

Stock Code: 000029, 200029

Stock Name: SPG, SPG-B

Announcement No.: 2023-023

SHENZHEN SPECIAL ECONOMIC ZONE REAL ESTATE & PROPERTIES (GROUP) CO., LTD.

FIRST QUARTERLY REPORT 2023

Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., 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, Chief Financial Officer, and head of the Company’s 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

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.

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

	Q1 2023	Q1 2022	YoY change (%)
Operating revenue (RMB)	109,155,515.74	272,594,952.10	-59.96%
Net profit attributable to the listed company's shareholders (RMB)	-35,653,798.52	162,278,083.59	-121.97%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	-37,833,791.48	37,225,465.61	-201.63%
Net cash generated from/used in operating activities (RMB)	-183,238,769.33	-461,062,516.92	60.26%
Basic earnings per share (RMB/share)	-0.0352	0.1604	-121.95%
Diluted earnings per share (RMB/share)	-0.0352	0.1604	-121.95%
Weighted average return on equity (%)	-0.89%	4.04%	-4.93%
	31 March 2023	31 December 2022	Change (%)
Total assets (RMB)	5,507,814,502.77	5,689,769,802.18	-3.20%
Equity attributable to the listed company's shareholders (RMB)	3,970,486,346.38	4,004,240,547.70	-0.84%

(II) Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	Q1 2023	Note
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)	118,084.21	Government grants received
Gain/Loss on changes in fair value arising from holding of trading financial assets and liabilities and investment income from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets other than effective hedge business related to the Company's normal operating businesses	2,105,531.76	Gains on changes in fair value and investment income arising from investing monetary funds
Non-operating income and expense other than the above	-17,894.07	
Less: Income tax effects	25,047.54	
Non-controlling interests effects (net of tax)	681.40	
Total	2,179,992.96	

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

Operating revenue of Q1 2023 declined 59.96% compared to that of Q1 2022 and the net profit attributable to the listed company's shareholders before exceptional gains and losses of Q1 2023 declined 201.63% compared to that of Q1 2022, primarily driven by the YoY decrease in carryforward of real estate sales in Q1 2023;

The net profit attributable to the listed company's shareholders of Q1 2023 declined 121.97% compared to that of Q1 2022, primarily driven by the transfer of 100% equity of Shenzhen Property Management Co., Ltd. occurring in Q1 2022 and increase in sales carryforward in Q1 2023;

As for the net cash generated from/used in operating activities of Q1 2023, the outflow was 60.26% lower than that of Q1 2022, primarily driven by the payment of land tax increment clearance in Q1 2022.

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		45,531	Number of preference shareholders with resumed voting rights (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 Co., Ltd.	State-owned corporation	55.78%	564,353,838.00	0.00		
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	Domestic non-state-owned legal person	6.35%	64,288,426.00	0.00		
Yang Jianmin	Domestic natural person	1.08%	10,898,877.00	0.00		
Pan Jun	Domestic natural person	0.49%	5,001,500.00	0.00		
Zhang Xiujian	Domestic natural person	0.47%	4,785,600.00	0.00		
Wang Yulan	Domestic natural person	0.41%	4,185,291.00	0.00		
He Qiao	Domestic natural person	0.40%	4,041,686.00	0.00		
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	0.35%	3,522,955.00	0.00		
Cao Benming	Domestic natural person	0.33%	3,356,800.00	0.00		
Zhang Chengyu	Domestic natural person	0.26%	2,600,800.00	0.00		
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by type				
		Type	Shares			
Shenzhen Investment Holdings Co., Ltd.	564,353,838.00	RMB-denominated ordinary stock	564,353,838.00			
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	64,288,426.00	RMB-denominated ordinary stock	64,288,426.00			
Yang Jianmin	10,898,877.00	RMB-denominated ordinary stock	10,898,877.00			
Pan Jun	5,001,500.00	RMB-denominated ordinary stock	5,001,500.00			

