

Stock Code: 000029, 200029

Stock Name: SPG, SPG-B

Announcement No.: 2022-016

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

FIRST QUARTERLY REPORT 2022

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

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 2022	Q1 2021	YoY change (%)
Operating revenue (RMB)	272,594,952.10	415,282,352.53	-34.36%
Net profit attributable to the listed company’s shareholders (RMB)	162,278,083.59	88,040,167.60	84.32%
Net profit attributable to the listed company’s shareholders before exceptional gains and losses (RMB)	37,225,453.61	87,395,877.39	-57.41%
Net cash generated from/used in operating activities (RMB)	-461,062,516.92	303,456,191.73	-251.94%
Basic earnings per share (RMB/share)	0.1604	0.0870	84.37%
Diluted earnings per share (RMB/share)	0.1604	0.0870	84.37%
Weighted average return on equity (%)	4.04%	2.29%	1.75%
	31 March 2022	31 December 2021	Change (%)
Total assets (RMB)	5,725,419,099.38	6,182,498,050.43	-7.39%
Equity attributable to the listed company’s	4,098,839,837.34	3,938,260,291.97	4.08%

shareholders (RMB)			
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(II) Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	Q1 2022	Note
Gain/Loss arising from disposal of non-current assets (inclusive of impairment allowance write-offs)	163,352,077.77	Payment of equity transfer of property company
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	2,986,182.85	Gain/loss on changes in fair value of monetary fund
Non-operating income and expense other than the above	398,579.36	
Less: Income tax effects	41,684,210.00	
Total	125,052,629.98	--

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 declined 34.36% during Q1 2022 compared to Q1 2021, primarily driven by the decreased property sales and sales carryforwards.

Return on investment rose during Q1 2022 compared to Q1 2021, primarily driven by the transfer of the 100% equity interests in Shenzhen Property Management Co., Ltd.

Monetary assets declined 43.69% as at 31 March 2022 compared to 31 December 2021, primarily driven by the payment of land value-added tax.

Other equity instruments declined 63.43% as at 31 March 2022 compared to 31 December 2021, primarily driven by the transfer of a 25% interest in Yunnan Kun Peng Aviation Service Limited Corporation.

Contract liabilities declined 81.35% as at 31 March 2022 compared to 31 December 2021, primarily driven by the property carryforwards in Q1.

Taxes and levies payable declined 56.75% as at 31 March 2022 compared to 31 December 2021, primarily driven by the payment of various taxes.

Net cash generated from operating activities declined 251.94% during Q1 2022 compared to Q1 2021, primarily driven by the decreased sales inflows and the increased tax and levy payments.

Net cash generated from investing activities rose 85848.24% during Q1 2022 compared to Q1 2021, primarily driven by the arrival of proceeds from the disposal of equity interests in subsidiaries and other business entities, as well as the redemption of investments in monetary funds.

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	54,127	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	57.19%	578,595,836			
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	Domestic non-state-owned legal person	6.35%	64,288,426			
Yang Jianmin	Domestic natural person	0.68%	6,896,877			
Pan Jun	Domestic natural person	0.50%	5,017,800			
Lin Weirong	Domestic natural person	0.42%	4,290,200			
Zhang Xiujuan	Domestic natural person	0.36%	3,597,300			
Wang Yulan	Domestic natural person	0.29%	2,929,291			
Zhu Fengbo	Domestic natural person	0.21%	2,100,000			
Liu Yuqing	Domestic natural person	0.20%	2,061,201			
Luo Yundi	Domestic natural person	0.19%	1,920,900			
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by type				
		Type	Shares			
Shenzhen Investment Holdings Co., Ltd.	578,595,836	RMB-denominated ordinary stock	578,595,836			
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	64,288,426	RMB-denominated ordinary stock	64,288,426			
Yang Jianmin	6,896,877	RMB-denominated ordinary stock	6,896,877			
Pan Jun	5,017,800	RMB-denominated ordinary stock	5,017,800			
Lin Weirong	4,290,200	RMB-denominated ordinary stock	4,290,200			
Zhang Xiujuan	3,597,300	RMB-denominated ordinary stock	3,597,300			
Wang Yulan	2,929,291	RMB-denominated ordinary stock	2,929,291			
Zhu Fengbo	2,100,000	RMB-denominated ordinary stock	2,100,000			
Liu Yuqing	2,061,201	RMB-denominated ordinary stock	2,061,201			
Luo Yundi	1,920,900	RMB-denominated ordinary stock	1,920,900			
Related or acting-in-concert parties among the shareholders above	Among the top 10 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 5,368,800 shares of the Company in his credit security account; the fifth shareholder holds					

