

Stock Code: 000058, 200058

Stock Name: Shen SEG, Shen SEG B

Announcement No.:2017-070



Main Body of Q3 2017 Report of Shenzhen SEG Co., Ltd.

Chapter 1 Important Notice

The Board of Directors, the Board of Supervisors, the directors, the supervisors, and the senior executives guarantee that the quarterly report is authentic, accurate and complete and that it has no false records, misleading statements or major omissions and they undertake joint and several legal liabilities.

All of the directors have attended this board meeting reviewing the quarterly report.

Chairman of the Board Wang Bao, the Chief Financial Officer Liu Zhijun and the responsible person of the accounting institution (accountant in charge) Ying Huadong hereby declare that the Financial Statements enclosed in this quarterly report are true, accurate and complete.

Chapter 2 Company Profile

I. Major Accounting Data and Financial Indexes

Are retrospective adjustments required to previous financial statements?

√ Yes □ No

Reason for retrospective adjustments or restatement

Merger of enterprises under common control

	Closing amount	Year-end amount		Year-on-year increase/decrease
		Before adjustment	After adjustment	After adjustment
Total assets (Yuan)	7,397,829,303.20	2,548,276,265.32	6,923,273,093.64	6.85%
Net assets attributable to shareholders of the listed company (Yuan)	1,775,988,200.30	1,548,200,647.55	2,412,301,070.04	-26.38%
	Current reporting period	Year-on-year increase/decrease	From the beginning of the year to the end of the reporting period	Year-on-year increase/decrease
Operating revenue (Yuan)	264,775,121.17	-12.70%	857,121,747.39	-16.58%
Net profit attributable to shareholders of the listed company (Yuan)	19,184,279.34	-50.36%	69,193,064.76	-51.80%
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss (Yuan)	19,569,428.60	-9.51%	50,348,311.87	3.15%
Net cash flow arising from operating activities (Yuan)	--	--	280,162,722.60	-4.58%
Basic EPS (Yuan/Share)	0.0155	-50.48%	0.0560	-51.81%
Diluted EPS (Yuan/Share)	0.0155	-50.48%	0.0560	-51.81%
Weighted average ROE	1.07%	-35.14%	3.31%	-2.99%

Note: 1. The Company has issued shares and purchased underlying assets for major assets restructuring in Q1 2017. Four target companies, that is, SEG Real Estate, SEG Kangle, SegMaker, and SEG Property Development, have completed asset transfer on January 19, 2017. The Company has included these underlying assets in the consolidated statements since February 2017. In addition, the financial statements are retrospectively adjusted.

2. The net profit attributable to the parent company accumulated from the beginning of the year to the end of the reporting period decreased by 51.8% year on year. The main reasons are the Huizhou Qunxing Real Estate project of SEG Real Estate had a large amount of loss or gain brought forward. In the reporting period, this project entered into the late stage to sell the remaining buildings, so the amount of loss or gain brought forward was smaller; the New Urban Plaza project of SEG Real Estate has pre-sold 1.431 billion Yuan in the reporting period, but has not yet satisfied the requirement of confirmation, and it is estimated that the project will start to carry over the income from Q4 2017 and increase the Company's profit considerably.

Items and amount of non-recurring profit or loss:

√ Applicable □ Not applicable

Unit: Yuan

Item	Amount	Remarks
Profit or loss on disposal of non-current assets (including the write-off of assets depreciation reserves)	-127,406.01	
Government subsidies included in current profit or loss (except those closely related with corporate business and enjoyed according to national standards or certain quota)	4,167,250.10	
Capital occupation fee collected from non-financial enterprises recognized in current profit or loss	1,676,532.33	
Current net profit or loss of subsidiaries arising from merger of enterprises under common control from the beginning of the period to the date of merger	10,632,970.72	
Trustee fee income from entrusted operation	68,759.04	
Other non-recurring profit or loss items	10,467,166.60	
Less: Amount of affected income tax	4,063,075.52	
Amount of influence of minority shareholders' equity (after tax)	3,977,444.37	

Total	18,844,752.89	--
-------	---------------	----

An explanation shall be made with regard to the Company's considerations for defining non-recurring profit and loss according to the *Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Profit and Loss* and the reason of classifying the non-recurring profit and loss listed in this announcement as recurring.

