



Body of Q1 2021 Report of Shenzhen SEG Co., Ltd.

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Interpretation

Items	Refers to	Contents
The Company, Company, listed company, SHEN SEG	Refers to	Shenzhen SEG Co., Ltd.
SEG Group	Refers to	Shenzhen SEG Group Co., Ltd.
SEG Property	Refers to	Shenzhen SEG Property Investment Co., Ltd.
SEG Kangle	Refers to	Shenzhen SEG Kangle Enterprise Development Co., Ltd.
SEG Chuangyehui	Refers to	Shenzhen SEG Chuangyehui Co., Ltd.
SEG Property Management	Refers to	Shenzhen SEG Property Management Co., Ltd.
XinDongsheng Property Management	Refers to	Shenzhen XinDongsheng Property Management Co., Ltd.
SEG New Urban	Refers to	Shenzhen SEG New Urban Construction Development Co., Ltd.
Target company	Refers to	Four companies including SEG Property, SEG Property Development, SEG Kangle and SEG Chuangyehui injected during this major asset restructuring
Huakong SEG	Refers to	Shenzhen Huakong SEG Co., Ltd.
SEG Smartechs	Refers to	Shenzhen SEG Smartechs Co., Ltd.
Unless otherwise specified, the monetary amounts quoted in this report	Refers to	RMB
In the reporting period	Refers to	From 1 Jan. 2021 to 31 Mar. 2021

Chapter 1 Important Notice

The Board of Directors, the Board of Supervisors, the directors, the supervisors, and the senior executives guarantee that the quarterly report is authentic, accurate, and complete and that it has no false records, misleading statements or major omissions and they undertake joint and several legal liabilities.

All Directors are attended the Board Meeting for Quarterly Report deliberation.

Chairman of the Board Zhang Liang, Chief Financial Officer Yan Dongxia, and the responsible person of the accounting institution (accountant in charge) Wang Lei hereby declare that the Financial statements enclosed in this quarterly report are true, accurate and complete.

Chapter 2 Basic Information About The Company

I. Major Accounting Data And Financial Indexes

Are retrospective adjustments made to previous financial statements?

Yes No

	Amount of the reporting period	Amount of the same period of the previous year	Year-on-year increase/decrease in the reporting period
Operating Income (yuan)	463,208,485.25	192,164,935.58	141.05%
Net profit attributable to shareholders of the listed company (yuan)	33,065,039.59	-11,787,492.80	380.51%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (yuan)	28,784,190.03	-18,662,797.99	254.23%
Net cash flow arising from operating activities (yuan)	-64,410,695.22	-30,503,048.76	-111.16%
Basic EPS (yuan/share)	0.0268	-0.0095	381.67%
Diluted EPS (yuan/share)	0.0268	-0.0095	381.67%
Weighted average ROE	1.72%	-0.62%	2.34%
	Amount at the end of the reporting period	Amount at the end of the previous year	Year-on-year increase/decrease in the reporting period
Total assets (yuan)	5,932,955,389.44	5,830,977,104.07	1.75%
Net assets attributable to shareholders of the listed company (yuan)	1,938,778,732.95	1,905,722,149.42	1.73%

Items and Amount of Non-recurring Profits and Losses

Applicable Not Applicable

Unit: RMB/Yuan

Item	Amount from the beginning of year to the end of the period	Remarks
Profits/losses from disposal of non-current assets (including the write-off portion of the impairment provision for assets already withdrawn)	-1,643.55	
Government subsidies recognized in current profit or loss (except	1,034,362.78	

those closely related to corporate business and enjoyed according to national standards or certain quota)		
Capital occupation fee charged to non-financial enterprise that reckoned into current Profits/losses	329,322.62	
Profit and loss from commissioned investment or asset management	4,032,427.96	
Trust fee obtained from trust operation	33,558.50	
Other non-operating income and expenditure except for the aforementioned items	1,272,276.88	
Less: Amount of affected income tax	1,622,984.66	
Amount of influence of minority shareholders' equity (after tax)	796,470.97	
Total	4,280,849.56	--

An explanation shall be made with regard to the Company's considerations for defining non-recurring profit and loss according to the *Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public - Non-recurring Profit and Loss* and the reason of classifying the non-recurring profit and loss listed in this announcement as recurring.

