

Stock Code: 000011, 200011

Stock Name: PRD, PRD-B

Announcement No. 2023-23

SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.

THIRD QUARTERLY REPORT 2023

ShenZhen Properties & Resources Development (Group) Ltd. (hereinafter referred to as the “Company”) and all the members of the Company’s Board of Directors hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions.

Important Notes:

1. The Board of Directors, the Supervisory Committee as well as the directors, supervisors and senior management of the Company hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions, and collectively and individually accept legal responsibility for such contents.
2. The Company’s legal representative, head of financial affairs, and head of the financial department (equivalent to financial manager) hereby guarantee that the financial statements carried in this Report are true, accurate and complete.
3. Indicate whether the financial statements in this Report have been audited by an independent auditor.

Yes No

I Key Financial Information

(I) Key Accounting Data and Financial Indicators

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

Yes No

	Q3 2023	YoY change (%)	Q1-Q3 2023	YoY change (%)
Operating revenue (RMB)	521,861,580.85	-54.70%	2,427,326,213.70	-22.70%
Net profit attributable to the listed company’s shareholders (RMB)	10,448,055.65	-94.90%	231,351,500.28	-49.24%
Net profit attributable to the listed company’s shareholders before exceptional gains and losses (RMB)	11,244,393.64	-93.93%	232,089,104.78	-47.47%
Net cash generated from/used in operating activities (RMB)	—	—	-939,639,052.92	-2,237.74%
Basic earnings per share (RMB/share)	0.0175	-94.90%	0.3882	-49.23%
Diluted earnings per share (RMB/share)	0.0175	-94.90%	0.3882	-49.23%

Weighted average return on equity (%)	0.24%	-4.59%	5.22%	-5.13%
	30 September 2023	31 December 2022	YoY change (%)	
Total assets (RMB)	15,583,445,761.13	15,800,287,610.40	-1.37%	
Equity attributable to the listed company's shareholders (RMB)	4,428,522,622.23	4,412,555,547.97	0.36%	

(II) Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	Q3 2023	Q1-Q3 2023	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	618,765.19	793,144.88	Gain or loss on disposal generated from early termination of leased assets
Government grants through profit or loss (exclusive of government grants continuously given in the Company's ordinary course of business at fixed quotas or amounts as per the government's policies and standards)	124,720.00	626,378.00	One-time bounty received
Non-operating income and expense other than the above	-2,121,078.39	-2,683,694.81	Reversal of non-operating income pre-recognized and forfeited lease security due to early termination of leased assets
Less: Income tax effects	-320,194.33	-288,524.32	
Non-controlling interests effects (net of tax)	-261,060.88	-238,043.11	
Total	-796,337.99	-737,604.50	--

Other items that meet the definition of exceptional gain/loss:

Applicable Not applicable

No such cases in the Reporting Period.

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

(III) Changes in Key Financial Statement Line Items and Explanation of why

Applicable Not applicable

Balance sheet line items	30 September 2023	1 January 2023	Change (%)	Main reasons for the change
Prepayments	14,737,756.37	100,341,806.56	-85.31%	Prepayment for land was transferred to development costs
Contract assets	110,333,894.82	1,094,632.90	9979.53%	Operating revenue was recognized
Other current assets	91,791,361.00	65,655,266.27	39.81%	Increased debit balance of reclassified tax payable
Long-term receivables	0.00	22,651,454.07	-100.00%	Early termination of finance leases