Applicable Not applicable

In the reporting period, it does not happen that the Company defines the non-recurring profit and loss items defined or listed by *Interpretive Bulletin No. 1 on Information Disclosure by Companies Publicly Issuing Securities - Non-recurring Profit or Loss* as recurring profit and loss items.

II. Total number of shareholders and shares held by top 10 shareholders at the end of the reporting period

1. Total number of ordinary shareholders and preferred shareholders restored with voting rights and shares held by top 10 shareholders

Unit: Share

Total number of ordinary shareholders at the end of the reporting period		72,389	Total number of preferred shareholders restored with the voting rights (if any)		0	
Shares held by top 10 shareholders						
Name of shareholder	Nature of shareholder	Proportion of shareholding	Shares held	Quantity of restricted shares held	Information on pledged or frozen shares	
					Share status	Quantity
Shenzhen SEG Group Co., Ltd.	State-owned legal person	55.70%	688,216,905	450,857,239		
Liu Guocheng (Share B)	Domestic natural person	0.56%	6,891,302	0		
Zhang Jiao	Domestic natural person	0.33%	4,046,989	0		
Zhuhai Huisheng Asset Management Co., Ltd. - Huisheng No. 1 private equity fund	Others	0.29%	3,522,000	0		
Liu Guohong (Share B)	Domestic natural person	0.25%	3,045,839	0		
Han Wenji	Domestic natural person	0.24%	2,980,000	0		
Gong Qianhua (Share B)	Overseas natural person	0.24%	2,940,000	0		
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	0.18%	2,271,900	0		
Liu Liang	Domestic natural person	0.18%	2,206,600	0		
Guangfa Funds - Guangzhou Rural Commercial Bank - Shenzhen Rongtong Capital Management	Others	0.17%	2,090,400	0		

Co., Ltd.				
Information on top 10 shareholders of non-restricted shares				
Name of shareholder	Quantity of unrestricted ordinary shares held	Type of share		
		Type of share	Quantity	
Shenzhen SEG Group Co., Ltd.	237,359,666	RMB ordinary shares		237,359,666
Liu Guocheng (Share B)	6,891,302	Domestically listed foreign shares		6,891,302
Zhang Jiao	4,046,989	RMB ordinary shares		4,046,989
Zhuhai Huisheng Asset Management Co., Ltd. – Huisheng No. 1 private equity fund	3,522,000	RMB ordinary shares		3,522,000
Liu Guohong (Share B)	3,045,839	Domestically listed foreign shares		3,045,839
Han Wenji	2,980,000	RMB ordinary shares		2,980,000
Gong Qianhua (Share B)	2,940,000	Domestically listed foreign shares		2,940,000
China Securities Finance Corporation Limited	2,271,900	RMB ordinary shares		2,271,900
Liu Liang	2,206,600	RMB ordinary shares		2,206,600
Guangfa Funds - Guangzhou Rural Commercial Bank - Shenzhen Rongtong Capital Management Co., Ltd.	2,090,400	RMB ordinary shares		2,090,400
Explanations on the association relationship or concerted action among the above-mentioned shareholders	Shenzhen SEG Group Co., Ltd. has no association relationship with other shareholders and is not a person acting in concert with other shareholders as specified in the <i>Management Methods for Disclosure of Information on Changes of Shareholding Status of Shareholders of Listed Companies</i> . It is unclear whether other shareholders are persons acting in concert.			
Information on top 10 ordinary shareholders participating in securities margin trading (if any)	In the foregoing top 10 shareholders, Zhang Jiao holds 0 share of the Company in the ordinary account and 4,046,989 shares in the margin trading investor credit account, which are 4,046,989 shares in total.			

