

Stock Code: 000011, 200011

Stock Name: PRD, PRD-B

Announcement No. 2019-11

SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD. ANNUAL REPORT 2018 (SUMMARY)

Part I Important Notes

This Summary is based on the full text of the 2018 Annual Report of ShenZhen Properties & Resources Development (Group) Ltd. (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires). In order for a full understanding of the Company’s operating results, financial position and future development plans, investors should carefully read the aforesaid full text, which has been disclosed together with this Summary on the media designated by the China Securities Regulatory Commission (the “CSRC”).

Objections raised by any of the directors, supervisors or senior management against any contents in this Report or its summary:

Name	Office title	Objection and explanation of why
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Statement of objection:

Except for the following directors, all the other directors attended in person the Board meeting for the review of this Report and its summary.

Name	Office title	Reason for not attending the meeting in person	Proxy entrusted to attend the meeting
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Independent auditor’s modified opinion:

Applicable Not applicable

Board-approved final cash and/or stock dividend plan for ordinary shareholders for the Reporting Period:

Applicable Not applicable

Bonus issue from capital reserves:

Yes No

The Board has approved a final dividend plan for the ordinary shareholders as follows: based on the 595,979,092 shares, a cash dividend of RMB3.00 (tax inclusive) per 10 shares is to be distributed to the shareholders, with no bonus issue from either profit or capital reserves.

Board-approved final cash and/or stock dividend plan for preferred shareholders for the Reporting Period:

Applicable Not applicable

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

1. Stock Profile

Stock name	PRD, PRD-B	Stock code	000011, 200011
Stock exchange for stock listing	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
Name	Fan Weiping	Qian Zhong and Ding Minghua	
Address	42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China	42/F, International Trade Center, Renmin South Road, Shenzhen, Guangdong Province, P.R.China	
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2. Principal Activities or Products in the Reporting Period

(I) Core Business Overview

Shenzhen Property Group was established in November 1982 that the predecessor was Luohu Engineering Construction Headquarters and renamed to Shenzhen Municipal Property Development Corporation in August 1985. The Company was determined as the second batch of pilot units for joint-stock reform of state-owned enterprises in 1988. Approved by the municipal government, the Company renamed to Shenzhen Properties & Resources Development (Group) Ltd. (SZPRD) in April 1990. The stock of the group company (Shenzhen Property A+B; securities code 000011/200011) was officially listed in Shenzhen Stock Exchange in March 1992. The Company is headquartered in International Trade Centre Building, Renmin South Road, Luohu District.

At its inception, the Company contracted and built Shenzhen International Trade Centre Building as Party A, and created the world-famous "Shenzhen Speed" that "one floor was completed in three days". International Trade Centre Building ranked the first place in several places in China: It was the first super-high-rise building in China, which has occupied the position of "the tallest building in the country" for ten years; It was the first building project involving bidding in China. It is the landmark building in Luohu and even Shenzhen, a resounding historical and cultural symbol in Shenzhen and the "cultural card in Shenzhen". It was selected into the first batch of 45 historical buildings in Shenzhen and became "The Reflection of the Shenzhen Speed and the Symbol of the Reform and Opening-up" with a reputation for the whole country and even the world. The enterprise spirit of "going ahead and reforming" of Shenzhen Property Group has also become the spiritual totem of the numerous entrepreneurs in Shenzhen.

The three generations of leaders of the Party and the State are very concerned about the growth and development of the Company. On 22 June 1990, Comrade Jiang Zemin inspected the International Trade Centre Building and commemorated the inscription; On 20 January 1992, Comrade Deng Xiaoping overlooked Shenzhen in the revolving restaurant at the 53rd floor of the International Trade Centre Building, and delivered a 30-minute "South Inspection Speech"; On 13 November 1994, Comrade Hu Jintao personally inspected the Company and commemorated the inscription.