Zhang Xiujuan	4,785,600.00	RMB-denominated ordinary stock	4,785,600.00
Wang Yulan	4,185,291.00	RMB-denominated ordinary stock	4,185,291.00
He Qiao	4,041,686.00	RMB-denominated ordinary stock	3,889,000.00
		Domestically listed foreign stock	152,686.00
Hong Kong Securities Clearing Company Ltd.	3,522,955.00	RMB-denominated ordinary stock	3,522,955.00
Cao Benming	3,356,800.00	RMB-denominated ordinary stock	3,356,800.00
Zhang Chengyu	2,600,800.00	RMB-denominated ordinary stock	2,600,800.00
Related or acting-in-concert parties among the shareholders above	Among the top 10 unrestricted ordinary shareholders of the Company, Shenzhen State-Owned Equity Operation and Management Co., Ltd. is the wholly-owned subsidiary of Shenzhen Investment Holdings Co., Ltd. The Company does not know whether there exists related-party relationship among the other shareholders, or whether they are persons acting in concert as prescribed in the <i>Administrative Measures for the Acquisition of Listed Companies</i> .		
Top 10 shareholders engaged in securities margin trading (if any)	Among the top 10 shareholders, the third shareholder holds 9,432,200 shares of the Company in his credit security account; the fifth shareholder holds 4,785,600 shares of the Company in his credit security account; the seventh shareholder holds 3,702,300 shares of the Company in her credit security account; the ninth shareholder holds 3,351,800 shares of the Company in its credit security account; the tenth shareholder holds 2,366,000 shares of the Company in its credit security account.		

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

Applicable Not applicable

III Other Significant Events

Applicable Not applicable

(I) On 30 March 2023, the Company convened the 1st Extraordinary General Meeting of 2023, at which the non-independent directors and independent directors of the 8th Board of Directors and non-employee supervisors of the 8th Supervisory Committee were elected who formed the new Board of Directors and Supervisory Committee together with the employee supervisors elected by the Company's congress of workers and staff. For more details, please refer to the *Announcement on Completion of the Election of the Board of Directors and the Supervisory Committee* (Announcement No.: 2023-017) disclosed on 31 March 2023;

(II) In accordance with the regulation of the *Articles of Association* that the Company's legal representative shall be its chairman of the Board, the Company has completed the industrial and commercial registration changing procedures on 17 April 2023 and the legal representative of the Company was changed to Mr. Tang Xiaoping from Mr. Liu Zhengyu.

IV Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

31 March 2023

Unit: RMB

Item	31 March 2023	1 January 2023
Current assets:		
Monetary assets	173,441,137.89	197,663,949.74
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets	273,459,893.18	408,154,361.42
Derivative financial assets		
Notes receivable		1,536,150.00
Accounts receivable	54,287,010.07	63,580,422.16
Receivables financing		
Prepayments	5,743,693.11	1,163,612.24
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	24,573,840.41	42,105,050.33
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	4,282,125,304.63	4,257,109,614.31
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	37,486,541.23	36,778,641.42
Total current assets	4,851,117,420.52	5,008,091,801.62
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	93,927.64	93,927.64
Investments in other equity instruments	14,011,987.54	13,839,235.57
Other non-current financial assets		
Investment property	560,216,601.35	566,873,915.07
Fixed assets	20,812,148.77	21,425,475.05
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets	199,282.91	232,496.72
Intangible assets		
Development costs		
Goodwill		
Long-term prepaid expense	1,992,877.19	2,176,221.53
Deferred income tax assets	59,370,256.85	77,036,728.98
Other non-current assets		
Total non-current assets	656,697,082.25	681,678,000.56
Total assets	5,507,814,502.77	5,689,769,802.18
Current liabilities:		
Short-term borrowings	46,682,302.88	51,138,077.62
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		

Accounts payable	420,510,933.32	434,601,559.67
Advances from customers	5,428,233.81	5,465,343.96
Contract liabilities	38,096,046.55	43,533,467.29
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	31,583,350.13	35,724,203.78
Taxes and levies payable	61,205,538.67	190,951,185.99
Other payables	561,998,000.05	574,331,340.84
Including: Interest payable	16,535,277.94	16,535,277.94
Dividends payable		
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	8,412,023.44	6,188,794.43
Other current liabilities	3,078,103.61	3,882,817.68
Total current liabilities	1,176,994,532.46	1,345,816,791.26
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	74,961,000.00	54,261,000.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	33,272.19	53,885.23
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities	3,096,348.02	3,096,348.02
Other non-current liabilities		
Total non-current liabilities	78,090,620.21	57,411,233.25
Total liabilities	1,255,085,152.67	1,403,228,024.51
Owners' equity:		
Share capital	1,011,660,000.00	1,011,660,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	978,244,910.11	978,244,910.11
Less: Treasury stock		
Other comprehensive income	27,826,318.05	25,926,720.85
Specific reserve		
Surplus reserves	275,253,729.26	275,253,729.26
General reserve		
Retained earnings	1,677,501,388.96	1,713,155,187.48
Total equity attributable to owners of the Company as the parent	3,970,486,346.38	4,004,240,547.70
Non-controlling interests	282,243,003.72	282,301,229.97
Total owners' equity	4,252,729,350.10	4,286,541,777.67
Total liabilities and owners' equity	5,507,814,502.77	5,689,769,802.18