Did top 10 ordinary shareholders of the Company or top 10 ordinary shareholders of non-restricted shares conduct agreed repurchase transactions in the reporting period?

Yes No

The top 10 ordinary shareholders of the Company or top 10 ordinary shareholders of non-restricted shares did not conduct agreed repurchase transactions in the reporting period.

2. Total number of preferred shareholders and shares held by top 10 preferred shareholders

Applicable Not applicable

Chapter 3 Important Matters

I. Changes in main financial data and financial indicators of the reporting period and reasons

√ Applicable □ Not applicable

(I) Balance Sheet Statement

Item	Closing balance	Opening balance	Difference	Increase or decrease over the previous year (%)
Lending funds	-	40,000,000.00	-40,000,000.00	-100.00%
Notes receivable	-	100,792.00	-100,792.00	-100.00%
Accounts receivable	91,439,683.76	58,949,389.88	32,490,293.88	55.12%
Interest receivable	-	287,698.63	-287,698.63	-100.00%
Construction in progress	48,706,112.19	37,092,227.51	11,613,884.68	31.31%
Intangible assets	32,405,659.95	2,681,527.40	29,724,132.55	1108.48%
Other non-current assets	88,000,000.00	13,804,660.46	74,195,339.54	537.47%
Short-term borrowing	545,000,000.00	355,000,000.00	190,000,000.00	53.52%
Advance receipts	1,353,034,003.68	923,965,168.05	429,068,835.63	46.44%
Payroll payable	21,235,179.84	35,464,329.86	-14,229,150.02	-40.12%
Interest payable	5,047,883.93	3,357,745.13	1,690,138.80	50.34%
Dividends payable	3,743,038.52	15,132,970.78	-11,389,932.26	-75.27%
Other payables	1,422,081,936.83	800,746,883.93	621,335,052.90	77.59%
Non-current liabilities due within one year	781,074,765.50	491,561,661.33	289,513,104.17	58.90%
Long-term loan	584,500,000.00	1,030,000,000.00	-445,500,000.00	-43.25%
Estimated liabilities	146,250.00	232,500.00	-86,250.00	-37.10%
Paid-up capital (share capital)	1,235,656,249.00	784,799,010.00	450,857,239.00	57.45%
Capital reserve	175,086,543.13	1,294,371,135.89	-1,119,284,592.76	-86.47%
Other comprehensive income	190,982.67	296,235.62	-105,252.95	-35.53%

1. Lending funds decreased by RMB 40 million or 100% year on year, mainly because SEG Credit, a holding subsidiary of the Company, withdrew lending funds in the reporting period.

2. Notes receivable decreased by RMB 100,000 or 100% year on year, mainly because the rents of Wujiang SEG, a holding subsidiary of the Company, settled by notes decreased.

3. Accounts receivable increased by RMB 32.49 million or 55.12% year on year, mainly because the property management fees receivable of SEG Real Estate Property on an accrual basis increased by RMB 25.7 million. Accounts receivable of SEG Industry was involved in proceedings and increased by RMB 9.49 million.

4. Interest receivable decreased by RMB 290,000 or 100% year on year, mainly because all interests on bank financing were recovered in the reporting period.

5. Construction in progress increased by RMB 11.61 million or 31.31% year on year, mainly due to an increase of RMB 7.46 million arising from the construction project of SEG Longyan Industrial Park and an increase of RMB 6.86 million arising from investment in decoration and renovation of SEG Kangle Building of the Company in the reporting period.

6. Intangible Assets increased by RMB 29.72 million or 1,108.48% year on year, mainly because SEG acquired the land use right in Shenzhen-Shanwei Cooperation Zone in the reporting period.

7. Other non-current assets increased by RMB 74.2 million or 537.47% year on year, mainly because SEG Longyan's advance payment for key equipment in CdTe film PV cell module production line, RMB 88 million, was included in this item.

8. Short-term borrowings increased by RMB 190 million or 53.52% year on year, mainly because the Company incurred bank short-term loans in the reporting period.