Applicable Not applicable

In the reporting period, no item of non-recurring profit and loss defined and listed according to the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public — Non-recurring Profit and Loss* is defined as an item of recurring profit and loss.

II. Total Number Of Shareholders And Shares Held By Top 10 Shareholders At The End Of The Reporting Period

1. Total Number Of Common Shareholders And Preferred Shareholders Restored With Voting Rights And Shares Held By Top 10 Shareholders

Unit: Share

Total number of common shareholders at the end of the reporting period	72,992	Total number of preferred shareholders restored with the voting rights (if any)	0			
Shares held by top 10 shareholders						
Name of shareholder	Nature of shareholder	Proportion of shareholding	Shares held	Quantity of restricted shares held	Information on pledged or frozen shares	
					Share status	Quantity
Shenzhen SEG Group Co., Ltd.	State-owned legal person	56.70%	700,618,759	450,857,239		
LI SHERYN ZHAN MING	Overseas natural person	0.73%	9,063,952	0		
Liu Guocheng	Domestic natural	0.59%	7,250,502	0		

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	person					
Hou Xiulan	Domestic natural person	0.40%	4,980,000	0		
Yang Fan	Domestic natural person	0.35%	4,287,000	0		
Liu Guohong	Domestic natural person	0.28%	3,402,503	0		
Gong Qianhua	Overseas natural person	0.24%	2,940,000	0		
Xu Yueying	Domestic natural person	0.16%	1,972,000	0		
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	0.13%	1,571,255	0		
Zhou Qi	Overseas natural person	0.11%	1,356,601	0		
Information on top 10 shareholders of non-restricted shares						
Name of shareholder	Quantity of unrestricted common shares held	Type of share				
		Type of share	Quantity			
Shenzhen SEG Group Co., Ltd.	249,761,520	RMB common shares	249,761,520			
LI SHERYN ZHAN MING	9,063,952	Domestically listed foreign shares	9,063,952			
Liu Guocheng	7,250,502	Domestically listed foreign shares	7,250,502			
Hou Xiulan	4,980,000	RMB common shares	4,980,000			
Yang Fan	4,287,000	RMB common shares	4,287,000			
Liu Guohong	3,402,503	Domestically listed foreign shares	3,402,503			
Gong Qianhua	2,940,000	Domestically listed foreign shares	2,940,000			
Xu Yueying	1,972,000	Domestically listed foreign shares	1,972,000			
Hong Kong Securities Clearing Company Ltd.	1,571,255	RMB common shares	1,571,255			
Zhou Qi	1,356,601	RMB common shares	1,356,601			
Explanations on the association	Shenzhen SEG Group Co., Ltd. has no association relationship with other shareholders and					

relationship or concerted action among the above-mentioned shareholders	is not a person acting in concert with other shareholders as specified in the <i>Management Methods for Disclosure of Information on Changes of Shareholding Status of Shareholders of Listed Companies</i> . It is unclear whether other shareholders are persons acting in concert.
Information on top 10 common shareholders participating in securities margin trading (if any)	无

Did top 10 common shareholders of the Company or top 10 common shareholders of non-restricted shares conduct agreed repurchase transactions in the reporting period?

Yes No

Top 10 common shareholders of the Company or top 10 common shareholders of non-restricted shares did not conduct agreed repurchase transactions in the reporting period.

2. Total Number Of Preferred Shareholders And Shares Held By Top 10 Preferred Shareholders

Applicable Not applicable

Chapter 3 Important Matters

I. Changes In Main Financial Data And Financial Indicators Of The Reporting Period And Reasons

√ Applicable □ Not applicable

(i) Items of the Consolidated Balance Sheet Statement

Item	Closing balance	Opening balance	Difference	Unit: RMB/Yuan
				Increase/decrease year on year (%)
Accounts receivable	197,625,468.15	125,360,837.70	72,264,630.45	57.65%
Other account receivable	96,062,846.98	73,166,985.92	22,895,861.06	31.29%
Right-of-use assets	119,354,169.61	0.00	119,354,169.61	100.00%
Non-current liability due within one year	1,043,936,820.85	778,648,438.44	265,288,382.41	34.07%
Long-term loans	417,500,000.00	698,500,000.00	-281,000,000.00	-40.23%
Lease liability	119,510,487.69	0.00	119,510,487.69	100.00%