	2,566,900 shares of the Company in his credit security account; the sixth shareholder holds 3,597,300 shares of the Company in her credit security account; the ninth shareholder holds 2,010,201 shares of the Company in its credit security account.
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(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 Special Economic Zone Real Estate & Properties (Group) Co., Ltd.

31 March 2022

Unit: RMB

Item	31 March 2022	31 December 2021
Current assets:		
Monetary assets	317,773,136.03	564,358,824.63
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets	402,010,893.76	514,024,710.91
Derivative financial assets		
Notes receivable	2,514,937.37	3,530,537.37
Accounts receivable	66,459,417.53	61,048,785.11
Receivables financing		
Prepayments	12,063,042.16	4,899,011.32
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	35,566,452.20	30,614,008.08
Including: Interest receivable		
Dividends receivable	1,052,192.76	1,052,192.76
Financial assets purchased under resale agreements		
Inventories	4,046,644,531.96	4,034,933,562.62
Contract assets		
Assets held for sale		78,940,232.10
Current portion of non-current assets		
Other current assets	64,117,630.38	68,216,887.04
Total current assets	4,947,150,041.39	5,360,566,559.18
Non-current assets:		
Loans and advances to customers		

Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	272,168.28	272,168.28
Investments in other equity instruments	13,282,187.62	36,322,704.33
Other non-current financial assets		
Investment property	582,426,836.60	588,865,777.16
Fixed assets	23,296,957.83	23,920,424.55
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets	332,138.15	365,351.97
Intangible assets		
Development costs		
Goodwill		
Long-term prepaid expense	2,169,381.27	2,164,963.18
Deferred income tax assets	156,489,388.24	170,020,101.78
Other non-current assets		
Total non-current assets	778,269,057.99	821,931,491.25
Total assets	5,725,419,099.38	6,182,498,050.43
Current liabilities:		
Short-term borrowings	57,571,609.40	50,440,116.24
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	240,999,316.88	247,376,403.56
Accounts payable	123,265,359.96	141,447,559.24
Advances from customers	6,300,519.50	6,411,427.04
Contract liabilities	37,593,847.51	199,965,490.08
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	42,461,649.01	43,926,711.78
Taxes and levies payable	260,843,644.66	600,540,872.48
Other payables	560,164,122.66	581,377,415.64
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		65,752,452.06
Current portion of non-current liabilities	62,267.58	83,023.44

Other current liabilities	2,164,008.15	8,196,849.13
Total current liabilities	1,331,426,345.31	1,945,518,320.69
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	129,067.63	125,920.77
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities	6,540,205.39	9,524,639.56
Other non-current liabilities		
Total non-current liabilities	6,669,273.02	9,650,560.33
Total liabilities	1,338,095,618.33	1,955,168,881.02
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	22,940,652.47	36,088,963.95
Specific reserve		
Surplus reserves	241,144,854.93	241,144,854.93
General reserve		
Retained earnings	1,844,849,419.83	1,671,121,562.98
Total equity attributable to owners of the Company as the parent	4,098,839,837.34	3,938,260,291.97
Non-controlling interests	288,483,643.71	289,068,877.44
Total owners' equity	4,387,323,481.05	4,227,329,169.41
Total liabilities and owners' equity	5,725,419,099.38	6,182,498,050.43