9. Advance receipts increased by RMB 429.07 million or 46.44% year on year, mainly due to an increase of RMB 642.63 million arising from advance payment for house received by SEG New Urban in the reporting period.

10. Payroll payable decreased by RMB 14.23 million or 40.12% year on year, mainly because wages and bonuses accrued in the previous year were granted in the reporting period.

11. Interest payable increased by RMB 1.69 million or 50.34% year on year, mainly due to increase in loans of the Company and increase in interests on bank loans on a monthly basis in the reporting period.

12. Dividends payable decreased by RMB 11.39 million or 75.27% year on year, mainly because SEG Credit paid dividends of RMB 11.97 million to minority shareholders in the reporting period.

13. Other payables increased by RMB 621.34 million or 77.59% year on year, mainly because the Company incurred the cash consideration payable for issuing shares to and purchasing assets from the controlling shareholder SEG Group RMB 675.63 million due to major assets restructuring in the reporting period.

14. Non-current liabilities due within one year increased by RMB 289.51 million or 58.9% year on year, mainly because long-term borrowings of SEG Real Estate will be due within one year and be carried forward to this item.

15. Long-term borrowings decreased by RMB 445.5 million or 43.25% year on year, mainly because some long-term borrowings of SEG Real Estate will be due within one year and carried forward to current liabilities.

16. Estimated liabilities decreased by RMB 90,000, or 37.1% year on year, mainly because Beijing SEG returned the liquidated damages to the suppliers in the reporting period.

17. Paid-up capital (share capital) increased by RMB 450.86 million or 57.45% year on year, mainly because the Company issued 450.85 million shares to SEG Group to purchase underlying assets due to major assets restructuring in the reporting period.

18. Capital reserve decreased by RMB 1119.28 million or 86.47% year on year, mainly because the Company issued shares to SEG Group to purchase equities of four targeted companies (business combination under common control) due to major assets restructuring in the reporting period. (1) According to the *Accounting Standards for Business Enterprises*, the Company shall take the carrying amount of owners' equity share of targeted companies as the initial cost of long-term equity investment, and offset the capital reserve against the difference between long-term equity investment and the sum of the book value and consideration. (2) The company's statements are subject to retroactive adjustment, while the capital reserve at the beginning of the period includes the share capital and consideration not subject to retroactive adjustment. At the end of the reporting period, the share capital for private placement and consideration have been recognized based on the actual amount, so this item decreased after adjustment.

19. Other comprehensive income decreased by RMB 110,000 or 35.53% year on year mainly due to slump in the stock of Youhao Group (available-for-sale financial assets of the Company) recognized at the fair value in the reporting period.

(II) Profit Statement

Item	Amount incurred in the current period	Amount of the previous period	Difference	Increase or decrease over the previous year (%)
Commission charge and commission income	888,016.65	4,309,315.96	-3,421,299.31	-79.39%
Interest expenses	0.00	465,888.89	-465,888.89	-100.00%
Tax and surcharge	14,043,362.00	46,889,775.45	-32,846,413.45	-70.05%
Financial costs	16,196,131.68	9,000,226.00	7,195,905.68	79.95%
Loss from asset impairment	4,189,148.15	-4,106,540.24	8,295,688.39	
Investment income	4,144,939.36	7,773,264.55	-3,628,325.19	-46.68%
Non-operating income	11,513,024.15	74,032,605.23	-62,519,581.08	-84.45%
Non-operating expenses	1,583,510.27	4,957,287.90	-3,373,777.63	-68.06%
Other comprehensive income	-158,032.32	-82,762.10	-75,270.22	90.95%

1. Commission charge and commission income decreased by RMB 3.42 million or 79.39% year on year, mainly because SEG Credit gained commission income from financing services in the same period of last year, but did not provide similar services this year, resulting in decrease in this item.

2. Interest expenses decreased by RMB 470,000 or 100% year on year, mainly because SEG Credit obtained external financing and thus had interest expense in the same period of last year, while SEG Credit had no external financing in the reporting period.