Since its establishment 37 years ago, the Company has developed into a large-scale comprehensive group company from a simple project company at that time, taking Luohu as its base area and radiating all over the country. The group has successively won a number of honors, such as the second place of "Top-100 Real Estate Enterprises with Comprehensive Benefits in China", the 23rd place of the first rating of "Top 100 Companies with Comprehensive Strength of Listed Companies in China", "Top-500 Real Estate Development Enterprises in China" for eight consecutive years (2011-2018), the 35th place of "National Property Service Industry in 2018", the fourth place of "Excellent property Management Enterprises in China's Industrial Park in 2017", etc.

The Company currently has 9 functioning secondary subsidiaries in total, including 4 property development subsidiaries (Shenzhen Huangcheng Real Estate Co., Ltd., Dongguan ITC Changsheng Real Estate Development Co., Ltd., SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd. and SZPRD Yangzhou Real Estate Development Co., Ltd.), 1 property management subsidiary, 1 housing assets operation subsidiary, 2 joint ventures (SZPRD Jifa Warehouse Co., Ltd. and Shenzhen Tian'an International Building Property Management Co., Ltd., with the Company holding a 50% stake in both), and 1 catering subsidiary.

1. Property Development

The property development business is principally operated by 4 subsidiaries. Those four subsidiaries are Shenzhen Huangcheng Real Estate Co., Ltd., Dongguan ITC Changsheng Real Estate Development Co., Ltd., SZPRD Xuzhou Dapeng Real Estate Development Co., Ltd., and SZPRD Yangzhou Real Estate Development Co., Ltd. The following 6 property developments are currently ongoing:

- (1) SZPRD-Golden Collar's Resort (Shenzhen): Located at the Huanggang Port, historical land, site area 12,600 m², plot ratio 10.5, total floor area 130,000 m² and sales have started in 2018.
- (2) SZPRD-Qianhai Gangwan Garden (Shenzhen): Obtained in July 2011 in an asset swap promised in the share reform, site area 19,900 m², plot ratio 3.2, total land price RMB270 million, open for sale in November 2015 and is currently selling the remaining houses.
- (3) SZPRD-Songhu Langyuan (Dongguan): Won on 15 July 2010, site area 66,900 m², plot ratio 2.2, total land price RMB214 million, open for sale at the end of July 2015 and is currently selling the remaining houses.
- (4) SZPRD-Fuhui Huayuan (Shenzhen): Located in Fumin New Village, Futian District, historical land, site area 4,274 m², total floor area 43,819 m² and construction has officially begun on 29 December 2018.
- (5) SZPRD-Hupan Yujing Phase I (Yangzhou): Won through bidding on 28 January 2011, site area 25,228 m², and total floor area 50,948 m². So far, residential units have been sold out and it is currently selling commercial and office space. SZPRD-Hupan Yujing Phase II (Yangzhou): Site area 41,331 m², and total floor area 74,382 m². Currently, it is selling the remaining residential units, as well as the commercial and office space.
- (6) SZPRD-Banshan Yujing Phase I (Xuzhou): Won through bidding on 10 February 2010, site area 65,332 m², and total floor area 101,605 m². Currently, it is selling the remaining space. SZPRD-Banshan Yujing Phase II (Xuzhou): Site area 31,537 m², and total floor area 34,956 m². Construction has begun in late 2018.

2. Property Management

This business is principally run by Shenzhen International Trade Center Property Management Co., Ltd., which has four subsidiaries, namely, Shenzhen Huangcheng Property Management Co., Ltd., Shandong International Trade Center Property Management Co., Ltd., Chongqing International Trade Center Property Management Co., Ltd. and Yangzhou Jingyue Property Management Co., Ltd. Yangzhou Jingyue Property Management Co., Ltd. is a new joint venture incorporated in 2018, with the Company holding a 51% interest. The establishment of this sub-subsidiary marked the Company's official entrance to the area of cultural and tourism property management. International Trade Property Management Co., Ltd. has been developed into the domestic first-class industrial park brand property service provider. At present, the Company has 14 branches and three national-level qualified enterprises in the whole country, and employs more than 4,000 employees, including Hulun Buir, Manzhouli, Baoding in Southern Market, Shandong, Shanghai, Zhejiang and Jiangsu in East China Market, Shenzhen and Dongguan in South China Market, etc. The Company manages over 100 projects and covers an area of 16 million m² (including the property park exceeding 5 million m² (including trusteeship)). The Company has provided service for the famous enterprise parks (Huawei, Alibaba, Jingdong, Hikvision) and a large batch of government property projects in Shandong and Chongqing with its excellent market competitiveness.

