

Stock Code: 000011, 200011

Stock Name: SZPRD A, SZPRD B

Announcement No.: 2017-34

SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD. SEMI-ANNUAL REPORT 2017 (ABSTRACT)

I Important Notes

This Abstract is based on the full text of the Semi-Annual Report. In order for a full understanding of the operating results, financial condition and future development planning of the Company, investors are kindly reminded to read the full text carefully on the media designated by the China Securities Regulatory Commission (the "CSRC").

Objections against this Report raised by the directors, supervisors and senior management:

Name	Office title	Objection and reason
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Statement:

Except for the following directors, all the other directors attended in person the board meeting for the review of this Report.

Name	Office title	Reason for not attending in person	Proxy
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This 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.

Modified auditor's opinion:

Applicable Not applicable

Proposal for profit distribution to or converting capital reserve into share capital for common shareholders for the Reporting Period, which has been considered and approved by the Board:

Applicable Not applicable

The Company plans not to distribute cash dividends or bonus shares or convert capital reserve into share capital.

Proposal for profit distribution to preference shareholders for the Reporting Period, which has been considered and approved by the Board:

Applicable Not applicable

II Company Profile

1. Stock Profile

Stock name	SZPRD A, SZPRD B	Stock code	000011, 200011
Stock exchange	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
Name	Fan Weiping	Qian Zhong and Ding Minghua	
Office address	42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China	42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China	
Tel.	0755-82211020	0755-82211020	
E-mail	000011touzizhe@szwuye.com.cn	000011touzizhe@szwuye.com.cn	

2. Key Consolidated Operating Results

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

Yes No

	Reporting Period	Same period of last year	+/- (%)
Operating revenues (RMB)	1,317,146,732.43	372,057,479.96	254.02%
Net profit attributable to shareholders of the Company (RMB)	364,355,770.43	-5,248,704.63	7,041.82%
Net profit attributable to shareholders of the Company before exceptional gains and losses (RMB)	367,822,064.03	-5,865,281.91	6,371.17%
Net cash from operating activities (RMB)	-500,537,688.53	1,509,256,494.79	-133.16%
Basic earnings per share (RMB/share)	0.6114	-0.0088	7,047.73%
Diluted earnings per share (RMB/share)	0.6114	-0.0088	7,047.73%
Weighted average return on equity (%)	14.25%	-0.25%	14.50%
	End of Reporting Period	End of last year	+/- (%)
Total assets (RMB)	5,937,260,097.37	6,654,356,144.10	-10.78%
Net assets attributable to shareholders of the Company (RMB)	2,665,956,411.06	2,410,434,735.75	10.60%

3. Shareholders and Their Holdings at Period-End

Unit: share

Total number of common shareholders at period-end		49,485	Total number of preference shareholders with resumed voting rights at period-end (if any)		0	
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	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	0.39%	2,323,000			
Shenzhen Duty-Free Commodity Enterprises Co., Ltd.	Domestic non-state-owned corporation	0.29%	1,730,300	1,730,300		
Mai Furong	Domestic individual	0.25%	1,384,800			
Yang Yaochu	Domestic	0.22%	1,320,620			

	individual					
Chen Liying	Domestic individual	0.18%	1,102,051			
Jason Offshore Equipment Co., Ltd.	Domestic non-state-owned corporation	0.17%	984,400			
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					

4. Change of Controlling Shareholder or Actual Controller in Reporting Period

Change of the controlling shareholder in the Reporting Period:

Applicable Not applicable

The controlling shareholder remained the same in the Reporting Period.

Change of the actual controller in the Reporting Period:

Applicable Not applicable

The actual controller remained the same in the Reporting Period.

5. Number of Preference Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

No preference shareholders in the Reporting Period.

6. Corporate bonds

Does the Company have any corporate bonds publicly offered and listed on the stock exchange, which were undue before the approval date of this Report or were due but could not be redeemed in full?

No.

III Performance Discussion and Analysis

1. Performance Review for Reporting Period

Is the Company subject to any disclosure requirements for special industries?

Yes, because the Company engages in real estate.

In the first half of 2017, cities in China tried to reduce the number of unsold houses by tightening real estate control based on their own realities. Over 40 cities have unveiled a new round of property tightening measures, which was characterized by the shift of control focus from first and second-tier cities to third and fourth-tier cities surrounding the former, as well as to other prefecture-level cities. In the big picture of different real estate policies for different cities across the country, the third and fourth-tier cities will continue to see general easing and partly tightening co-existing.

Due to purchase and pricing restrictions, the first and second-tier cities experienced shrinking turnovers and non-changing prices in the first half of 2017. The third and fourth-tier cities, on the contrary, saw increasing turnovers and house prices, which was mainly resulted from the “overflow” of investment demand and capital from the first and second-tier cities to these lower-tier cities. Currently, the real estate market is still active to some extent, with real estate activity indicators at high levels, but, considering the new high of property sales last year, the government would probably tighten control if there are signs of continually rising house prices. In that case, the government may adopt more tightening measures to stop house prices from going up too fast.

For the first half of 2017, the Company achieved, on a consolidated basis, operating revenues of RMB1.317 billion and net profit of RMB0.36 billion, and roughly fulfilled all its operating objectives. In the coming half of the year, the Company will adjust its

marketing strategies according to policy and market changes so as to destock its unsold houses in other non-Shenzhen cities. In addition, the Company will try to ensure its all-round, sustained and healthy development through improving safety management and services of its property management subsidiaries, as well as through improving the sideline businesses of rental and catering service. At the 2017 Shenzhen Real Estate Ceremony held by the Shenzhen Real Estate Association in July 2017, a list of “Shenzhen’s Top 20 Real Estate Developers” was unveiled and the Company stood out among over 800 fellow companies across the city, ranking No. 16.

