

Stock Code: 000011, 200011

Stock Name: PRD, PRD-B

Announcement No. 2019-41

**SHENZHEN PROPERTIES & RESOURCES  
DEVELOPMENT (GROUP) LTD.**

**THIRD QUARTER REPORT 2019 (SUMMARY)**

## Part I Important Notes

**The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of ShenZhen Properties & Resources Development (Group) Ltd. (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.**

**All the Company’s directors have attended the Board meeting for the review of this Report and its summary.**

**Liu Shengxiang, the Company’s legal representative, Cai Lili, the Company’s head of financial affairs, and Liu Qiang, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.**

**This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.**

## Part II Key Corporate Information

### I Key Consolidated Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes  No

	30 September 2019	31 December 2018	Change (%)	
Total assets (RMB)	10,483,774,596.84	5,820,202,137.54	80.13%	
Equity attributable to the listed company's shareholders (RMB)	3,261,058,125.05	3,337,949,324.64	-2.30%	
	Q3 2019	YoY change (%)	Q1-Q3 2019	YoY change (%)
Operating revenue (RMB)	246,562,586.92	-34.07%	1,001,952,666.88	-16.43%
Net profit attributable to the listed company's shareholders (RMB)	-689,810.21	-101.13%	103,059,587.95	-28.52%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	-1,104,487.82	-101.78%	102,581,697.47	-28.73%
Net cash generated from/used in operating activities (RMB)	--	--	534,270,254.31	968.95%
Basic earnings per share (RMB/share)	-0.0012	-101.17%	0.1729	-28.52%
Diluted earnings per share (RMB/share)	-0.0012	-101.17%	0.1729	-28.52%
Weighted average return on equity (%)	-0.02%	-2.11%	3.13%	-1.79%

Exceptional gains and losses:

Applicable  Not applicable

Unit: RMB

Item	Q1-Q3 2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-13,030.68	Scrapping disposal of miscellaneous assets
Non-operating income and expense other than above	650,217.99	Sporadic penalty and liquidated damages income
Less: Income tax effects	159,296.83	
Total	477,890.48	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or 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 for the Reporting Period.

**II Total Number of Shareholders and Holdings of Top 10 Shareholders at 30 September 2019****1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders**

Unit: share

Number of ordinary shareholders at the period-end		41,305		Number of preferred shareholders with resumed voting rights at the period-end (if any)		0	
Top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen		
					Status	Shares	
Shenzhen Investment Holdings Corporation	State-owned legal person	63.82%	380,378,897				
Shenzhen Duty-Free Commodity Enterprises Co., Ltd.	Domestic non-state-owned legal person	0.29%	1,730,300	1,730,300			
Yang Yaochu	Domestic natural person	0.24%	1,425,020				
Mai Furong	Domestic natural person	0.20%	1,181,500				
Li Jing	Domestic natural person	0.20%	1,176,740				
Su Zhifen	Domestic natural person	0.19%	1,150,000				
Wuhan Xingkaiyuan Electric Power Engineering Co., Ltd	Domestic non-state-owned legal person	0.18%	1,050,000				
Chen Yutang	Domestic natural	0.15%	865,400				

	person					
Shantou Property Hexin Co., Ltd.	Domestic non-state-owned legal person	0.14%	850,000			
Zhang Shaoming	Domestic natural person	0.14%	811,000			
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by type				
		Type	Shares			
Shenzhen Investment Holdings Corporation	380,378,897	RMB-denominated ordinary stock	380,378,897			
Yang Yaochu	1,425,020	Domestically listed foreign stock	1,425,020			
Mai Furong	1,181,500	Domestically listed foreign stock	1,181,500			
Li Jing	1,176,740	Domestically listed foreign stock	1,176,740			
Su Zhifen	1,150,000	RMB-denominated ordinary stock	1,150,000			
Wuhan Xingkaiyuan Electric Power Engineering Co., Ltd	1,050,000	RMB-denominated ordinary stock	1,050,000			
Chen Yutang	865,400	RMB-denominated ordinary stock	865,400			
Shantou Property Hexin Co., Ltd.	850,000	RMB-denominated ordinary stock	850,000			
Zhang Shaoming	811,000	RMB-denominated ordinary stock	811,000			
Li Baorong	800,000	RMB-denominated ordinary stock	800,000			
Wang Hui	800,000	Domestically listed foreign stock	800,000			
Related or acting-in-concert parties among the shareholders above	The first largest shareholder, Shenzhen Investment Holding Corporation, is 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 9 shareholders.					
Top 10 ordinary shareholders involved	N/A					