3. Property Rental

This was formerly run by the Leasing Center of the Group Headquarters, which has become SZPRD Housing Assets Operation and Management Co., Ltd. in 2018, running independently. The Company has now a total floor area of 81,610.23 m² available for rental, with an occupancy rate of 95%.

4. Catering Service

The catering business of the Company is operated by Shenzhen International Trade Catering Co., Ltd., with a total operating area of 1,892 square meters. Shenzhen International Trade Catering Co., Ltd. was established in 1986. The revolving restaurant under the operation of the Company has been listed as "The Highest-level Revolving Restaurant in China" by the State Council, and is also the only revolving restaurant in the country that runs Chinese food. Located on the 53rd floor of the International Trade Centre Building, the restaurant has received more than 600 Party and state leaders, domestic and foreign dignitaries, and cultural celebrities. The restaurant is also a scenic spot with unique historical significance in Shenzhen.

5. Warehousing Service

The warehousing service is mainly provided by SZPRD Jifa Warehouse Co., Ltd., a joint venture where the Company holds a 50% stake, with the total area of the warehouses reaching 35,000 m².

3. Key Financial Information

(1) Key Financial Information of the Past Three Years

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

Yes No

Unit: RMB

	2018	2017	2018-over-2017 change (%)	2016
Operating revenue	2,787,240,632.53	2,904,690,690.53	-4.04%	2,059,204,077.18
Net profit attributable to the listed company's shareholders	592,723,852.71	622,962,734.37	-4.85%	354,857,241.74

Net profit attributable to the listed company's shareholders before exceptional items	591,362,024.37	559,625,850.90	5.67%	357,519,344.14
Net cash generated from/used in operating activities	1,123,594,927.59	-346,269,760.94	424.49%	2,252,041,183.42
Basic earnings per share (RMB/share)	0.9945	1.0453	-4.86%	0.5954
Diluted earnings per share (RMB/share)	0.9945	1.0453	-4.86%	0.5954
Weighted average return on equity (%)	18.94%	26.64%	-7.70%	15.79%
	31 December 2018	31 December 2017	Change of 31 December 2018 over 31 December 2017 (%)	31 December 2016
Total assets	5,820,202,137.54	5,393,331,548.87	7.91%	6,654,356,144.10
Equity attributable to the listed company's shareholders	3,337,949,324.64	2,921,693,794.08	14.25%	2,410,434,735.75

(2) Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	544,366,414.09	280,647,570.88	373,989,694.46	1,588,236,953.10
Net profit attributable to the listed company's shareholders	53,456,824.88	29,515,702.71	61,216,163.81	448,535,161.31
Net profit attributable to the listed company's shareholders before exceptional items	53,039,124.57	28,924,009.75	61,962,097.63	447,436,792.42
Net cash generated from/used in operating activities	-96,704,935.74	-128,887,050.07	275,573,016.00	1,073,613,897.40

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.