1. Accounts receivable: increased by 57.65% over the beginning of the period, mainly due to the settlement of property management business.
2. Other account receivable: increased by 31.29% over the beginning of the period, mainly due to the increase in operating transactions.
3. Right-of-use assets: mainly due to the implementation of new lease standards.
4. Non-current liability due within one year: increased by 34.07% over the beginning of the period, mainly because the long-term loans due within one year increased.
5. Long-term loans: decreased by 40.23% over the beginning of the period, mainly because return part of the bank loans and re-classify to non-current liability due within one year.
6. Lease liability: mainly due to the implementation of new lease standards.

(ii) Items of the Consolidated Profit Statement

Item	Amount for the current period	Amount of the same period of the previous year	Difference	Unit: RMB/Yuan
				Increase/decrease year on year (%)
Operating income	463,208,485.25	192,164,935.58	271,043,549.67	141.05%
Operating cost	347,538,135.16	154,514,584.91	193,023,550.25	124.92%
Tax and surcharges	7,413,187.00	5,171,963.12	2,241,223.88	43.33%
Sale expenses	5,503,600.12	2,724,883.63	2,778,716.49	101.98%
Credit impairment losses	5,603,672.81	119,525.00	5,484,147.81	4588.29%

Income tax expense	20,567,879.14	4,817,893.89	15,749,985.25	326.91%
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1. Operating income: increased by 141.05% year on year, mainly because SEG Property Management has new enterprise- XinDongsheng Property Management included in the statement, and rent reduction by the company in the same period of the previous year.

2. Operating cost: increased by 124.93% year on year, mainly because SEG Property Management has new enterprise- XinDongsheng Property Management included in the statement.

3. Tax and surcharges: increased by 43.33% year on year, mainly because the property tax and VAT increased in the Period.

4. Sale expenses: increased by 101.98% year on year, mainly due to the increase in revenue from property sales and commissions increased correspondingly.

5. Credit impairment losses: increased by 4588.29% year on year, mainly due to the recovery of litigation payments in the Period.

6. Income tax expense: increased by 326.91% year on year, mainly because total profit increased in the Period.

(iii) Items of the Consolidated Cash Flow Statement

Item	Amount for the current period	Amount for the same period of the previous year	Difference	Unit: RMB/Yuan
				Increase/decrease year on year (%)
Net cash flow arising from operation activities	-64,410,695.22	-30,503,048.76	-33,907,646.46	-111.16%
Net cash flow arising from investment activities	-17,972,160.08	-6,601,609.82	-11,370,550.26	-172.24%
Net cash flow arising from financing activities	-38,781,758.53	-59,415,031.36	20,633,272.83	34.73%

1. Net cash flow arising from operation activities: decreased by 111.16% year on year, mainly because the property management business scale expanded, and the purchase of goods and other payments of cash increased.

2. Net cash flow arising from investment activities: decreased by 172.24% year on year, mainly because bank financial products purchased in the Period increased.

3. Net cash flow arising from financing activities: increased by 34.73% year on year, mainly because payment of bank loans decreased in the Period.

II. Progress And Impacts Of Major Events And Analysis Of Solutions

√ Applicable □ Not applicable

Except for the important matters in the following table, there are no other important matters

Overview of major events	Disclosure date	Inquiry index for the websites disclosing the temporary reports
1. Self-inspection Report and Rectification Plan on Improving the Corporate Governance Standards to Achieve a High Quality Development	4 January 2021	Juchao Website: http://www.cninfo.com.cn/ -”Resolution of 18 th extraordinary meeting of 8 th BOD”
2. 36% Equity of Shenzhen XinDongsheng Property Management Co., Ltd Purchased by Shenzhen SEG Property Management	29 February 2020	Juchao Website: http://www.cninfo.com.cn/ -”Resolution of 5 th extraordinary meeting of 8 th BOD and Notice on the Acquisition of Equity by