3. Tax and surcharge decreased by RMB 32.85 million or 70.05% year on year. As the program of replacing business tax with value-added tax (VAT) has been carried out since May 1, 2016, the Company's business tax for property operation and electronics market from January to April 2016 were included in this item, while the Company paid VAT this year, which was not included in this item.

4. Financial expenses increased by RMB 7.2 million or 79.95% year on year, mainly because the Company loaned for Nantong SEG Times Plaza and incurred interest capitalization of RMB 6.58 million in the same period last year, while Nantong SEG has been opened for business in the reporting period, interest expenses were no longer capitalized and included in financial expenses in full, resulting in increase in this item.

5. Loss from asset impairment increased by RMB 8.3 million year on year, mainly because SEG Credit, a holding subsidiary of the Company, conducted a depreciation test according to the five-category classification policy and accrued loan loss reserves of RMB 3.55 million in the reporting period, while SEG Credit conducted a depreciation test according to the five-category classification policy and reversed loan loss reserves of RMB 4.48 million.

6. Investment income increased by RMB 3.63 million or 46.68% year on year, mainly because CEEC and SEG Wisdom incurred losses with the equity method in the reporting period, the investment income of the Company decreased by RMB 2.95 million year on year, and the Company's fund for financial management decreased, resulting in decrease in income from financial management.

7. Non-operating income decreased by RMB 62.52 million or 84.45% year on year, mainly because SEG Real Estate transferred 48 houses involved in property ownership disputes to guarantee the progress of major assets restructuring and gained non-operating income of RMB 60.59 million in the same period of last year, while such income was not incurred in the reporting period.

8. Non-operating expenses decreased by RMB 3.37 million or 68.06% year on year, mainly because the Company paid the

compensation of RMB 3.7 million for the lawsuit involving Nanning SEG in the same period of last year.

9. Other comprehensive income decreased by RMB 80,000 or 90.95% year on year, mainly due to a slump in the stock of Youhao Group held by SEG Baohua, a holding subsidiary of the Company, in the reporting period.

(III) Cash Flow Statement

Item	Amount incurred in the current period	Amount of the previous period	Difference	Increase or decrease over the previous year (%)
Tax refunds	749,351.94	82,932,677.81	-82,183,325.87	-99.10%
Cash paid for goods and services	685,380,979.09	1,089,557,549.61	-404,176,570.52	-37.10%
Net increase in customer loans and advances	-29,325,104.19	-44,885,258.00	15,560,153.81	-34.67%
Taxes paid	249,526,081.87	164,892,262.56	84,633,819.31	51.33%
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,320.00	69,137.75	-66,817.75	-96.64%
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	122,826,868.88	78,818,108.80	44,008,760.08	55.84%
Cash paid for investment	1,477,819,502.86	1,030,804,260.00	447,015,242.86	43.37%
Net cash received from subsidiaries and other entities	0.00	17,500,000.00	-17,500,000.00	-100.00%
Cash received from borrowing	650,000,000.00	1,403,420,000.00	-753,420,000.00	-53.68%
Cash paid for debt repayment	681,901,725.48	1,036,325,984.18	-354,424,258.70	-34.20%

1. Tax refunds decreased by RMB 82.18 million or 99.1% year on year, mainly because SEG E-commerce gained the tax refund of RMB 82.93 for the supply chain business in the same period of last year. The Company completed equity transfer of SEG E-commerce in November 2016, and the cash flow statement of SEG E-commerce was no longer consolidated in the reporting period.

2. Cash paid for goods and services decreased by RMB 404.18 million or 37.1% year on year, mainly because (1) SEG E-commerce received the payment for goods of RMB 227.11 million for domestic trade in the same period of last year. The Company completed equity transfer of SEG E-commerce in November 2016, and the cash flow statement of SEG E-commerce was no longer consolidated in the reporting period. (2) Business shrinkage of SEG Industry resulted in decrease in the payment for goods and decrease in this item by RMB 84.51 million. (3) Nantong SEG and SEG Real Estate reduced investment due to completion of projects and decrease in this item by RMB 111.38 million.

