

Stock code: 000011, 200011

Stock name: SZPRD A, SZPRD B

Announcement No.: 2016-21

**SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.
ABSTRACT OF THIRD QUARTER REPORT 2016**

Section I Important Statements

The board of directors (the “Board”), the board of supervisors (the “Board of Supervisors”) as well as the directors, supervisors and senior management of Shenzhen Properties & Resources Development (Group) Ltd. (the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any false representation, misleading statements or material omissions in this Report.

All the directors attended the board meeting for the review of this Report.

Chen Yugang, head of the Company, Wang Hangjun, accounting head for this Report, and Shen Xueying, head of the accounting organ (head of accounting), 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.

Section II Financial Highlights & Shareholder Changes

I Highlights of accounting data and financial indicators

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

	30 September 2016	31 December 2015	+/- (%)	
Total assets (RMB)	6,649,735,329.52	4,379,763,486.10	51.83%	
Net assets attributable to shareholders of the Company (RMB)	2,045,647,093.13	2,099,906,766.61	-2.58%	
	July-September 2016	YoY +/- (%)	January-September 2016	YoY +/- (%)
Operating revenues (RMB)	157,661,237.17	-46.97%	529,718,717.13	-16.72%
Net profit attributable to shareholders of the Company (RMB)	-1,953,780.96	-112.78%	-7,202,485.59	-115.50%
Net profit attributable to shareholders of the Company excluding exceptional profit and loss (RMB)	-2,164,014.76	-114.28%	-8,029,296.67	-119.07%
Net cash flows from operating activities (RMB)	--	--	2,101,061,539.92	5,410.72%
Basic earnings per share (RMB/share)	-0.0033	-112.89%	-0.0121	-115.53%
Diluted earnings per share (RMB/share)	-0.0033	-112.89%	-0.0121	-115.53%
Weighted average return on equity (%)	-0.09%	-0.85%	-0.35%	-2.65%

Unit: RMB

Item	January-September 2016	Note
Profit/loss on disposal of non-current assets (including offset asset impairment provisions)	-182,886.11	
Impairment provision reversal for accounts receivable on which the impairment test is carried out separately	11,729.17	
Non-operating revenue and expense other than the above	1,252,108.15	
Less: Corporate income tax	254,140.13	

Total	826,811.08	--
-------	------------	----

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable Not applicable

No such cases in the Reporting Period.

II Total number of shareholders and shareholdings of top 10 shareholders at the period-end

1. Total number of ordinary shareholders and preference shareholders who had resumed their voting right & shareholdings of top 10 shareholders at the period-end

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period	41,123	Total number of preference shareholders who had resumed their voting right at the end of the Reporting Period (if any)	0			
Shareholdings of top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of restricted 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		
DU XINYE	Domestic individual	0.65%	3,880,800			
ZHOU QUN	Domestic individual	0.52%	3,115,450			
DU YUNFENG	Domestic individual	0.40%	2,223,000			
SHENZHEN DUTY-FREE COMMODITY	Domestic non-state-owned corporation	0.29%	1,730,300	1,730,300		

ENTERPRISES CO., LTD.						
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	0.22%	1,310,620			
CHEN LIYING	Domestic individual	0.18%	1,076,051			
Shareholdings of top 10 non-restricted shareholders						
Name of shareholder		Number of non-restricted shares held at the period-end	Type of shares			
			Type	Number		
SHENZHEN CONSTRUCTION INVESTMENT CORPORATION	HOLDINGS	29,798,954	RMB ordinary share	29,798,954		
DU XINYE		3,880,800	RMB ordinary share	3,880,800		
ZHOU QUN		3,115,450	RMB ordinary share	3,115,450		
DU YUNFENG		2,223,000	RMB ordinary share	2,223,000		
MAI FURONG		1,514,600	Domestically listed foreign share	1,514,600		
SHENZHEN SONGKAI EQUIPMENT CO., LTD.		1,315,500	RMB ordinary share	1,315,500		
YANG YAOCHU		1,310,620	Domestically listed foreign share	1,310,620		
CHEN LIYING		1,076,051	Domestically listed foreign share	1,076,051		
LI JING		781,740	Domestically listed foreign share	781,740		
GUOYUAN SECURITIES		770,754	Domestically	770,754		

BROKERAGE (HONG KONG) LIMITED		listed foreign share	
Related or act-in-concert parties among the shareholders above	The biggest shareholder of the Company is under Shenzhen Investment Holding Corporation, the actual controlling shareholder of the Company. Other than that, it is unknown whether there are related parties or act-in-concert parties among the other nine shareholders.		
Top 10 ordinary shareholders conducting securities margin trading (if any)	Zhou Qun, Du Xinye and Du Yunfeng hold the shares in their credit accounts.		