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Co., Ltd.		Shenzhen SEG Property Management Co., Ltd.”
	6 January 2021	Juchao Website: http://www.cninfo.com.cn/ ”Notice on Completion of the Shareholding Delivery of Purchasing the Equity of Shenzhen SEG Property Management Co., Ltd by Shenzhen SEG Property Management Co., Ltd (controlling sub-subsidiary) ”
3.Reduction of Shares of Shenzhen Huakong SEG Co., Ltd. Held by the Company	10 September 2020	Juchao Website: http://www.cninfo.com.cn/ ”Resolution of 12 th extraordinary meeting of 8 th BOD and Notice on Reducing the Stock of Shenzhen Huakong SEG Co., Ltd. held by the Company”
	26 September 2020	Juchao website: http://www.cninfo.com.cn/ ”Resolution of the 5 th extraordinary shareholders general meeting of 2020”
	27 November 2020	Juchao Website: http://www.cninfo.com.cn/ ”Notice on the Progress of the Implementation of the Stock Reduction of Shenzhen Huakong SEG Co., Ltd ”
	13 January 2021	Juchao Website: http://www.cninfo.com.cn/ ”Implementation of the Share Reduction of Shenzhen Huakong SEG Co., Ltd ”
4. Selection of the Disclosure Media for 2021 and Engagement of the Securities Legal Counsel for 2021	26 January 2021	Juchao Website: http://www.cninfo.com.cn/ ”Resolution of 19 th extraordinary meeting of 8 th BOD”
5. Appointment of the Securities Affairs Representative	26 January 2021	Juchao Website: http://www.cninfo.com.cn/ ”Resolution of 19 th extraordinary meeting of 8 th BOD”
6. SEG New Urban’s Involvement in Litigation and Progress	8 October 2019	Juchao Website: http://www.cninfo.com.cn/ ”Notice on Progress of the controlling sub-subsidiary’s Involvement in Litigation”
	17 April 2020	Juchao Website: http://www.cninfo.com.cn/ ”Notice on

		Progress of the controlling sub-subsidiary's Involvement in Litigation”
	16 September 2020	Juchao Website: http://www.cninfo.com.cn/ -"Notice on Progress of the controlling sub-subsidiary's Involvement in Litigation”
	15 December 2020	Juchao Website: http://www.cninfo.com.cn/ -"Notice on Progress of the controlling sub-subsidiary's Involvement in Litigation”
	8 April 2021	Juchao Website: http://www.cninfo.com.cn/ -"Notice on Progress of the controlling sub-subsidiary's Involvement in Litigation ”

Progress of share repurchases

Applicable Not applicable

Progress of reduction of holding-shares in the form of centralized bidding

Applicable Not applicable

III. Commitments Not Fulfilled In The Reporting Period By The Actual Controller Of The Company, Shareholders, Buyers, Or Other Related Parties

Applicable Not applicable

Commitments	Subject	Type	Content	Commitment date	Commitment term	Performance
Commitment for share reform	Not applicable					
Commitments in the Acquisition Report and the Report of Changes on Equity	Not applicable					
Commitments made at the time of restructuring of assets	Shenzhen SEG Group Co., Ltd.	Other commitment	"After updating and restructuring of SEG Industrial Building, SEG Economy Building, and SEG Recreation Industry Building, the area of added part that belongs to SEG Chuangyehui, SEG Recreation and SEG Property is 2,855.20 m ² . SEG Group undertakes	3 August 2016	Long-term effective	Extended performance: The Company has applied for extension of the license for the said property after expiration and