Legal representative: Liu Zhengyu

Chief Financial Officer: Wang Jianfei

Head of the financial department: Qiao Yanjun

2. Consolidated Income Statement

Unit: RMB

Item	Q1 2022	Q1 2021
1. Revenues	272,594,952.10	415,282,352.53
Including: Operating revenue	272,594,952.10	415,282,352.53
Interest income		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	218,394,023.67	297,519,627.24

Including: Cost of sales	152,460,417.85	183,741,767.38
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	48,242,285.55	95,365,107.93
Selling expense	4,783,896.07	3,714,962.78
Administrative expense	14,926,706.67	18,464,662.11
R&D expense		
Finance costs	-2,019,282.47	-3,766,872.96
Including: Interest expense		
Interest income	2,135,908.57	4,206,960.54
Add: Other income	330,714.74	341,986.50
Return on investment (“-” for loss)	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)	2,986,182.85	
Credit impairment loss (“-” for loss)	53,211.01	586,866.00
Asset impairment loss (“-” for loss)	-268,941.60	
Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	223,041,970.54	118,691,577.79
Add: Non-operating income	400,002.42	881,138.94
Less: Non-operating expense	1,423.06	22,085.33
4. Gross profit (“-” for loss)	223,440,549.90	119,550,631.40
Less: Income tax expense	61,821,128.60	31,589,874.59
5. Net profit (“-” for net loss)	161,619,421.30	87,960,756.81
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	161,619,421.30	87,960,756.81
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	162,278,083.59	88,040,167.60
5.2.1 Net profit attributable to non-controlling interests	-658,662.29	-79,410.79
6. Other comprehensive income, net of	-1,625,109.66	3,671,125.59

tax		
Attributable to owners of the Company as the parent	-1,698,538.22	2,308,492.48
6.1 Items that will not be reclassified to profit or loss	-1,869,871.54	-261,296.43
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	-1,869,871.54	-261,296.43
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	2,569,788.91
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	2,569,788.91
6.2.7 Other		
Attributable to non-controlling interests	73,428.56	1,362,633.11
7. Total comprehensive income	159,994,311.64	91,631,882.40
Attributable to owners of the Company as the parent	160,579,545.37	90,348,660.08
Attributable to non-controlling interests	-585,233.73	1,283,222.32
8. Earnings per share		
8.1 Basic earnings per share	0.1604	0.0870
8.2 Diluted earnings per share	0.1604	0.0870

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: Liu Zhengyu

Chief Financial Officer: Wang Jianfei

Head of the financial department: Qiao Yanjun

3. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2022	Q1 2021
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	135,938,494.95	560,507,403.05
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	79,547.26	
Cash generated from other operating activities	165,092,287.40	20,892,855.06
Subtotal of cash generated from operating activities	301,110,329.61	581,400,258.11
Payments for commodities and services	118,807,563.04	72,720,627.25
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	30,832,704.29	44,057,215.25
Taxes and levies paid	481,133,071.14	80,204,553.44
Cash used in other operating activities	131,399,508.06	80,961,670.44
Subtotal of cash used in operating activities	762,172,846.53	277,944,066.38
Net cash generated from/used in operating activities	-461,062,516.92	303,456,191.73
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	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	16,000,000.00	
Subtotal of cash generated from investing activities	156,650,726.74	
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	59,420.24	182,616.13
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	59,420.24	182,616.13
Net cash generated from/used in investing activities	156,591,306.50	-182,616.13
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings received		
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		
Repayment of borrowings		
Interest and dividends paid		
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities		
Net cash generated from/used in financing activities		
4. Effect of foreign exchange rates changes on cash and cash equivalents	-508,619.70	-45,379.25
5. Net increase in cash and cash equivalents	-304,979,830.12	303,228,196.35
Add: Cash and cash equivalents, beginning of the period	612,293,635.15	2,669,103,926.82
6. Cash and cash equivalents, end of the period	307,313,805.03	2,972,332,123.17

(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.
30 April 2022