Investments in other equity instruments	601,665.25	887,838.64	-32.23%	Changes in the fair value of investments in other equity instruments
Right-of-use assets	24,940,810.92	70,168,415.65	-64.46%	Early termination of lease assets
Other non-current assets	6,328,448.11	2,750,873.08	130.05%	Increased prepayments for the construction and acquisition of fixed assets
Short-term borrowings	90,000,000.00	0.00	100.00%	Additional short-term borrowings
Accounts payable	414,725,550.43	608,283,388.52	-31.82%	Decreased payables for engineering
Advances from customers	559,960.43	2,260,847.31	-75.23%	Decreased rental advances received
Contract liabilities	280,893,889.54	920,828,040.81	-69.50%	Operating revenue was recognized
Other current liabilities	18,580,606.80	83,991,786.83	-77.88%	Operating revenue was recognized, resulting in decreased output-tax-to-be
Lease liabilities	14,934,418.01	77,963,283.55	-80.84%	Early termination of lease assets
Provisions	0.00	766,612.52	-100.00%	Lawsuit-related payments
Income statement line items	Q1~Q3 2023	Q1~Q3 2022	Change (%)	Main reasons for the change
Taxes and levies	87,090,867.91	686,903,783.64	-87.32%	Higher provisions for land value added tax in the same period of last year
Interest income	11,814,704.84	17,085,421.82	-30.85%	Decreased monetary assets in the current period
Gain on changes in fair value	-	117,082.19	-100.00%	Purchase of held-for-trading financial assets in the same period of last year
Return on investment	2,711,324.32	613,652.55	341.83%	Increased return on joint venture investments in the current period
Non-operating income	907,106.27	6,728,363.44	-86.52%	Reversal of previously recognized non-operating income in the current period
Non-operating expense	3,590,801.08	2,262,117.07	58.74%	Lease deposits forfeited on early termination of lease assets in the current period
Income tax expense	85,692,317.44	165,259,517.59	-48.15%	Decreased gross profit in the current period
Other comprehensive income - Changes in the fair value of investments in other equity instruments	-309,668.96	-108,308.41	-185.91%	Changes in the fair value of investments in other equity instruments
Other comprehensive income - Differences arising from the translation of foreign currency-denominated financial statements	1,890,614.71	-810,990.20	333.12%	Exchange rate fluctuations
Cash flow statement line items	Q1~Q3 2023	Q1~Q3 2022	Change (%)	Main reasons for the change
Net cash generated from/used in operating activities	-939,639,052.92	-40,194,271.40	-2237.74%	Decreased cash inflows in the current period
Net cash generated from/used in investing activities	-5,760,386.52	-282,571,107.19	97.96%	Payment for acquisition of equity interests in the same period of last year
Net cash generated from/used in financing activities	431,226,026.33	-273,052,032.11	257.93%	Additional bank loan in the current period

II Shareholder Information

(I) Numbers of Ordinary Shareholders and Preference Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders at the period-end	42,169	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, marked or frozen	
					Status	Shares
Shenzhen Investment Holdings Corporation	State-owned corporation	50.57%	301,414,637	3,326		
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	Domestic non-state-owned legal person	6.38%	38,037,890	0		
China Orient Asset Management Co., Ltd.	State-owned legal person	2.77%	16,491,402	0		
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	0.33%	1,982,701	0		
Industrial and Commercial Bank of China Limited – Southern China Securities Full Index Real Estate Trading Open-ended Index Securities Investment Fund	Other	0.30%	1,794,934	0		
Duan Shaoteng	Domestic natural person	0.29%	1,760,565	0		
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	0.28%	1,690,984	0		
CITIC Securities Company Limited	State-owned corporation	0.25%	1,516,338	0		
Li Xinyi	Domestic natural person	0.25%	1,500,000	0		
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by class and number				
		Class	Shares			
Shenzhen Investment Holdings Corporation	301,411,311	RMB-denominated ordinary stock	301,411,311			
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	38,037,890	RMB-denominated ordinary stock	38,037,890			
China Orient Asset Management Co., Ltd.	16,491,402	RMB-denominated ordinary stock	16,491,402			
Hong Kong Securities Clearing Company Ltd.	1,982,701	RMB-denominated ordinary stock	1,982,701			
Industrial and Commercial Bank of China	1,794,934	RMB-	1,794,934			

Limited – Southern China Securities Full Index Real Estate Trading Open-ended Index Securities Investment Fund		denominated ordinary stock	
Duan Shaoteng	1,760,565	RMB-denominated ordinary stock	1,760,565
Yang Yaochu	1,690,984	Domestically listed foreign stock	1,690,984
CITIC Securities Company Limited	1,516,338	RMB-denominated ordinary stock	1,516,338
Li Xinyi	1,500,000	RMB-denominated ordinary stock	1,500,000
Mai Furong	1,244,596	Domestically listed foreign stock	1,244,596
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 Shenzhen State-Owned Equity Operation and Management Co., Ltd. And the Company does not know whether there are related parties or acting-in-concert parties among the other 8 shareholders.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A		

(II) Number of Preference Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

III Other Significant Events

Applicable Not applicable

IV Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by ShenZhen Properties & Resources Development (Group) Ltd.