in securities margin trading (if any)	
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Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes  No

No such cases in the Reporting Period.

## 2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable  Not applicable

## Part III Significant Events

### I Changes in Key Consolidated Financial Statement Line Items and Explanation of why

√ Applicable □ Not applicable

1. Net accounts receivable stood at RMB105,664,491.50 as at 30 September 2019, rising 64.51% compared to 31 December 2018, primarily driven by the increase in property management fees receivable.
2. Net other receivables stood at RMB1,411,300,201.44 as at 30 September 2019, rising 5677.29% compared to 31 December 2018, primarily driven by the combination scope increase of Shenzhen Rongyao Real Estate Development Co., Ltd.
3. Inventories stood at RMB4,091,290,659.03 as at 30 September 2019, rising 246.20% compared to 31 December 2018, primarily driven by the combination scope increase of Shenzhen Rongyao Real Estate Development Co., Ltd.
4. Other current assets stood at RMB60,518,612.48 as at 30 September 2019, rising 262.51% compared to 31 December 2018, primarily driven by the increase in prepaid VAT for property projects.
5. Net fixed assets stood at RMB49,959,816.20 as at 30 September 2019, rising 53.19% compared to 31 December 2018, primarily driven by purchase of office building by the subsidiary.
6. Other non-current assets stood at RMB29,220,732.54 as at 30 September 2019, declining 73.19% compared to 31 December 2018, primarily driven by the offset of payments for M&A of shares in Shenzhen Rongyao Real Estate Development Co., Ltd. by advance stock payment of RMB0.1 billion.
7. Accounts payable stood at RMB270,740,042.51 as at 30 September 2019, declining 32.05% compared to 31 December 2018, primarily driven by payment for projects.
8. Other payables stood at RMB575,189,783.56 as at 30 September 2019, rising 411.27% compared to 31 December 2018, primarily driven by payment of RMB406 million for stock transfer newly added.
9. Long-term borrowings stood at RMB2,194,000,000.00 as at 30 September 2019, rising 219300.00% compared to 31 December 2018, primarily driven by the combination scope increase of Shenzhen Rongyao Real Estate Development Co., Ltd.
10. Other comprehensive income stood at RMB-2,943,241.63 as at 30 September 2019, rising 64.78% compared to 31 December 2018, primarily driven by the decrease in the differences arising from translation of foreign currency-denominated financial statements caused by changes in foreign exchange rates.
11. Taxes and surtaxes stood at RMB134,703,867.42 during Q1~Q3 2019, rising 114.01% compared to Q1~Q3 2018, primarily driven by that main property projects carried over in the Reporting Period applied to higher land VAT rates.
12. Selling expense stood at RMB43,482,379.03 during Q1~Q3 2019, rising 193.64% compared to Q1~Q3 2018, primarily driven by increase of charges for sales agency and services.
13. Administrative expense stood at RMB85,821,358.91 during Q1~Q3 2019, rising 26.70% compared to Q1~Q3 2018, primarily driven by increase in remuneration for employees and in office expenditure.
14. Finance costs stood at RMB99,933.139.03 during Q1~Q3 2019, rising -359.86% compared to Q1~Q3 2018 of RMB-38,456,220.90, primarily driven by increase in interest payment.
15. Asset impairment loss (“-“ for losses) stood at RMB-2,656.062.96 during Q1~Q3 2019, declining 155.37%

compared to Q1~Q3 2018 of RMB4,797,271.69, primarily driven by withdrawal of bad debt provision and changes of inventory falling price reserves.