			<p>that the use of the temporary buildings belonged to SEG Chuangyehui, SEG Recreation and SEG Property will be renewed after expiration of the two-year use duration. In case when, due to failure in renewal of use of temporary buildings, the listed company has any loss or the income during the period from expiration of the performance commitment period to expiration of the evaluated income expected period is lower than the expected compensation, or the listed company has any loss because the temporary buildings are required to be dismantled by governmental organs during the period from expiration of the performance commitment period to expiration of the evaluated income expected period, SEG Group will compensate the listed company timely and in full amount according to the following compensation methods:</p> <ol style="list-style-type: none"> 1. SEG Group has made commitments for the performance of the subject company within three years after completion of major asset restructuring. Influence of the updating and restructuring project has been taken into account in the commitments. 2. The amount of compensation for the income that is lower than the expected income during the period from 			<p>submitted application materials to the relevant competent authority for approval</p>
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		<p>expiration of the performance commitment period to expiration of the evaluated income expected period = (the predicted accumulated income to the end of the report period - actual accumulated income to the end of the report period) - the compensated amount.</p> <p>3. The loss caused when the temporary buildings are required to be dismantled by governmental organs during the period from expiration of the performance commitment period to expiration of the evaluated income expected period = the dismantling cost and compensation amount related - (the accumulated total income to the time the buildings are dismantled - predicted accumulated income during the predication period).</p> <p>Note: the predicted income refers to the net value remained after the predicted total income from the newly added temporary buildings in the evaluation reports of the subject companies minuses the allocated investment cost during the operating period and the amount influenced by permanent rent termination predicted in the evaluation report. Shenzhen SEG should employ an audit agency with security practice qualification recognized by SEG Group to provide a formal audit report on the compensation methods for the property investment</p>			
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			within the compensation scope of the report period within four months at the end of each accounting year during the compensation period. SEG Group should compensate in cash any property investment and compensation items within the compensation scope of the report period. Shenzhen SEG should calculate the payable compensation amount within 15 working days upon final specific review opinions provided by the audit agency, and send a written notice to SEG Group. Within 30 working days upon receipt of the written notice from Shenzhen SEG, SEG Group should pay the compensation in cash in full amount."			
Commitment made at the time of initial public offerings or refinancing	Not applicable					
Commitment on equity incentives	Not applicable					
Other commitments made to the medium and small shareholders of the Company	Not applicable					
Whether commitments were fulfilled on time	No					
For commitments unfulfilled in the commitment	The newly added properties arising from updating and restructuring of the above mentioned three buildings, including SEG Industrial Building, are the temporary buildings. And in accordance with the <i>Measures for the Implementation of Temporary Building Management in Futian District, Shenzhen (Interim)</i> , the service time for					

period, specify the reasons for non-fulfillment and further plans	temporary building is from 21 April 2016 to 20 April 2018, according to the <i>Regulations of Guangdong Province on Urban and Rural Planning</i> , the temporary building can apply for a one-year extension (deadline on 20 April 2019). in addition, the Shenzhen City and Futian District do not clearly specify the extension or extension of the time limit for the temporary buildings. After service time expired (on 20 April 2018), the Company has applied for extension, materials have been submitted for approval to relevant authorities, but no extension was granted. Up to now, the listed company did not suffer losses for the above mentioned matters, and there is no need for compensation from SEG Group.
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IV. Financial Assets Investment

1. Securities Investment

√Applicable □ Not applicable

Unit: RMB/Yuan

Stock type	Stock code	Short form of the security	Initial investment cost	Accounting measurement mode	Opening book value	Profit or loss from changes in fair value in the current period	Accumulative changes in fair value counted into equity	Amount of purchase in the current period	Amount of sales in the current period	Profit or loss in the reporting period	Closing book value	Accounting item	Source of capital
Domestic and overseas shares	600778	Youhao Group	90,405.00	Measurement of fair value	242,125.17		-16,991.24	0.00	0.00	0.00	225,133.93	Investment in other equity instruments	Self-owned capital
Domestic and overseas shares	000068	Huakong SEG	165,819,274.44	Measurement of equity method	101,162,523.51		28.52	0.00		-3,773,167.72	97,389,384.32	Long-term equity investment	Self-owned capital
Domestic and overseas shares	832770	SEG Smartechs	8,275,321.43	Measurement of cost method	13,515,392.83			0.00	0.00	0.00	13,515,392.83	Investment in other equity instruments	Self-owned capital
Total			174,185,000.87	--	114,920,041.51	0.00	-16,962.72	0.00	0.00	-3,773,167.72	111,129,911.08	--	--

Disclosure date of securities investment approval of the Board	
Disclosure date of securities investment approval of the Shareholder Meeting (if any)	

2. Derivative Investment

Applicable Not applicable

No derivative investment is involved in the reporting period.