Unit: RMB

Item	30 September 2023	1 January 2023
Current assets:		
Monetary assets	1,208,459,708.44	1,517,528,893.83
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	432,960,686.69	419,933,915.30
Receivables financing		

Prepayments	14,737,756.37	100,341,806.56
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	619,208,624.39	639,903,523.33
Including: Interest receivable	0.00	0.00
Dividends receivable	0.00	0.00
Financial assets purchased under resale agreements		
Inventories	11,139,345,094.64	10,975,334,223.37
Contract assets	110,333,894.82	1,094,632.90
Assets held for sale		
Current portion of non-current assets		
Other current assets	91,791,361.00	65,655,266.27
Total current assets	13,616,837,126.35	13,719,792,261.56
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables	0.00	22,651,454.07
Long-term equity investments	82,429,641.63	79,781,437.31
Investments in other equity instruments	601,665.25	887,838.64
Other non-current financial assets		
Investment property	396,403,320.16	405,762,739.18
Fixed assets	69,709,976.69	82,745,172.12
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets	24,940,810.92	70,168,415.65
Intangible assets	917,941.72	1,269,382.91
Development costs		
Goodwill	9,446,847.38	9,446,847.38
Long-term prepaid expense	18,100,297.95	21,980,602.46
Deferred income tax assets	1,357,729,684.97	1,383,050,586.04
Other non-current assets	6,328,448.11	2,750,873.08
Total non-current assets	1,966,608,634.78	2,080,495,348.84
Total assets	15,583,445,761.13	15,800,287,610.40
Current liabilities:		
Short-term borrowings	90,000,000.00	0.00
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	414,725,550.43	608,283,388.52

Advances from customers	559,960.43	2,260,847.31
Contract liabilities	280,893,889.54	920,828,040.81
Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	191,921,069.09	239,126,392.02
Taxes and levies payable	3,939,529,509.90	3,917,278,346.81
Other payables	1,473,500,394.31	1,515,085,832.45
Including: Interest payable	0.00	0.00
Dividends payable	12,202,676.04	12,202,676.04
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	218,229,185.39	218,858,766.82
Other current liabilities	18,580,606.80	83,991,786.83
Total current liabilities	6,627,940,165.89	7,505,713,401.57
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	4,331,879,457.18	3,618,782,344.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	14,934,418.01	77,963,283.55
Long-term payables		
Long-term employee benefits payable		
Provisions	0.00	766,612.52
Deferred income		
Deferred income tax liabilities	174,168.87	241,978.54
Other non-current liabilities	128,226,648.86	128,008,919.79
Total non-current liabilities	4,475,214,692.92	3,825,763,138.40
Total liabilities	11,103,154,858.81	11,331,476,539.97
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	80,488,045.38	80,488,045.38
Less: Treasury stock		
Other comprehensive income	-2,273,432.20	-3,854,377.95
Specific reserve		
Surplus reserves	48,886,605.81	48,886,605.81
General reserve		
Retained earnings	3,705,442,311.24	3,691,056,182.73

Total equity attributable to owners of the Company as the parent	4,428,522,622.23	4,412,555,547.97
Non-controlling interests	51,768,280.09	56,255,522.46
Total owners' equity	4,480,290,902.32	4,468,811,070.43
Total liabilities and owners' equity	15,583,445,761.13	15,800,287,610.40

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

2. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2023	Q1~Q3 2022
1. Revenues	2,427,326,213.70	3,140,295,994.52
Including: Operating revenue	2,427,326,213.70	3,140,295,994.52
Interest income		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	2,110,887,625.76	2,533,140,929.95
Including: Cost of sales	1,747,100,763.88	1,571,679,030.25
Interest expense		
Fee and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and levies	87,090,867.91	686,903,783.64
Selling expense	25,371,890.23	22,161,928.56
Administrative expense	211,898,457.07	210,271,281.59
Development costs	3,407,038.92	4,159,726.32
Finance costs	36,018,607.75	37,965,179.59
Including: Interest expense	45,973,455.32	54,523,243.45
Interest income	11,814,704.84	17,085,421.82
Add: Other income	9,328,789.60	11,919,911.57
Return on investment ("-" for loss)	2,711,324.32	613,652.55
Including: Share of profit or loss of joint ventures and associates	2,711,324.32	621,145.49
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Exchange gain ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	0.00	117,082.19
Credit impairment loss ("-" for loss)	-13,788,622.51	-14,254,357.26