Yes No

4. Share Capital and Shareholder Information at the Period-End

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

Unit: share

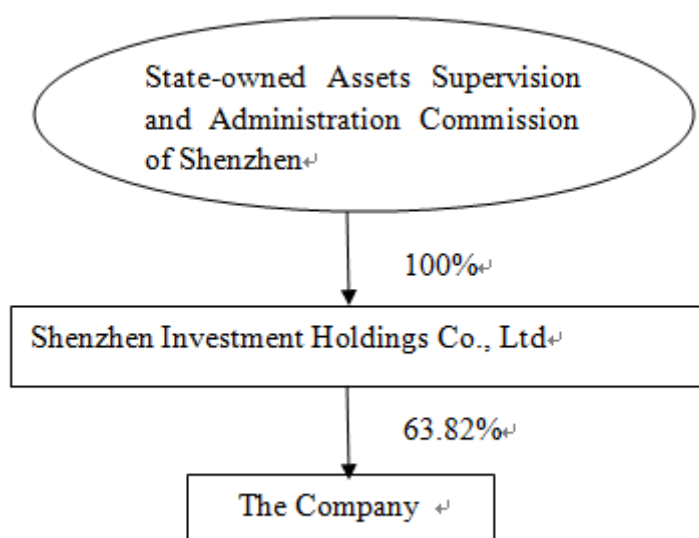
Number of ordinary shareholders at the period-end	45,465	Number of ordinary shareholders at the month-end prior to the disclosure of this Report	45,610	Number of preferred shareholders with resumed voting rights at the period-end	0	Number of preferred shareholders with resumed voting rights at the month-end prior to the disclosure of this Report	0
Top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Restricted shares held	Shares in pledge or frozen		
					Status	Shares	

Shenzhen Investment Holdings Corporation	State-owned legal person	63.82%	380,378,897	350,579,943		
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%	1,410,620	0		
Li Jing	Domestic natural person	0.20%	1,176,740	0		
Su Zhifen	Domestic natural person	0.19%	1,150,000	0		
Mai Furong	Domestic natural person	0.19%	1,130,500	0		
Wuhan Xingkaiyuan Electric Power Engineering Co., Ltd	Domestic non-state-owned legal person	0.17%	1,000,000	0		
Chen Liying	Domestic natural person	0.14%	846,621	0		
Cao Yifan	Domestic natural person	0.14%	820,460	0		
Zhang Shaoming	Domestic natural person	0.13%	785,000	0		
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.					
Shareholders involved in securities margin trading (if any)	N/A					

(2) Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

No preferred shareholders in the Reporting Period.

(3) Ownership and Control Relations between the Actual Controller and the Company**5. Corporate Bonds**

Does the Company have any corporate bonds publicly offered on the stock exchange, which were outstanding before the date of this Report's approval or were due but could not be redeemed in full?

No.

Part III Operating Performance Discussion and Analysis**1. Business Overview of the Reporting Period**

Is the Company subject to any industry-specific disclosure requirements?

Yes, because the Company engages in real estate. It is subject to the Guideline No. 3 of the Shenzhen Stock Exchange on Information Disclosure by Industry—for Listed Companies Engaging in Real Estate.

(I) Review of industry development during the reporting period**1. Macroeconomic environment**

In 2018, China's economic growth rate was declining, and the growth rate of GDP in four quarters was 6.8%, 6.7%, 6.5%, and 6.4%, respectively. The growth rate in the third quarter has been lower than the operating ranged that has been kept for 12 quarters (6.7%~6.9%). The Value-added of Industrial Enterprises Above Designated Size was 5.8% in September and reduced by 0.3% than that in August. Since March 2016, it has fallen below 6% for the first time; The growth rate was 5.9% and 5.4% respectively in October and November with a further decline.

More notably, the growth rate in consumer demand continued to decline. The year-on-year growth rate of Total Retail Sales of Consumer Goods was 8.1% in October 2018, which was the lowest growth rate since June 2003; Affected by the continuous decline in the growth rate of resident income, rapid increase in resident sector leverage ratio, weakening wealth effect and other factors, the declining tendency of residents' consumption ability and willingness began to appear and the downward trend of consumption demand became obvious.

In terms of investment, the downward pressure of real estate investment was increasing, the confidence of real estate enterprises in the future market was insufficient, and the development and construction activities tended to shrink; Infrastructure investment growth

has fallen. After the Meeting of the political Bureau of the Central Committee on July 31, 2018, the growth rate became stable at a low level after October with the steady growth of related measures. However, taking into account the lack of local government financing capacity and other issues, the ability to pick up became further weak. Private enterprises, small and medium-sized enterprises were faced with more difficulties, and lack of confidence, investment will and capacity in the future market. When the domestic demand growth capacity was insufficient, the export growth rate also began to decline.