(I) Business characteristics of the Company in the 1st half of Y2017

1. Business revenue of the Company sharply increased, and the real estate industry, as the main business, grew more than expected.

In the 1st half of Y2017, the consolidated business revenue of the Company reached RMB1.317 billion, representing a year-on-year increase of 254%, mainly due to the rapid growth of the real estate business, which was the main business. Revenue of the real estate business was RMB1.054 billion, showing a sharp year-on-year increase of 933%, mainly due to the project of Qianhai Gangwan Garden started the move-in, which meant that the revenue of the project could be carried forward from then on. The area carried forward of the project of Qianhai Gangwan Garden in the 1st half year was 14,448.9 square meters, bringing about the carried-forward revenue of RMB0.909 billion. In respect of sales, in the 1st half year, we had 4 projects on the market, namely, Qianhai Gangwan Garden, Songhu Langyuan, Banshan Yujing, and Hupan Yujing. In the 1st half year, Brand management was strengthened for the Xuzhou Banshan Yujing project. We developed clients through multiple channels including reinforcing promotion and enlarging media cooperation, and arranged targeted work for the sales-opening for the 2nd batch of buildings of the project. As for Yangzhou real estate market, there’s a bullish market in the 1st half year. We timed the market for the Hupan Yujing project, and took a series of measures such as market research, and strategic sales and control, and as a result, we sold out all houses for the 1st phase project, and obtained a sales ratio of over 98% for the 2nd phase project.

2. Businesses of property leasing, property management, and motor passenger transportation ran well.

Our auxiliary businesses fully extended the market. Companies of property management, sedan leasing, project supervision, and catering overcame difficulties, positively responded to severe market tests, stabilized normal operation, and basically achieved the target of “half time matches with half accomplished assignments”. In general, in the 1st half year, firstly, the property management division realized business revenue of around RMB0.191 billion. Shenzhen International Trade Center Property Management Co., Ltd. ranked as the NO.36 in the Top 100 Chinese Property Management Companies with Strongest Comprehensive Strength in Y2017, and ranked among the Top 50 Shenzhen Property Management Companies with Strongest Comprehensive Strength in Y2016. Shenzhen Huangcheng Real Estate Management Co., Ltd. orderly carried forward the promotion of Intelligent Community, thoroughly improved service quality, and positively expanded non-local property management market. Secondly, the rental service division took positive measures to respond to market changes, took the initiative to find qualified lessees, and vitalized vacant properties, resulting in stable growth of rent, and bringing about revenue of RMB32.5 million in the 1st half year, which increased by RMB2.42 million and 8% as compared with the same period of last year. Thirdly, we reinforced the marketing of group and internet purchase for the catering service division. Shenzhen Property Construction Supervision Co., Ltd. orderly carried forward the engineering supervision for key projects including Golden Collar’s Resort Apartment and Yangzhou Hupan Yujing.

3. We focused on the integration of Shenzhen Bus Group and our subsidiary vehicle leasing company.

In order to optimize the Company’s business and asset structures, to respond to the call for integration of resources of municipal state-owned taxi enterprises for better strategic, synergic development of state-owned enterprises, as well as to join the reform in the industry, the Company is transferring its 100% stakes in subordinates Shenzhen International Trade Center Car Industry Co., Ltd. and Shenzhen Shenxin Taxi Co., Ltd. to Shenzhen Bus Group Co., Ltd., at a price not lower than RMB0.189billion. The after-tax investment earnings upon the equity transfer would be about RMB75 million. The transfer event was reviewed and approved by the board of directors and the shareholders’ meeting on June 30, 2017 and July 17, 2017. The transfer agreement has been signed, and related work is stably and orderly being promoted now.

(II) Progress of key projects in construction

1. SZPRD-Golden Collar’s Resort (located in the Shenzhen city): The project has been orderly carried forward on the basis of the schedule of construction contract. The construction of the major structure was accomplished 3 days in advance. The major structure of 3 buildings was constructed to the 38th floor, 28th floor, and 26th floor in the 1st half year. We’ll synchronously carry forward decoration of the marketing center and the 1st batch of model houses, as well as the construction of some landscape architectures.

2. SZPRD-Qianhai Gangwan (located in the Shenzhen city): In the 1st half of Y2017, we mainly conducted work around the move-in of the project. So far, there have been 497 houses with carried forward revenue of RMB2.254 billion and area of 41.6 thousand square meters.

3. SZPRD-Songhu Langyuan (located in the Dongguan city): In the 1st half of Y2017, we mainly finished the construction of landscape architectures and preliminary inspection. Move-in of the project was smoothly conducted on 28 Jul. 2017.

4. SZPRD-Hupan Yujing (located in the Yangzhou city): The 2nd-phase project progressed well. Engineering related to water and electricity, landscaping, and municipal administration were implemented on schedule.

5. SZPRD-Banshan Yujing (located in the Xuzhou city): We expanded yard for the 1st-phase project, and optimized and improved landscape plants in the main landscape zone.

2. Matters Related to Financial Report

(1) Changes in Accounting Policies, Accounting Estimations and Measurement Methods Compared to Last Accounting Period

Applicable Not applicable

No such cases.

(2) Retroactive Restatements due to Correction of Significant Accounting Errors in Reporting Period

Applicable Not applicable

No such cases.

(3) Changes in Scope of Consolidated Financial Statements Compared to Last Accounting Period

Applicable Not applicable

No such cases.