change (%)	
Total assets (RMB)	5,660,116,336.12	5,689,769,802.18	-0.52%	
Equity attributable to the listed company's shareholders (RMB)	3,904,198,540.56	4,004,240,547.70	-2.50%	

(II) Exceptional Gains and Losses

Applicable Not applicable

Item	Q3 2023	Q1-Q3 2023	Unit: RMB Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-799.45	2,951.05	
Government grants through profit or loss (exclusive of government grants continuously given in the Company's ordinary course of business at fixed quotas or amounts as per the government's policies and standards)	0.00	123,732.31	Government grants received
Gain/Loss incurred from contingency unrelated to the Company's normal operating businesses.	172,096.87	1,816,919.56	
Gain or loss on fair-value changes on held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	2,048,046.94	5,686,654.29	Gains on fair-value changes on investments in monetary fund and other investment income
Non-operating income and expense other than the above	-321.17	-38,075.58	
Less: Income tax effects	-280.15	22,151.95	
Total	2,219,303.34	7,570,029.68	--

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 of why

Applicable Not applicable

Operating revenue and net profit attributable to the listed company's shareholders before exceptional gains and losses for Q1-Q3 2023 decreased 32.68% and 1,304.53% respectively as compared to the same period of last year, primarily driven by the decreased property sales revenue.

Net profit attributable to the listed company's shareholders for Q1-Q3 2023 decreased 129.12% as compared to the same period of last year, primarily driven by the transfer of 100% of Shenzhen Property Management Co., Ltd. in the same period of last year and the decreased property sales revenue in the current period.

Net cash used in operating activities decreased 89.63% during Q1-Q3 2023 as compared to the same period of last year, primarily driven by the payment of land value added tax in the same period of last year as well as the gradual inflow of pre-sale revenue of the Guangmingli project and the decreased investment in the Linxinyuan project in Huizhou City in the current period.

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	43,339	Number of preference shareholders with resumed voting rights	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	55.78%	564,353,838			
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	1.09%	10,986,877			
Zhang Xiujuan	Domestic natural person	0.47%	4,760,400			
Wang Yulan	Domestic natural person	0.44%	4,427,191			
He Qiao	Domestic natural person	0.40%	4,022,359			
Pan Jun	Domestic natural person	0.39%	3,916,800			
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	0.35%	3,541,729			
Wang Zhengying	Domestic natural	0.29%	2,918,100			

	person				
Zhang Zi	Domestic natural person	0.26%	2,586,400		
Top 10 unrestricted shareholders					
Name of shareholder	Unrestricted shares held	Shares by type			
		Type	Shares		
Shenzhen Investment Holdings Co., Ltd.	564,353,838	RMB-denominated ordinary stock	564,353,838		
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	64,288,426	RMB-denominated ordinary stock	64,288,426		
Yang Jianmin	10,986,877	RMB-denominated ordinary stock	10,986,877		
Zhang Xiujuan	4,760,400	RMB-denominated ordinary stock	4,760,400		
Wang Yulan	4,427,191	RMB-denominated ordinary stock	4,427,191		
He Qiao	4,022,359	RMB-denominated ordinary stock	3,865,473		
		Domestically listed foreign stock	156,886		
Pan Jun	3,916,800	RMB-denominated ordinary stock	3,916,800		
Hong Kong Securities Clearing Company Ltd.	3,541,729	RMB-denominated ordinary stock	3,541,729		
Wang Zhengying	2,918,100	RMB-denominated ordinary stock	2,918,100		
Zhang Zi	2,586,400	RMB-denominated ordinary stock	2,586,400		
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	Among the top 10 shareholders, the third shareholder holds 9,804,200 shares of the Company in his credit security account; the fourth shareholder holds 4,760,400 shares of the Company in his credit security account; the sixth shareholder holds 3,732,000 shares of the Company in his credit security account; the ninth shareholder holds 2,918,100 shares of the Company in its credit security account; the tenth shareholders holds 2,497,400 shares of the Company in its 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

IV Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

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

Unit: RMB

Item	30 September 2023	1 January 2023
Current assets:		
Monetary assets	364,191,991.31	197,663,949.74
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets	276,503,415.71	408,154,361.42
Derivative financial assets		
Notes receivable		1,536,150.00
Accounts receivable	35,827,221.67	63,580,422.16
Receivables financing		
Prepayments	762,325.97	1,163,612.24
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	15,100,732.65	42,105,050.33
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	4,293,033,713.17	4,257,109,614.31
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	43,360,746.55	36,778,641.42
Total current assets	5,028,780,147.03	5,008,091,801.62
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	93,927.64	93,927.64
Investments in other equity instruments	13,787,820.00	13,839,235.57
Other non-current financial assets		
Investment property	548,211,054.29	566,873,915.07
Fixed assets	20,295,139.81	21,425,475.05
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets	132,855.29	232,496.72
Intangible assets		
Development costs		
Goodwill		
Long-term prepaid expense	1,790,037.93	2,176,221.53
Deferred income tax assets	47,025,354.13	77,036,728.98
Other non-current assets		
Total non-current assets	631,336,189.09	681,678,000.56
Total assets	5,660,116,336.12	5,689,769,802.18
Current liabilities:		
Short-term borrowings	26,973,544.76	51,138,077.62
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		

