

Stock code: 000011, 200011

Stock name: SZPRD A, SZPRD B

Announcement No.: 15

Shenzhen Properties & Resources Development (Group) Ltd.

Abstract of Semi-annual Report 2016

1. Important notes

The Abstract is based on the full text of the semi-annual report. For more details, investors are suggested to read the full text disclosed at the same time with the Abstract on <http://www.cninfo.com.cn>, the website of the Shenzhen Stock Exchange or any other websites designated by the CSRC.

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

Corporate profile

Stock name	SZPRD A, SZPRD B	Stock code	000011, 200011
Stock exchange	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
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2. Financial highlights and shareholder changes

(1) Financial highlights

Whether the Company performs any retroactive adjustments to or restatements of its accounting data of last year due to change in accounting policies or correction of accounting errors

Yes No

	Reporting Period	Same period of last year	+/- (%)
Operating revenues (RMB)	372,057,479.96	338,761,310.39	9.83%
Net profit attributable to shareholders of the Company (RMB)	-5,248,704.63	31,162,831.74	-116.84%
Net profit attributable to shareholders of the Company after excluding exceptional profit and loss (RMB)	-5,865,281.91	26,946,876.19	-121.77%
Net cash flows from operating activities (RMB)	1,509,256,494.79	-221,909,180.93	780.12%
Basic earnings per share (RMB/share)	-0.0088	0.0523	-116.83%
Diluted earnings per share (RMB/share)	-0.0088	0.0523	-116.83%
Weighted average return on equity (%)	-0.25%	1.52%	-1.77%
	As at the end of the Reporting Period	As at the end of last year	+/- (%)
Total assets (RMB)	5,910,285,347.18	4,379,763,486.10	34.95%
Net assets attributable to shareholders of the Company (RMB)	2,047,980,551.38	2,099,906,766.61	-2.47%

(2) Shareholdings of the top 10 ordinary shareholders

Unit: share

Total number of ordinary	44,723
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shareholders at the end of the Reporting Period		Shareholdings of the top 10 ordinary shareholders				
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of ordinary shares held	Number of restricted ordinary shares held	Pledged or frozen shares	
					Status	Number
SHENZHEN CONSTRUCTION INVESTMENT HOLDINGS CORPORATION	State-owned corporation	54.33%	323,796,324	293,997,370		
SHENZHEN INVESTMENT MANAGEMENT CORPORATION	State-owned corporation	9.49%	56,582,573	56,582,573		
ZHOU QUN	Domestic individual	0.44%	2,638,150			
DU XINYE	Domestic individual	0.43%	2,525,800			
DU YUNFENG	Domestic individual	0.40%	2,283,800			
SHENZHEN DUTY-FREE COMMODITY ENTERPRISES CO., LTD.	Domestic non-state-owned corporation	0.29%	1,730,300	1,730,300		
MAI FURONG	Foreign individual	0.27%	1,514,600			
SHENZHEN SONGKAI EQUIPMENT CO., LTD.	Domestic non-state-owned corporation	0.22%	1,315,500			
YANG YAOCHU	Domestic individual	0.21%	1,270,620			
CHEN LIYING	Domestic individual	0.18%	1,076,051			
Related or act-in-concert parties among the shareholders above	The first and second biggest shareholders of the Company are under Shenzhen Investment Holding Corporation, the actual controlling shareholder of the Company. Other than that, it is unknown whether the remaining 8 shareholders are related parties or act-in-concert parties or not.					
Shareholders conducting securities margin trading (if any)	Zhou Qun, Du Xinye and Du Yunfeng hold the shares in their credit accounts.					

(3) Shareholdings of the top 10 preference shareholders

Applicable Not applicable

No such cases in the Reporting Period.