V. Progress Of The Fund-Raising Investment Projects

Applicable Not applicable

VI. Prediction Of Business Performance From January – June 2021

Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation on reason

Applicable Not applicable

VII. Major Contracts For Daily Operations

Applicable Not applicable

Unit:RMB/Yuan

Contracting party	Counter party of the contract	Contract subject	Total contract amount	Progress of contract performance	Sales revenue recognized in the period and cumulatively	Collection of receivables
SEG New Urban	Shenzhen Huahui Group Co., Ltd.	Part of the property of SEG New Urban Plaza	1038 million Yuan	The contract has not yet come into force	/	/
SEG New Urban	Shenzhen Hua Ao Grop Co., Ltd.	(1/F-5/F), No.2 building of the SEG New Urban Plaza (Phase I)	195 million Yuan	The contract has not yet come into force	/	/
SEG New	Huang	(6/F-7/F), No.2 building of the	50.4 million Yuan	The contract has not yet	/	/

Urban	Xianzhen	SEG New Urban Plaza (Phase I)		come into force		
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Progress of the major contract is materially different from the contract agreement and affects the contract amount of 30% or more

Applicable Not applicable

VIII. Trust Financing

Applicable Not applicable

Unit: 10 thousand Yuan

Specific type	Sources of funds	Amount occurred	Undue balance	Overdue amount
Financing products	Self-owned capital	83,711	83,711	0
Total		83,711	83,711	0

Details of the single major amount, or high-risk trust investment with low security, poor fluidity and non-guaranteed

Applicable Not applicable

Entrust financial expected to be unable to recover the principal or impairment might be occurred

Applicable Not applicable

IX. Guarantee Outside Against The Regulation

Applicable Not applicable

The Company had no guarantee outside against the regulation in the period.

X. Non-Operational Fund Occupation From Controlling Shareholders And Its Related Party

Applicable Not applicable

There was no non-operational fund occupation from controlling shareholders and its related party

XI. Registration Form For Receiving Research, Communication And Interview In The Report Period

Applicable Not applicable

Date	Reception location	Method	Reception type	Reception object	Main content and information provided	Index for the interview and research
5 Jan. 2021	The Company	Telephoning	Individual	Investor	Inquire the business information	/
5 Jan. 2021	The Company	Telephoning	Individual	Investor	Inquire the production and	/

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					operation information of the Company	
7 Jan. 2021	The Company	Telephoning	Individual	Investor	Inquire the production and operation information of the Company and corporate governance	/
7 Jan. 2021	The Company	Telephoning	Individual	Investor	Inquire the business information	/
18 Jan. 2021	The Company	Telephoning	Individual	Investor	Inquire the business condition of 2020	/
19 Jan. 2021	The Company	Telephoning	Individual	Investor	Inquire the business information	/
20 Jan. 2021	The Company	Telephoning	Individual	Investor	Inquire the business information	/
20 Jan. 2021	The Company	Telephoning	Individual	Investor	Inquire the business information	/
20 Jan. 2021	The Company	Telephoning	Individual	Investor	Inquire the business information	/
29 Jan. 2021	The Company	Telephoning	Individual	Investor	Inquire the business information	/
1 Feb. 2021	The Company	Telephoning	Individual	Investor	Inquire the business information	/
2 Feb. 2021	The Company	Telephoning	Individual	Investor	Inquire the business information	/
9 Feb. 2021	The Company	Telephoning	Individual	Investor	Inquire the business	/

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					information	
9 Mar. 2021	The Company	Telephoning	Individual	Investor	Inquire the production and operation information of the Company	/
11 Mar. 2021	The Company	Telephoning	Individual	Investor	Inquire the business information	/
17 Mar. 2021	The Company	Telephoning	Individual	Investor	Inquire the business information	/
25 Mar. 2021	The Company	Telephoning	Individual	Investor	Inquire the business of the Company	/