Accounts payable	396,756,133.63	434,601,559.67
Advances from customers	4,871,471.88	5,465,343.96
Contract liabilities	193,363,120.56	43,533,467.29
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	25,381,851.09	35,724,203.78
Taxes and levies payable	37,272,312.56	190,951,185.99
Other payables	556,949,129.04	574,331,340.84
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	30,946,196.66	6,188,794.43
Other current liabilities	17,223,024.08	3,882,817.68
Total current liabilities	1,289,736,784.26	1,345,816,791.26
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	185,413,437.60	54,261,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	13,772.23	53,885.23
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities	3,096,348.02	3,096,348.02
Other non-current liabilities		
Total non-current liabilities	188,523,557.85	57,411,233.25
Total liabilities	1,478,260,342.11	1,403,228,024.51
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	24,027,379.52	25,926,720.85
Specific reserve		
Surplus reserves	275,253,729.26	275,253,729.26
General reserve		
Retained earnings	1,615,012,521.67	1,713,155,187.48
Total equity attributable to owners of the Company as the parent	3,904,198,540.56	4,004,240,547.70
Non-controlling interests	277,657,453.45	282,301,229.97
Total owners' equity	4,181,855,994.01	4,286,541,777.67
Total liabilities and owners' equity	5,660,116,336.12	5,689,769,802.18

Legal representative: Tang Xiaoping Chief Financial Officer: Wang Jianfei Head of the financial department: Zhou Hongpu

2. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2023	Q1~Q3 2022
1. Revenues	354,316,805.85	526,354,062.13
Including: Operating revenue	354,316,805.85	526,354,062.13
Interest income		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	404,813,647.75	513,906,330.96
Including: Cost of sales	289,093,965.63	366,479,949.49
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	63,813,731.19	90,272,885.10
Selling expense	17,817,886.71	14,656,389.00
Administrative expense	34,809,213.29	47,428,250.80
R&D expense		
Finance costs	-721,149.07	-4,931,143.38
Including: Interest expense		
Interest income	1,303,132.63	3,618,913.93
Add: Other income	121,159.27	493,363.45
Return on investment (“-” for loss)	2,516,011.35	165,075,180.97
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)	4,987,562.50	6,896,129.52
Credit impairment loss (“-” for loss)	529,176.78	-564,302.42
Asset impairment loss (“-” for loss)		-532,397.57
Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	-42,342,932.00	183,815,705.12
Add: Non-operating income	19,661.14	844,371.06
Less: Non-operating expense	52,212.63	254,973.93
4. Gross profit (“-” for loss)	-42,375,483.49	184,405,102.25
Less: Income tax expense	-2,092,269.34	62,719,392.70
5. Net profit (“-” for net loss)	-40,283,214.15	121,685,709.55
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	-40,283,214.15	112,040,552.14
5.1.2 Net profit from discontinued operations (“-” for net loss)		9,645,157.41
5.2 By ownership		
5.2.1 Net profit attributable to shareholders of the Company as the parent (“-” for net loss)	-36,431,405.81	125,120,961.59
5.2.1 Net profit attributable to non-controlling interests (“-” for net loss)	-3,851,808.34	-3,435,252.04
6. Other comprehensive income, net of tax	-2,691,309.51	-9,374,622.80
Attributable to owners of the Company as the parent	-1,899,341.33	-6,886,381.58
6.1 Items that will not be reclassified to profit or loss	-51,415.57	-1,080,485.41
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	-51,415.57	-1,080,485.41
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	-1,847,925.76	-5,805,896.17
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	-1,847,925.76	-5,805,896.17
6.2.7 Other		
Attributable to non-controlling interests	-791,968.18	-2,488,241.22
7. Total comprehensive income	-42,974,523.66	112,311,086.75
7.1 Attributable to owners of the Company as the parent	-38,330,747.14	118,234,580.01
7.2 Attributable to non-controlling interests	-4,643,776.52	-5,923,493.26
8. Earnings per share		
8.1 Basic earnings per share	-0.0360	0.1237
8.2 Diluted earnings per share	-0.0360	0.1237

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: Tang Xiaoping Chief Financial Officer: Wang Jianfei Head of the financial department: Zhou Hongpu

3. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2023	Q1~Q3 2022
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	416,750,824.92	340,192,663.39
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	1,186,861.59	130,983,924.40
Cash generated from other operating activities	29,129,487.96	41,958,184.88
Subtotal of cash generated from operating activities	447,067,174.47	513,134,772.67
Payments for commodities and services	123,719,069.83	278,878,904.10
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	53,087,639.58	68,683,129.50
Taxes and levies paid	201,016,409.51	576,441,841.05
Cash used in other operating activities	132,577,463.14	199,743,887.60

Subtotal of cash used in operating activities	510,400,582.06	1,123,747,762.25
Net cash generated from/used in operating activities	-63,333,407.59	-610,612,989.58
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment	2,354,519.56	10,527,896.61
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	3,537.60	2,907.50
Net proceeds from the disposal of subsidiaries and other business units		157,394,714.05
Cash generated from other investing activities	136,800,000.00	115,000,000.00
Subtotal of cash generated from investing activities	139,158,057.16	282,925,518.16
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	599,579.46	174,849.24
Payments for investments		
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	599,579.46	174,849.24
Net cash generated from/used in investing activities	138,558,477.70	282,750,668.92
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings received	155,986,610.82	33,440,000.00
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	155,986,610.82	33,440,000.00
Repayment of borrowings		
Interest and dividends paid	65,137,494.78	89,217,187.50
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	65,137,494.78	89,217,187.50
Net cash generated from/used in financing activities	90,849,116.04	-55,777,187.50
4. Effect of foreign exchange rates changes on cash and cash equivalents	154,319.59	1,326,374.63
5. Net increase in cash and cash equivalents	166,228,505.74	-382,313,133.53
Add: Cash and cash equivalents, beginning of the period	190,365,069.48	612,293,635.15
6. Cash and cash equivalents, end of the period	356,593,575.22	229,980,501.62

(II) Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of the New Accounting Standards Implemented since 2023

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.

28 October 2023