The Central Economic Work Conference convened in December 2018 pointed out that: The development of our country is still and will be in the period of important strategic opportunity for a long time. We should be good at turning a crisis into an opportunity and safety, firmly adhere to the new connotation of important strategic opportunities, accelerate the optimization and upgrading of the economic structure, enhance the capacity for scientific and technological innovation, deepen the reform and opening up, speed up green development, and participate in the reform of the global economic governance system, change the pressure to the driving force to accelerate the high-quality development of the economy.

The meeting proposed that we should continue to adhere to the general tone of work of seeking progress stably, and that in view of the changes in the situation and tasks, a series of new strategies have been made clear in terms of "stability" and "progress". The meeting emphasized the need to innovate and improve macroeconomic regulation and control, ensure that the economy operates within a reasonable range, further improve and implement stable employment, stable finance, stable foreign trade, stable foreign investment, steady investment, and stable expectations, and propose three major policies in the macro economy, structure and society. At the same time, more efforts should be made to work hard in the "progress". We must adhere to taking the supply-side structural reform as the main line, take more measures of reform, make more use of market-oriented and legal means, and work hard in "consolidation, enhancement, promotion and unblocking".

In accordance with the overall deployment of progress in a stable manner, we should do well in seven aspects in 2019, namely promoting the high-quality development of manufacturing industry, promoting the formation of a strong domestic market, firmly promoting the strategy of rural revitalization, promoting coordinated regional development, accelerating the reform of economic system, promoting all-round opening-up, and strengthening the protection and improvement of people's livelihood. In view that the economic fundamentals in China turn better and based on the overall arrangement of the central economic conference, it can be predicted that in 2019, China's economy will show a tendency of "low base, steady progress, gradual rise". The annual growth of the economy will be slightly higher than the previous year. The good situation of "seek progress while maintaining stability" in the economy will be displayed continuously.

2. Industry pattern and trend analysis

International economic situation: It generally presents the characteristics of "three increases", namely increasing controversy between multilateralism and unilateralism/conservatism in international trade; Increase in geopolitical conflict; Increase in the fight between China and the US in economy, science and technology, trade and geographical relationship. But on the whole, it's still in a situation of fighting and not breaking. The trade friction between China and the United States is likely to reach a more comprehensive agreement than expected. The U.S. economy remains strong but there are hidden downside worries, and the pace of interest rate increases in the dollar is expected to slow down. The world economy has struggled to recover and rebound in the midst of a difficult dispute. Overall, the international economy in 2019 will not be worse than 2018.

Domestic economic situation: With the temporary truce of Sino-US trade friction, the national positive support and comprehensive encouragement to the private enterprises and private economy, the policies of "deepening reform and expanding high-level opening-up, as well as large-scale tax cuts and improvement of the business environment", the positive factors will appear in the "stable and changing economy", the expectations of economic downturn stabilization will be strengthened, and the confidence will be recovered and repaired to a certain degree. The bottom of politics and policy has appeared, but there are still a lot of uncertain factors. Overall, the downward pressure on the domestic economy in 2019 is greater than that in 2018.

The pace and intensity of the battle to prevent and control financial risks and eliminate pollution will be significantly adjusted, and the liquidity of social funds will be further abundant. Domestic real estate is still in a "stable with a slight decline" state and the price continues to drop obviously. The transaction of new houses and second-hand houses is solidified and difficult to keep active. It is expected that administrative regulation will not be increased throughout the year, and that market-oriented regulation will be valued and returned to a certain extent. There will be a moderate increase in Inelastic Demand before and after the mid-year in the first-line market. The inter-regional regulation and supervision policy is more obviously divided, and it is inevitable that there will be the possibility of implementing local improvement measures and strengthening the market regulation. But regulation of the overall situation will not be reversed. It is impossible to take a sharp rebound in housing prices within the year.