3. Net increase in customer loans and advances increased by RMB 15.56 million or -34.67% year on year, mainly due to decrease in the size of loans issued by SEG Credit in the reporting period.

4. Taxes paid increased by RMB 84.63 million or 51.33% year on year, mainly because increase in pre-sold houses resulted in increase in prepaid taxes in the reporting period.

5. Net cash received from disposal of fixed assets, intangible assets and other long-term assets increased by RMB 44.01 million or 55.84% year on year, mainly because SEG Longyan, a new subsidiary of the Company, incurred RMB 95.32 million for its new industrial park.

6. Cash paid for investment increased by RMB 447.02 million or 43.37% year on year, mainly because the Company's financial

funds were accumulated at a faster pace and the principal paid for financial management in the bank increased.

7. Net cash received from subsidiaries and other entities decreased by RMB 17.5 million or 100% year on year, mainly because SEG Real Estate and SEG Property paid the investment of RMB 17.5 million for 29.75% of the equity of Shenzhen Zhonghai SEG Intelligent Parking Development Co., Ltd. in the same period of last year.

8. Cash received from borrowing decreased by RMB 753.42 million or 53.68% year on year, mainly due to decrease in bank loans obtained by the Company in the reporting period.

9. Cash paid for debt repayment decreased by RMB 354.42 million or 34.2% year on year, mainly due to decrease in bank loans due for repayment of the Company in the reporting period

II. Progress and impacts of significant events and analysis of solutions

√ Applicable □ Not applicable

None

Overview of Important Events	Disclosure Date	Inquiry Index for the Websites Disclosing the Temporary Reports
1. Annual equity distribution in 2016 The Company passed the <i>Proposal on Profit Distribution and Transfer of Capital Reserves to Share Capital in 2016</i> at the 4th extraordinary general meeting of shareholders in 2017. In accordance with the aforesaid proposal and the <i>Announcement of Shenzhen SEG Co., Ltd. on Annual Equity Distribution in 2016</i> issued on August 11, 2017, the annual equity distribution plan of the Company in 2016 was as follows: based on the total existing total share capital of 1,235,656,249 shares, the Company distributed RMB 0.3 by cash (tax included) for every 10 shares to all shareholders. As of August 21, the Company's equity distribution has been completed.	July 6, 2017	<i>Announcement of Shenzhen SEG Co., Ltd. on Proposal on Profit Distribution and Transfer of Capital Reserves to Share Capital in 2016</i> disclosed on http://www.cninfo.com.cn/
	August 11, 2017	<i>Announcement of Shenzhen SEG Co., Ltd. on Annual Equity Distribution of 2016</i> disclosed on http://www.cninfo.com.cn/
2. Adjustment of the price and number of stocks issued for raising supporting funds Considering the Company completed annual equity distribution of 2016, according to the <i>Reorganization Report</i> and agreements concerning this transaction, the Company adjusted the price and number of stocks issued for raising supporting funds as follows: (1) The price of stocks issued for raising supporting funds was changed from	August 22, 2017	<i>Announcement of Shenzhen SEG Co., Ltd. on Adjustment of the Price and Number of Stocks Issued for Raising Supporting Funds Involved in Share Issuance and Cash Payment to Acquire Assets and Raise Supporting Funds after Annual Equity Distribution in 2016</i> disclosed on http://www.cninfo.com.cn/