Asset impairment loss (“-” for loss)	2,045.93	-753,565.10
Asset disposal income (“-” for loss)	793,144.88	-40,143.31
3. Operating profit (“-” for loss)	315,485,270.16	604,757,645.21
Add: Non-operating income	907,106.27	6,728,363.44
Less: Non-operating expense	3,590,801.08	2,262,117.07
4. Gross profit (“-” for loss)	312,801,575.35	609,223,891.58
Less: Income tax expense	85,692,317.44	165,259,517.59
5. Net profit (“-” for net loss)	227,109,257.91	443,964,373.99
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	227,047,902.08	443,964,373.99
5.1.2 Net profit from discontinued operations (“-” for net loss)	61,355.83	0.00
5.2 By ownership		
5.2.1 Net profit attributable to shareholders of the Company as the parent (“-” for net loss)	231,351,500.28	455,745,222.66
5.2.2 Net profit attributable to non-controlling interests (“-” for net loss)	-4,242,242.37	-11,780,848.67
6. Other comprehensive income, net of tax	1,580,945.75	-919,298.61
Attributable to owners of the Company as the parent	1,580,945.75	-919,298.61
6.1 Items that will not be reclassified to profit or loss	-309,668.96	-108,308.41
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments	-309,668.96	-108,308.41
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	1,890,614.71	-810,990.20
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	1,890,614.71	-810,990.20
6.2.7 Other		
Attributable to non-controlling interests	0.00	0.00
7. Total comprehensive income	228,690,203.66	443,045,075.38
7.1 Attributable to owners of the Company as the parent	232,932,446.03	454,825,924.05
7.2 Attributable to non-controlling	-4,242,242.37	-11,780,848.67

interests		
8. Earnings per share		
8.1 Basic earnings per share	0.3882	0.7647
8.2 Diluted earnings per share	0.3882	0.7647

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB , with the amount for the same period of last year being RMB .

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

3. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2023	Q1~Q3 2022
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,722,297,276.09	2,452,112,485.68
Net increase in customer deposits and deposits from other banks and financial institutions		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, fees and commissions received		
Net increase in loans from other banks and financial institutions		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax and levy rebates	14,416,704.33	10,245,107.61
Cash generated from other operating activities	240,994,365.07	1,003,380,006.44
Subtotal of cash generated from operating activities	1,977,708,345.49	3,465,737,599.73
Payments for commodities and services	1,746,506,968.56	2,080,004,618.42
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other banks and financial institutions		
Payments for claims on original insurance contracts		
Net increase in loans to other banks and financial institutions		
Interest, fees and commissions paid		
Policy dividends paid		
Cash paid to and for employees	723,393,519.67	723,775,712.61

Taxes and levies paid	224,226,839.66	481,776,111.23
Cash used in other operating activities	223,220,070.52	220,375,428.87
Subtotal of cash used in operating activities	2,917,347,398.41	3,505,931,871.13
Net cash generated from/used in operating activities	-939,639,052.92	-40,194,271.40
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment	63,120.00	
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	78,255.52	34,519.84
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	141,375.52	34,519.84
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	4,084,842.48	11,116,125.41
Payments for investments	1,816,919.56	271,489,501.62
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	5,901,762.04	282,605,627.03
Net cash generated from/used in investing activities	-5,760,386.52	-282,571,107.19
3. Cash flows from financing activities:		
Capital contributions received	0.00	19,760,000.00
Including: Capital contributions by non-controlling interests to subsidiaries	0.00	19,760,000.00
Borrowings received	841,843,775.18	286,832,330.00
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	841,843,775.18	306,592,330.00
Repayment of borrowings	32,326,662.00	30,900,000.00
Interest and dividends paid	357,864,492.62	547,401,912.61
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities	20,426,594.23	1,342,449.50
Subtotal of cash used in financing activities	410,617,748.85	579,644,362.11
Net cash generated from/used in financing activities	431,226,026.33	-273,052,032.11
4. Effect of foreign exchange rates changes on cash and cash equivalents	1,642,658.54	5,698,247.23
5. Net increase in cash and cash equivalents	-512,530,754.57	-590,119,163.47
Add: Cash and cash equivalents, beginning of the period	1,509,693,857.48	1,963,988,756.69
6. Cash and cash equivalents, end of the period	997,163,102.91	1,373,869,593.22

(II) Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of the New Accounting Standards Implemented since 2023

Applicable Not applicable

(III) Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes No

These financial statements have not been audited by such an auditor.

The Board of Directors
Shenzhen Properties & Resources Development (Group) Ltd.
30 October 2023