Did any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conduct any promissory repo during the Reporting Period?

Yea No

No such cases in the Reporting Period.

2. Total number of preference shareholders and shareholdings of the top 10 of them at the period-end

Applicable Not applicable

Section III Significant Events

I Changes in main accounting statement items and financial indicators in the Reporting Period, as well as reasons for the changes

√ Applicable □ Not applicable

1. Monetary funds at the period-end stood at RMB2,717,238,442.31, up 187.31% from the year-beginning, mainly because the advances from house buyers increased.
2. Accounts paid in advance at the period-end stood at RMB216,593,583.78, up 662.23% from the year-beginning, mainly because the taxes prepaid as required increased.
3. Other current assets at the period-end stood at RMB0.00, down 100.00% from the year-beginning, mainly because they were transferred to the inventories item as required.
4. Deferred tax assets at the period-end stood at RMB325,220,700.02, up 35.32% from the year-beginning, mainly because the anticipated profits on the pre-sale revenues of real estate subsidiaries increased and the relevant deferred tax assets were recognized.
5. Short-term borrowings at the period-end stood at RMB0.00, down 100.00% from the year-beginning, mainly because they were repaid upon maturity.
6. Accounts received in advance at the period-end stood at RMB3,350,814,047.99, up 413.64% from the year-beginning, mainly because the advances from house buyers increased.
7. Interest payable at the period-end stood at RMB0.00, down 100.00% from the year-beginning, mainly because bank loans were repaid with interest.
8. Non-current liabilities due within one year at the period-end stood at RMB0.00, down 100.00% from the year-beginning, mainly because they were repaid upon maturity.
9. Long-term borrowings at the period-end stood at RMB0.00, down 100.00% from the year-beginning, mainly because they were repaid upon maturity.
10. Operating revenues for July-September 2016 stood at RMB157,661,237.17, down 46.97% year on year, mainly because the settled project area decreased considerably from the same period of last year.
11. Operating costs for July-September 2016 stood at RMB130,151,418.31, down 37.43% year on year, mainly because the settled project area decreased considerably from the same period of last year.
12. The business tax and surtaxes for January-September 2016 and July-September 2016 stood at RMB25,613,594.87 and RMB1,868,632.47 respectively, down 69.76% and 95.07% from the same period of last year, mainly because the decrease in both the settled project incomes and the average gross profit margin on all the settled projects in different regions resulted in the decrease in the land VAT and other relevant taxes and fares.
13. The selling expenses for January-September 2016 and July-September 2016 stood at RMB27,517,133.33 and RMB10,977,373.74 respectively, up 35.98% and 44.85% from the same period of last year, mainly because the advertising, sales service and agency fees increased to enhance marketing.
14. The financial expenses for January-September 2016 and July-September 2016 stood at RMB-14,076,786.73 and RMB-7,038,347.79 respectively, with the gain (stated as a negative expense item) up 138.41% and 491.37% from the same period of last year, mainly because the interest income increased.
15. Asset impairment loss for January-September 2016 stood at RMB3,810,897.96, up 987.28% from the same

period of last year, mainly because a falling price provision was made for the SZPRD•Hupan Yujing Project Phase II.

16. Return on investment for January-September 2016 stood at RMB1,925,310.63, down 73.82% year on year, mainly because the same period of last year saw gain from disposal of available-for-sale financial assets; and return on investment for July-September 2016 stood at RMB766,734.31, up 30.52% year on year, mainly because the profits from joint ventures increased.

17. The share of profit of associates and joint ventures for January-September 2016 and July-September 2016 stood at RMB1,925,310.63 and RMB766,734.31 respectively, up 53.55% and 30.52% from the same period of last year, mainly because the profits from joint ventures increased.