<p>a minimum of RMB 9.94 per share to a minimum of RMB 9.91 share; (2) The number of stocks issued for raising supporting funds was changed from a maximum of 201,207,243 shares to a maximum of 201,816,347 shares.</p>		
<p>3. Change of chairman of the Company Mr. Wang Li, chairman & director of the Company, applied for resignation to the Board of Directors on August 30, 2017. The Company re-elected a director according to relevant laws, regulations and provisions and procedures stipulated in the <i>Articles of Association</i>. Mr. Wang Bao was elected as director of the 7th Session of the Board of Directors at the 5th extraordinary general meeting of shareholders in 2017, and chairman of the 7th Session of the Board of Directors at the 25th interim meeting of the 7th Session of the Board of Directors.</p>	<p>August 31, 2017</p>	<p><i>Announcement of Shenzhen SEG Co., Ltd. on Resignation of the Chairman</i> disclosed on http://www.cninfo.com.cn/</p>
	<p>September 26, 2017</p>	<p><i>Announcement of Shenzhen SEG Co., Ltd. on Resolutions of the 5th Extraordinary General Meeting of Shareholders in 2017 and Announcement of Shenzhen SEG Co., Ltd. on Resolutions of the 25th Interim Meeting of the 7th Session of the Resolution of the Board of Directors</i> disclosed on http://www.cninfo.com.cn/</p>
<p>4. Reduction of share holdings of Huakong SEG In order to maximize the efficiency of stock assets of the Company, improve the asset and business structure of the Company, the Company intended to reduce all share holdings of Huakong SEG. The Company will sell no more than 20,133,429 shares of Huakong SEG (accounting for no more than 2% of shares of Huakong SEG) by centralized trading of securities at competing prices depending on the stock market quotation within the six months, and authorize the management to have personnel take charge of specific operation within the scope of authority of the general meeting. Reduction of share holdings has started since October 9, 2017.</p>	<p>September 9, 2017</p>	<p><i>Announcement of Shenzhen SEG Co., Ltd. on Proposed Reduction of Share Holdings of Shenzhen Huakong SEG Co., Ltd.</i> disclosed on http://www.cninfo.com.cn/</p>
	<p>September 26, 2017</p>	<p><i>Announcement of Shenzhen SEG Co., Ltd. on Resolutions of the 4th Extraordinary General Meeting of Shareholders in 2017</i> disclosed on http://www.cninfo.com.cn/</p>
<p>5. Plan to increase share holdings of the Company Due to confidence in the prospect of the Company and recognition of the value of the Company, some directors, supervisors,</p>	<p>September 21, 2017</p>	<p><i>Announcement of Shenzhen SEG Co., Ltd. on the Plan of Some Directors, Supervisors, Senior Executives and Middle Management of the Controlling Shareholder to Increase Share Holdings of the Company</i> disclosed</p>

senior executives and middle management of Shenzhen SEG Group, the controlling shareholder of the Company, and Some directors, supervisors, senior executives and middle management of the Company plan to increase share holdings of the Company by centralized trading of securities at competing prices within the next six months, which are expected to be no less than RMB 5 million in total.		on http://www.cninfo.com.cn/
--	--	--

III. Commitments not fulfilled in the reporting period by the actual controller of the Company, shareholders, buyers, or other related parties

Applicable Not applicable

There are no commitments that are not fulfilled in the reporting period by the actual controller of the Company, shareholders, buyers, or other related parties.

IV. Estimation of operating results of Year 2017

Warning of negative estimated accumulated net profit from the beginning of the year to the end of the next reporting period or large fluctuation over the same period of the previous year and causes

Applicable Not applicable

Performance forecast: sharp rise towards same direction compared with the same period of last year (before adjustment)

Type of data filled in the performance forecast: exact number

	From the beginning of the year to the end of next period	Same period last year (before adjustment)	Decrease or increase	
Estimated accumulated net profit (RMB 10,000)	21,000	10,756	Increase	95.24%
Basic earnings per share (Yuan/share)	0.170	0.137	Increase	24.00%
Notes to earnings forecast	<p>1. The Company has issued shares and purchased underlying assets for major assets restructuring in Q1 2017. The Company has purchased 100% of the equity of SegMaker, 55% of the equity of SEG Kangle, 100% of the equity of SEG Property Development and 79.02% of the equity of SEG Real Estate held by SEG Group by means of issuing shares and paying cashes to acquire assets. The four target companies have completed asset transfer on January 19, 2017. As the Company includes these underlying assets in the consolidated statements in 2017, the profit or loss of the four target companies is included in earnings forecasts of 2017.</p> <p>2. Financial data in the foregoing earnings forecasts is not audited yet, and the</p>			

	disclosed data in 2017 report shall prevail.
--	--

V. Securities investment

Applicable Not applicable

No securities investment is involved in the reporting period.