16. Investment income stood at RMB2,207,762.84 during Q1~Q3 2019, rising 57.92% compared to Q1~Q3 2018, primarily driven by changes caused by revenues realized by joint ventures of the Company.

17. Non-operating expense stood at RMB1,806,397.12 during Q1~Q3 2019, declining 36.66% compared to Q1~Q3 2018, primarily driven by decrease in payment for cleaning tenants as surrender compensation.

18. Income tax expense stood at RMB60,811,172.26 during Q1~Q3 2019, rising 35.32% compared to Q1~Q3 2018, primarily driven by increase in profits realized by companies except for Shenzhen Rongyao Real Estate Development Co., Ltd.

19. Net profit (attributable to the Company as the parent) stood at RMB103,059,587.95 during Q1~Q3 2019, declining 28.52% compared to Q1~Q3 2018, primarily driven by increase in interest expense of finance costs.

20. Net profit attributable to non-controlling interests stood at RMB-56,907,075.90 during Q1~Q3 2019 and that for Q1~Q3 2018 was RMB0.00, primarily driven by addition of “net profit attributable to non-controlling interests” of Shenzhen Rongyao Real Estate Development Co., Ltd.

21. Other comprehensive income, net of tax, stood at RMB-1,157,059.94 during Q1~Q3 2019, declining 37.41% compared to Q1~Q3 2018, primarily driven by changes in differences arising from translation of foreign currency-denominated financial statements caused by changes in foreign exchange rates.

22. Net cash generated from/used in operating activities stood at 534,270,254.31 during Q1~Q3 2019 and the net cash generated from operating activities rose 968.95% compared to Q1~Q3 2018, primarily driven by increase in recoup funds of housing sales accounts during Q1~Q3 2019.

23. Net cash generated from/used in investing activities during Q1~Q3 2019 stood at RMB-37,689,200.09, declining 149.48% compared to Q1~Q3 2018, primarily driven by receipt of share transfer payments from two motor companies during Q1 2018 and increase in payment for purchase of fixed assets during Q1~Q3 2019.

24. Net cash generated from/used in financing activities during Q1~Q3 2019 stood at RMB-359,218,136.65, rising 102.05% compared to Q1~Q3 2018, primarily driven by increase in interest paid for loans during Q1~Q3 2019.

## II Progress, Influence and Solutions Associated with Significant Events

√ Applicable □ Not applicable

In order to respond to the call of Shenzhen State-owned Assets Supervision and Administration Commission, further promote the concentration of resource of good quality to the advantage enterprises, particularly the listed companies, and strengthen the development potential of listed companies, optimize and solidify the industrial structure of listed companies, enlarge and strengthen the dominant industry in listed companies, the Company intends to take over 100% of equity in Shenzhen Holding Property Management Co., Ltd. (hereinafter referred to as “TK Property”) held by Shenzhen Investment Holdings Co., Ltd (hereinafter referred to as “SZIH”) in cash. The acquisition was approved by the 8<sup>th</sup> Meeting of the 9<sup>th</sup> Board of Directors on 6 September 2019 and the 2<sup>nd</sup> Extraordinary General Meeting of 2019 on 23 September 2019 with independent and professional opinions from independent directors. The relevant disclosure is as follows:

Announcement of significant event	Disclosure date	Disclosure website
The acquisition of 100% of equity in Shenzhen Holding Property Management Co., Ltd. and the connected	13 December 2018	No. 2018-39 <i>Announcement on Signing the Letter of Intent for Equity Transfer with Controlling Shareholders</i> on



transaction		www.cninfo.com.cn
	7 September 2019	No. 2019-28 <i>Announcement on Resolution of the Board of Directors</i> on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
	7 September 2019	No. 2019-30 <i>Announcement on the Acquisition of 100% of Equity in Shenzhen Holding Property Management Co., Ltd. and the Connected Transaction</i> on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
	7 September 2019	No. 2019-31 <i>Announcement on Resolution of the Supervisory Committee</i> on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
	21 September 2019	No. 2019-33 <i>Announcement on the Acquisition of 100% of Equity in Shenzhen Holding Property Management Co., Ltd. and the Connected Transaction</i> on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
	24 September 2019	No. 2019-34 <i>Announcement on Resolution of the 2<sup>nd</sup> Extraordinary General Meeting of 2019</i> on <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>