Economic situation in Shenzhen: On the whole, Shenzhen economy will remain the high-speed development trend because Sino-US trade frictions have limited impact. Real estate will continue to maintain the strength and scope of the "7.31" new policy. However, with the strong rise in Inelastic Demand and the recovery of confidence in economic development, Shenzhen will have a high probability that price stability will increase from the second quarter, and real estate transactions in the second half of the year will obviously recover. But it is unlikely that there will be a sharp rebound in prices. The good policies that benefit the real estate transactions cannot be ruled out, such as relaxing the household policy, reducing the interest rate of the first loan, improving the restrictions of lubrication trading and substantially increasing the liquidity

(II) Overview of The Company's Business Operation in 2018

In 2018, the Company's economic operation made certain progress steadily, the quality was also improved, and major business segments accordingly achieved major breakthroughs in stability.

Firstly, the operating performance maintained its high level and the Company over-fulfilled the budget targets. In 2018, the Company achieved operating revenue of about RMB 2.79 billion yuan with a profit before tax of about RMB 780 million yuan, and a net profit of RMB 593 million yuan. By the end of the year, the Company's assets were about RMB 5.82 billion yuan, the net assets RMB 3.34 billion yuan. As its asset-liability ratio was only 42.6%, the financial status was proved stable and high-quality, and strong in fending off risks. The return on net assets was about 18%, which was higher than the industry average.

Secondly, the land reserve bottleneck has been initially relieved. Focusing on the annual challenge of "increasing the floor area of 500,000 square meters and the plot ratio-related construction are of 1 million square meters", the Company made great effort to

promote the expansion. In this year, special effort was made to propel various city-industry integration projects in Longhua Guanlan, Zhaoqing, Yangzhou and Chongqing. Up to now, the urban renewal project in Guanlan Bangling, covering an area of about 68,000 square meters with the plot ratio-related construction area of about 380,000 square meters and the total construction area of over 500,000 square meters, has completed various acquisitions.

Thirdly, the property management business mergers and acquisitions and the market expansion were carried out at the same time to make great achievement. In 2018, the property management section newly expanded its area by more than 1.5 million square meters, and 8 industrial park projects including Alibaba Hangzhou Riverside Industrial Park were successfully undertaken. Meanwhile, the Company continuously expanded its industrial scale and completed the annual target of doubling the new area of property management. Besides, the Group Company has officially announced the acquisition of 100% equity of TK Property. After the successful acquisition, the Company will realize its nationwide operation and management layout with Baoding (Shenzhen) Industrial Park in the north, Alibaba Hangzhou in the east, Shenzhen Bay Industrial Park in the south and JD in the west. By promoting work in all areas by drawing upon the experience gained on key points, exerting the powerful demonstration effect, and making progress in an all-round way, the overall strength of the Company's industrial park operation and management sector will be further advanced, and is expected to rank among the top 3 in the national industry.

Fourthly, the housing asset management sector has taken firm steps. The Group's housing asset management Company operates independently and actively explores the development model of "long-term rental apartment + commercial offices", and strives to develop various key demonstrative long-term rental apartment projects including ONE39 Building, Longhua Fengherili Complex, Fumin New Village Complex and Xihu Village. The Company will officially launch its "Xi Apartments" brand for trial operation at the end of the year.

(III) Features of Various Businesses Operated by the Company

1. The Real Estate Business Made Certain Progress Steadily

The Company's subsidiary has properly responded to the market changes, seized golden opportunities and made great achievement through timely adjusting the sales strategy according to specific policies and market conditions. Shenzhen Huangcheng Real Estate Co., Ltd. realized operating revenue of RMB 1.5 billion. In March 2018, Dongguan Songhu Langyuan Project was put on market before other competitors' projects. Throughout the year, about 18,190 m² were sold. By optimizing negotiation strategies and seizing the opportunity, various shops with the difficulty in realization were all sold out. Xuzhou Company's operating revenue achieved RMB 120 million. Besides, a full success was achieved in the main contracting settlement in relation with Xuzhou Phase I Project. The commencement ceremony and subsequent construction of Xuzhou Phase II Project were also organized and held as scheduled; Yangzhou Company realized the operating revenue of about RMB 650 million, smoothly fulfilling the annual objective.