VI. Derivative investment

Applicable Not applicable

No derivative investment is involved in the reporting period.

VII. Registration form for investigations, communication and interviews in the reporting period

Applicable Not applicable

Time	Means	Type	Investigation Index
July 5, 2017	Phone call	Individual	Inquire about the number of shareholders as of June 30. The Company has given a reply according to the register of shareholders released by the Securities Depository and Clearing Corporation.
July 10, 2017	Phone call	Individual	Inquire about the operation of the Company in the first half of 2017. The Company suggests looking forward to the Semi-Annual Report 2017 to be disclosed.
August 15, 2017	Phone call	Individual	Inquire about the progress of raising supporting funds. The Company has given a reply according to the actual progress.
August 17, 2017	Phone call	Individual	Inquire about the number of shareholders as of August 15. The Company has given a reply according to the register of shareholders released by the Securities Depository and Clearing Corporation.
September 1, 2017	Phone call	Organization	Inquire about when to elect a new director. The Company replied that a new director would be re-elected according to the <i>Articles of</i>

			<i>Association</i> and relevant provisions as soon as possible.
September 10, 2017	Phone call	Individual	Inquire about the main business, transformation, and private placement of the Company. The Company has given a reply according to the actual progress disclosed.
September 18, 2017	Phone call	Individual	Inquire about the number of shareholders as of September 15. The Company has given a reply according to the register of shareholders released by the Securities Depository and Clearing Corporation.

VIII. Illegal external guarantee

Applicable Not applicable

No illegal external guarantee is involved in the reporting period.

IX. Non-operating capital occupation on the listed company by the controlling shareholders and related parties

Applicable Not applicable

No non-operating capital occupation on the listed company by the controlling shareholders and related parties is involved in the reporting period.

X. Fulfillment of the social responsibility for targeted poverty alleviation

1. Overview of targeted poverty alleviation in Q3

According to the national decision to fight against poverty and the work arrangements of the CPC (the Communist Party of China) Committee of Guangdong Province, People's Government of Guangdong Province, CPC Committee of Shenzhen, People's Government of Shenzhen, State-owned Assets Supervision and Administration Commission of Shenzhen, and SEG Group on three-year targeted poverty alleviation, SEG Group was designated to provide poverty alleviation aid for Zishi Village, Zishi Town, Longchuan County, Heyuan. After receiving the task, the CPC Committee and leaders of the Company attached great importance to it, and fully realized the importance, arduousness and urgency of poverty alleviation and development in the new period. Our thoughts and actions followed the spirits conveyed by important talks of Xi Jinping, CPC General Secretary, and decisions and arrangements on targeted poverty alleviation of government at all levels and the upper CPC committee. SEG Group promptly appointed the leader of the work team and arranged for special personnel to stay at the village for poverty alleviation. According to unified arrangements of SEG Group, the Company and its controlling subsidiaries aided 20 low-income families and 46 impoverished persons.

In the first three quarters of 2017, the Company organized "targeted poverty alleviation on campus and study assistance". In March, the Company donated caring materials to the Central Primary School of Zishi Town, Heyuan and brought STEAM creative programs to students. In May, the Company arranged for merchants to visit Zishi Village and consoled low-income families.

2. Planning for subsequent targeted poverty alleviation

1. The Company will increase efforts on industrial projects for targeted poverty alleviation, and promote the pigeon eco-breeding program in the form of enterprises + farmers according to the uniform arrangement of Longchuan CPC Committee; 2. The Company will promote infrastructure construction and complete the villager cultural activity plaza, road hardening project, and drinking water purification transformation.