Legal representative: Tang Xiaoping Chief Financial Officer: Wang Jianfei Head of the financial department: Qiao Yanjun

2. Consolidated Income Statement

Unit: RMB

Item	Q1 2023	Q1 2022
1. Revenues	109,155,515.74	272,594,952.10
Including: Operating revenue	109,155,515.74	272,594,952.10
Interest revenue		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	151,818,346.49	218,394,023.67
Including: Cost of sales	101,079,794.15	152,460,417.85
Interest costs		
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	33,875,290.78	48,242,285.55
Selling expense	3,955,020.34	4,783,896.07
Administrative expense	13,032,486.78	14,926,706.67
R&D expense		
Finance costs	-124,245.56	-2,019,282.47
Including: Interest costs		
Interest revenue	384,410.44	2,135,908.57
Add: Other income	118,084.21	330,714.74
Return on investment (“-” for loss)	161,491.79	165,739,875.11
Including: Share of profit or loss of joint ventures and associates		
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)	1,944,039.97	2,986,182.85
Credit impairment loss (“-” for loss)	81,350.00	53,211.01
Asset impairment loss (“-” for loss)		-268,941.60
Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	-40,357,864.78	223,041,970.54
Add: Non-operating income	3,000.01	400,002.42
Less: Non-operating expense	20,894.08	1,423.06
4. Gross profit (“-” for loss)	-40,375,758.85	223,440,549.90
Less: Income tax expense	-3,923,657.55	61,821,128.60
5. Net profit (“-” for net loss)	-36,452,101.30	161,619,421.30
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	-36,452,101.30	161,619,421.30
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		

5.2.1 Net profit attributable to owners of the Company as the parent	-35,653,798.52	162,278,083.59
5.2.1 Net profit attributable to non-controlling interests	-798,302.78	-658,662.29
6. Other comprehensive income, net of tax	2,639,673.73	-1,625,109.66
Attributable to owners of the Company as the parent	1,899,597.20	-1,698,538.22
6.1 Items that will not be reclassified to profit or loss	1,899,597.20	-1,869,871.54
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	1,899,597.20	-1,869,871.54
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		171,333.32
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		171,333.32
6.2.7 Other		
Attributable to non-controlling interests	740,076.53	73,428.56
7. Total comprehensive income	-33,812,427.57	159,994,311.64
Attributable to owners of the Company as the parent	-33,754,221.89	160,579,545.37
Attributable to non-controlling interests	-58,205.68	-585,233.73
8. Earnings per share		
8.1 Basic earnings per share	-0.0352	0.1604
8.2 Diluted earnings per share	-0.0352	0.1604

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Tang Xiaoping Chief Financial Officer: Wang Jianfei Head of the financial department: Qiao Yanjun

3. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2023	Q1 2022
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	81,910,853.47	135,938,494.95
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	1,186,861.59	79,547.26
Cash generated from other operating activities	12,468,006.72	165,092,287.40
Subtotal of cash generated from operating activities	95,565,721.78	301,110,329.61
Payments for commodities and services	42,338,057.79	118,807,563.04
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	21,566,505.36	30,832,704.29
Taxes and levies paid	162,889,235.25	481,133,071.14
Cash used in other operating activities	52,010,692.71	131,399,508.06
Subtotal of cash used in operating activities	278,804,491.11	762,172,846.53
Net cash generated from/used in operating activities	-183,238,769.33	-461,062,516.92
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment		813,960.00
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	3,000.00	18,186,211.00
Net proceeds from the disposal of subsidiaries and other business units		121,650,555.74
Cash generated from other investing activities	136,800,000.00	16,000,000.00
Subtotal of cash generated from investing activities	136,803,000.00	156,650,726.74
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	57,988.92	59,420.24
Payments for investments		
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	57,988.92	59,420.24
Net cash generated from/used in investing activities	136,745,011.08	156,591,306.50

3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings received	23,000,000.00	0.00
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	23,000,000.00	0.00
Repayment of borrowings		
Interest and dividends paid	754,516.80	0.00
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	754,516.80	0.00
Net cash generated from/used in financing activities	22,245,483.20	0.00
4. Effect of foreign exchange rates changes on cash and cash equivalents	-113,540.16	-508,619.70
5. Net increase in cash and cash equivalents	-24,361,815.21	-304,979,830.12
Add: Cash and cash equivalents, beginning of the period	190,365,069.48	612,293,635.15
6. Cash and cash equivalents, end of the period	166,003,254.27	307,313,805.03

(II) 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.

Board of Directors
ShenZhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd.
29 April 2023