Progress of any share repurchases:

Applicable  Not applicable

Progress of any reduction of the repurchased shares through centralized bidding:

Applicable  Not applicable

### III Commitments that the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company Itself or Other Parties, Failed to Fulfill on Time during the Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

### IV Securities Investments

Applicable  Not applicable

Unit: RMB

Variety of securities	Symbol of securities	Name of securities	Initial investment	Accounting measurement	Beginning carrying amount	Gain/loss of change	Accumulative	Purchased in the	Sold in the Reporting	Gain/loss in Reporting	Ending carrying amount	Accounting title	Capital source

ty	ty	y	cost	remen t model	ng value	es in fair value in the Repor ting Perio d	chang es in fair value record ed into equiti es	Repor ting Perio d	ting Perio d	Perio d	ng value		
Dome stic/o versea s stock	40001 6	Gintia n A	2,991, 975.0 3	Fair metho d	2,991, 975.0 3	0.00	0.00	0.00	0.00	0.00	2,991, 975.0 3	Other non-c urren t finan cial assets	Obtai ned in debt restru cturin g
Dome stic/o versea s stock	42001 6	Gintia n B	573,8 81.03	Fair metho d	629,4 06.08	0.00	0.00	0.00	0.00	1,054. 64	630,4 60.72	Other non-c urren t finan cial assets	Obtai ned in debt restru cturin g
Total			3,565, 856.0 6	--	3,621, 381.1 1	0.00	0.00	0.00	0.00	1,054. 64	3,622, 435.7 5	--	--
Disclosure date of announcement on Board's consent for securities investment													
Disclosure date of announcement on shareholders' meeting's consent for securities investment (if any)													

## V Wealth Management Entrustment

Applicable  Not applicable

No such cases in the Reporting Period.

## VI Investments in Derivative Financial Instruments

Applicable  Not applicable

No such cases in the Reporting Period.

## VII Communications with the Investment Community such as Researches, Inquiries and Interviews during the Reporting Period

√ Applicable □ Not applicable

Date	Way of communication	Type of communication party	Index to main information communicated
2 July 2019	In writing	Individual	Inquired of the disclosure of the interim report of the Company
6 July 2019	In writing	Individual	Inquired of business development of the Company
8 July 2019	In writing	Individual	Inquired of the property information of golden collar project
8 July 2019	In writing	Individual	Inquired of the semi-annual performance of the Company
9 July 2019	By phone	Individual	Inquired of business development of the Company
9 July 2019	In writing	Individual	Inquired of the market value of golden collar project
11 July 2019	In writing	Individual	Inquired of the information of golden collar project
11 July 2019	In writing	Individual	Inquired of the sales of commercial housing
13 July 2019	In writing	Individual	Inquired of the information of Fuchang Phase II
15 July 2019	By phone	Individual	Inquired of the progress of project construction and financial condition
17 July 2019	In writing	Individual	Inquired of the sales of commercial housing
19 July 2019	In writing	Individual	Inquired of the release of restriction on restricted shares of the Company
23 August 2019	In writing	Individual	Inquired of the number of the shareholders of the Company
11 September 2019	In writing	Individual	Inquired of situations of shareholders of the Company
19 September 2019	In writing	Individual	Inquired of situations of shareholders of the Company

### **VIII Irregularities in Provision of Guarantees**

Applicable  Not applicable

No such cases in the Reporting Period.

### **IX Occupation of the Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes**

Applicable  Not applicable

No such cases in the Reporting Period.