18. The net non-operating revenue/expense for January-September 2016 stood at RMB1,069,222.04, up 420.83% from the same period of last year, mainly because the confiscated deposits, the insurance indemnities for property management accidents and so on increased.

19. The corporate income tax for January-September 2016 and July-September 2016 stood at RMB1,443,177.42 and RMB-1,168,803.07 respectively, down 91.51% and 120.77% from the same period of last year, mainly because the profits achieved decreased.

20. The operating profits, total profits and net profits (attributable to the Company) for July-September 2016 stood at RMB-3,407,428.17, RMB-3,122,584.03 and RMB-1,953,780.96 respectively, down 116.45%, 114.93% and 112.78% from the same period of last year; and the operating profits, total profits and net profits (attributable to the Company) for January-September 2016 stood at RMB-6,828,530.21, RMB-5,759,308.17 and RMB-7,202,485.59 respectively, down 110.71%, 109.08% and 115.50% from the same period of last year, mainly because the settled project area decreased and the average gross profit margin on all the settled projects in different regions decreased significantly.

21. The other comprehensive income net of tax for January-September 2016 stood at RMB621,139.47, up 112.72% from the same period of last year, mainly because the translation difference of foreign-currency financial statements increased and the same period of last year saw the disposal and reclassification into profit/loss of available-for-sale financial assets; and the other comprehensive income net of tax for July-September 2016 stood at RMB-379,677.29, up 80.36% from the same period of last year, mainly because the translation difference of foreign-currency financial statements increased.

22. Net cash flows from operating activities for January-September 2016 stood at RMB2,101,061,539.92, up 5410.72% year on year, mainly because the cash inflows from sale of houses increased.

23. Net cash flows from investing activities for January-September 2016 stood at RMB-3,922,521.62, with the net outflows down 51.10% year on year, mainly because the same period of last year saw a renewal of taxies by the relevant subsidiary.

24. Net cash flows from financing activities for January-September 2016 stood at RMB-327,004,119.63, with the net outflows up 297.02% year on year, mainly because the loans secured decreased and those repaid increased.

25. The net increase in cash and cash equivalents for January-September 2016 and the balance of cash and cash equivalents at the period-end stood at RMB1,771,498,466.54 and RMB2,704,836,282.31 respectively, up 1481.09% and 297.36% from the same period of last year, mainly because the cash inflows from sale of houses increased.

II Progress on significant events, as well as the influence and solutions

Applicable Not applicable

III Commitments of the Company, its shareholders, actual controller, acquirer, directors, supervisors, senior management or other related parties fulfilled in the Reporting Period or ongoing at the period-end

Applicable Not applicable

No such cases in the Reporting Period.

IV Performance forecast for Y2016

Warning of possible loss or considerable YoY change in the accumulative net profit made during the year-beginning to the end of the next reporting period, as well as the reasons

Applicable Not applicable

Forecast: Considerable increase at the same direction

Type of the forecast data: exact data

	2016	2015	+/-	
Forecast accumulative net profit (RMB'0,000)	30,200	15,682	Up	92.58%
Basic earnings per share (RMB/share)	0.5067	0.2631	Up	92.58%
Notes to the forecast	The business performance is expected to record a significant change because the Qianhai Gangwan Garden project developed by the Company would meet the conditions for settlement by the end of this year and the area of all projects available for settlement for this year is thus expected to increase considerably from the same period of last year. The forecasts above are only preliminary estimates provided according to the current sales of the Company's real estate projects. Investors are kindly reminded to note that the actual earnings of the Company for Y2016 shall be subject to the data to be given in the 2016 Annual Report of the Company.			

V Securities investment

Applicable Not applicable

No such cases in the Reporting Period.

VI Investment 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 the Reporting Period

Applicable Not applicable

Date of visit	Way of visit	Type of visitor	About
---------------	--------------	-----------------	-------

2016-07-15	By phone	Individual	Semi-Annual Report
2016-08-11	By phone	Individual	Progress on the Jinling Jiari project
2016-09-15	By phone	Individual	Income from the Qianhai project

VIII Illegal provision of guarantees for external parties

Applicable Not applicable

No such cases in the Reporting Period.

IX Occupation of the Company's funds for non-operating purposes by the controlling shareholder and its related parties

Applicable Not applicable

No such cases in the Reporting Period.