(4) Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

Change of the actual controller in the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

3. Discussion and analysis by the management

A. General performance

China's real estate market continued to heat up in the beginning of 2016 as it did in 2015. In the first quarter of the year, market expectations were great with accommodative policy and credit settings and property transactions went up steadily as a result, but some third-and-fourth-tier cities were still under great pressure of de-stocking. Since the second quarter, in order to prevent over-heat of property prices, Shanghai and Shenzhen has unveiled tightening measures. Meanwhile, some needs have been overdrawn in a market that has been active from the second half of last year. In addition, house prices are high in hotspot cities such as Suzhou and Dongguan. Consequently, the wait-and-see mood is growing in the market. Property sales in Shenzhen dropped slightly from the first quarter, slowing down the growth in the neighboring markets such as Dongguan and Huizhou.

In face of a complex environment, we put our annual targets at the heart of everything we did, strengthened management and implementation, seized opportunities in the market and accelerated progress on our major projects to ensure the achievement of our annual targets. For the first half of the year, we achieved operating revenues of RMB372.06 million.

B. Our real estate business

In the first half of 2016, our main business of real estate generated revenue of RMB101.95 million, up 17.32% year on year, mainly because Yangzhou Project Phase I started the move-in in June 2015 and 10,798 m² was sold in the first half of 2016, while only 1,898 m² of all of our real estate projects was sold in the same period of last year. Meanwhile, our sidelines such as property leasing, property management and auto transportation maintained steady development.

In the first half of the year, we mainly had three projects on the market, namely, Shenzhen Qianhai Gangwan Garden, Dongguan Songhu Langyuan and Yangzhou Hupan Yujing. Grasping opportunities arising from the radiation of growth from first-tier cities to second-and-third-tier cities, we drew up the best selling prices and strategies through many discussions, and the said three projects all yielded desired sales results. The Shenzhen Qianhai Gangwan Garden project was open for sale at the end of 2015 and had sold 471 units by June 2016, generating revenue of approximately RMB2.168 billion. For our projects outside Shenzhen (Yangzhou, Dongguan, etc.), we strengthened the marketing teams and market research and adopted integrated marketing measures in a timely, effective manner according to the characteristics of and changes in the local markets, which greatly boosted the sales of the projects. Concerning the project in Dongguan, the average price has risen from RMB6800/m² at the beginning of its sale to an amount over RMB10,000/m², and 1,166 units have been sold for a sales income of around RMB948 million. As for the project in Yangzhou, 271 units have been sold for about RMB0.4 billion.

C. Progress on our major projects

SZPRD-Hupan Yujing project (in Yangzhou): an investment of RMB63.86 million in the Reporting Period, and accumulative investments at RMB877.20 million. External decoration completed for Building No. 1, 2 and 3, other buildings going through internal and external decoration, and pre-sale license obtained for Building No. 8.

SZPRD-Banshan Yujing project (in Xuzhou): an investment of RMB18.65 million in the Reporting Period, and accumulative investments at RMB612.34 million. General construction and landscaping completed; and except for planning acceptance, other acceptances completed.

SZPRD-Songhu Langyuan project (in Dongguan): an investment of RMB62.87 million in the Reporting Period, and accumulative investments at RMB667.21 million. 95% completed for internal and external decoration; 85% completed for mechanical and electrical installation; and 88% completed for landscaping.

SZPRD-Qianhai Gangwan Garden project: an investment of RMB86.69 million in the Reporting Period, and accumulative investments at RMB563.05 million. 91% completed for external decoration and mechanical & electrical installation; 79% completed for internal decoration; and 44% completed for landscaping.

SZPRD-Golden Collar's Holiday project: an investment of RMB19.44 million in the Reporting Period, and accumulative investments at RMB175.56 million. Flooring for basements ongoing; and 4% completed for the main structure.

4. Matters related to financial reporting

(1) Explain any changes in the accounting policies, accounting estimates and measurement methods as compared with the financial reporting of last year

Applicable Not applicable

No such cases in the Reporting Period.

(2) Explain any retroactive restatements due to correction of significant accounting errors in the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

(3) Explain any changes in the consolidation scope as compared with the financial reporting of last year

Applicable Not applicable

No such cases in the Reporting Period.

(4) Explanation of the Board of Directors and the Board of Supervisors concerning the “non-standard” auditor’s report issued by the CPAs firm for the Reporting Period

Applicable Not applicable