2. The Accelerated Development of Property Management Business

The Company has made unremitting effort to develop its property management business, achieved remarkable results in the business development, and continuously expanded its brand influence. Throughout the year, Shenzhen International Trade Center Property Management Co., Ltd. developed 28 new projects in various cities including Chongqing, Shandong, Hangzhou and Shanghai with the newly-added area of about 1.5 million square meters. Besides, it undertaken Aliyun Apsara Industrial Park, and integrated three core industrial parks of Alibaba into its service scope, becoming the largest framework supplier of Alibaba in the world for its integrated logistics support. Shenzhen International Trade Center Property Management Co., Ltd. realized the operating revenue of RMB 420 million yuan with a year-on-year increase of about RMB 60 million yuan, exceeding about 110% of the annual budget. Meanwhile, its total profit achieved about RMB 27 million yuan with the year-on-year increase of about RMB 2.5 million yuan. Huangcheng Property Management Co., Ltd. realized the operating revenue of about RMB 65 million yuan, fulfilling about 110% of the annual budget target.

3. Adjustment of House Rental Business

Relying on the headquarters' leasing center, the Company has founded the housing assets operation Company in charge of readjusting the positioning of rental business and carrying out independent operation. The long-term rental apartment brand Xi Apartments is owned by the housing assets operation Company, and corresponding preparation work was completed at the end of December for its launching into the market. However, emphasis will be placed on launching three major long-term rental apartment projects including ONE39 Building, Xihu Village Apartment and Fengherili Complex.

(IV) Progress of Major Projects under Construction

1. **SZPRD-Golden Collar's Resort Project (Shenzhen):** As interior and exterior decoration works are basically completed, it is in the stage of preparing for various special acceptance inspections.
2. **SZPRD-Qianhai Gangwan Project (Shenzhen):** This project was successfully completed in December 2016.
3. **SZPRD-Songhu Langyuan Project (Dongguan):** This project was successfully completed in July 2017.
4. **SZPRD-Fuhui Huayuan Project (Shenzhen):** The project's planning permit and the foundation supporting construction permit were obtained in early December, and it was officially commenced on December 29.
5. **SZPRD-Hupan Yujing Project Phase I (Yangzhou):** This project was completed and owners moved in it in June 2014.
6. **SZPRD-Hupan Yujing Project Phase II (Yangzhou):** This project's completion filing was completed in early November 2017, and owners moved in it at the beginning of 2018.
7. **SZPRD-Banshan Yujing Project Phase I (Xuzhou):** Owners successfully moved into the project in the first half of 2017, and houses are available for sale now.
8. **SZPRD-Banshan Yujing Project Phase II (Xuzhou):** The project's main contractor bidding was completed.

2. Significant Change to Principal Activities in the Reporting Period

Yes No

3. Product Category Contributing over 10% of Principal Business Revenue or Profit

√ Applicable □ Not applicable

Unit: RMB

Product category	Operating revenue	Operating profit	Gross profit margin	YoY change in operating revenue (%)	YoY change in operating profit (%)	YoY change in gross profit margin (%)
Property development	2,209,992,090.75	844,658,618.92	61.78%	-5.57%	-28.59%	12.33%
Property management	401,218,038.76	390,234,660.55	2.74%	16.56%	16.29%	0.22%

4. Business Seasonality that Calls for Special Attention

□ Yes √ No

5. Significant YoY Changes in Operating Revenue, Cost of Sales and Net Profit Attributable to the Listed Company's Ordinary Shareholders or Their Compositions

□ Applicable √ Not applicable

6. Possibility of Listing Suspension or Termination

□ Applicable √ Not applicable

7. Matters Related to Financial Reporting**(1) YoY Changes to Accounting Policies, Accounting Estimates or Measurement Methods**

□ Applicable √ Not applicable

No such cases.

(2) Retrospective Restatements due to Correction of Material Accounting Errors in the Reporting Period

□ Applicable √ Not applicable

No such cases.

(3) YoY Changes to the Scope of Consolidated Financial Statements

√ Applicable □ Not applicable

For the detailed changes to the Company's consolidated statements of the Reporting Period, see "Part XI Financial Statements", VIII.