

Stock Code: 000011, 200011

Stock Name: PRD, PRD-B

Announcement No. 2023-08

SHENZHEN PROPERTIES & RESOURCES DEVELOPMENT (GROUP) LTD.

FIRST QUARTERLY REPORT 2023

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

Important Notes:

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

Yes No

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	Change (%)
Operating revenue (RMB)	411,469,619.15	1,255,811,600.03	-67.23%
Net profit attributable to the listed company’s shareholders (RMB)	13,216,750.95	219,440,470.15	-93.98%
Net profit attributable to the listed company’s shareholders before exceptional gains and losses (RMB)	13,335,100.35	226,479,051.98	-94.11%
Net cash generated from/used in operating activities (RMB)	-419,149,918.25	-762,389,016.83	45.02%
Basic earnings per share (RMB/share)	0.0222	0.3682	-93.97%
Diluted earnings per share (RMB/share)	0.0222	0.3682	-93.97%
Weighted average return on equity (%)	0.30%	5.61%	-5.31%
	31 March 2023	31 December 2022	Change (%)
Total assets (RMB)	15,779,473,033.85	15,800,287,610.40	-0.13%
Equity attributable to the listed company’s shareholders (RMB)	4,426,728,112.94	4,412,555,547.97	0.32%

(II) Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	Q1 2023	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	692.45	
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)	660,340.61	One-time bounty received
Non-operating income and expense other than the above	-1,111,715.40	Reversal of non-operating income recognized in prior period
Other gains and losses that meet definition of nonrecurring gain/loss	327,260.97	
Less: Income tax effects	-57,712.13	
Non-controlling interests effects (net of tax)	52,640.16	
Total	-118,349.40	

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

Applicable Not applicable

No such cases in the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

Balance sheet line items	31 March 2023	1 January 2023	Change (%)	Main reasons for the change
Prepayments	146,425,179.45	100,341,806.56	45.93%	Payment for lands
Other current assets	100,019,405.28	65,655,266.27	52.34%	Increase in debit balance of reclassified tax payable
Accounts payable	424,879,548.32	608,283,388.52	-30.15%	Decrease in project money payable
Advances from customers	1,256,391.62	2,260,847.31	-44.43%	Decrease in rent received in advance
Income statement line items	Q1 2023	Q1 2022	Change (%)	Main reasons for the change
Operating revenue	411,469,619.15	1,255,811,600.03	-67.23%	Decrease in carry-over of real estate revenue
Cost of sales	310,287,854.20	628,064,409.56	-50.60%	Decrease in carry-over of real estate costs
Taxes and levies	6,838,102.09	264,764,712.67	-97.42%	Increase in VAT of land accrued in the same period of last year
Credit impairment loss	-88,003.56	-	100.00%	Increase in bad debt provision
Non-operating income	-377,546.96	193,104.68	-295.51%	Reversal of non-operating income recognized in prior period
Non-operating	283,475.99	184,355.58	53.77%	Increase in small non-operating

expense				expense paid in the Reporting Period
Income tax expense	3,202,392.63	65,957,243.88	-95.14%	Decrease in total profit
Other comprehensive income- Changes in the fair value of investments in other equity instruments	-129,311.06	-12,045.80	-973.49%	Influence of changes in fair value
Other comprehensive income- Differences arising from the translation of foreign currency-denominated financial statements	1,085,125.08	404,100.07	168.53%	Influence of changes in exchange rates
Cash flow statement line items	Q1 2023	Q1 2022	Change (%)	Main reasons for the change
Net cash generated from/used in operating activities	-419,149,918.25	-762,389,016.83	45.02%	Payment for lands in the same period of last year
Net cash generated from/used in investing activities	-1,096,439.52	-241,934,054.45	99.55%	Equity transfer payment paid in the same period of last year
Net cash generated from/used in financing activities	196,357,157.11	36,943,224.39	431.51%	New bank loan

II Shareholder Information

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

Unit: share

Number of ordinary shareholders at the period-end		45,441	Number of preferred shareholders with resumed voting rights at the period-end (if any)		0	
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge, marked or frozen	
					Status	Shares
Shenzhen Investment Holdings Corporation	State-owned corporation	50.57%	301,414,637	3,326		
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	Domestic non-state-owned legal person	6.38%	38,037,890	0		
China Orient Asset Management Co., Ltd.	State-owned legal person	2.77%	16,491,402	0		
Duan Shaoteng	Domestic natural person	0.29%	1,755,565	0		
Shenzhen Duty-Free Commodity Enterprises Co., Ltd.	Domestic non-state-owned legal person	0.29%	1,730,300	1,730,300		
Yang Yaochu	Domestic natural person	0.27%	1,640,984	0		
Li Xinyi	Domestic natural person	0.25%	1,500,000	0		
Industrial and Commercial	Other	0.23%	1,389,034	0		

Bank of China Limited – Southern China Securities Full Index Real Estate Trading Open-ended Index Securities Investment Fund						
Mai Furong	Domestic natural person	0.20%	1,244,596	0		
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	0.18%	1,068,311	0		
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held	Shares by class				
		Class	Shares			
Shenzhen Investment Holdings Corporation	301,411,311	RMB-denominated ordinary stock	301,411,311			
Shenzhen State-Owned Equity Operation and Management Co., Ltd.	38,037,890	RMB-denominated ordinary stock	38,037,890			
China Orient Asset Management Co., Ltd.	16,491,402	RMB-denominated ordinary stock	16,491,402			
Duan Shaoteng	1,755,565	RMB-denominated ordinary stock	1,755,565			
Yang Yaochu	1,640,984	Domestically listed foreign stock	1,640,984			
Li Xinyi	1,500,000	RMB-denominated ordinary stock	1,500,000			
Industrial and Commercial Bank of China Limited – Southern China Securities Full Index Real Estate Trading Open-ended Index Securities Investment Fund	1,389,034	RMB-denominated ordinary stock	1,389,034			
Mai Furong	1,244,596	Domestically listed foreign stock	1,244,596			
Hong Kong Securities Clearing Company Ltd.	1,068,311	RMB-denominated ordinary stock	1,068,311			
He Simo	1,011,750	Domestically listed foreign stock	1,011,750			
Related or acting-in-concert parties among the shareholders above	The first largest shareholder, Shenzhen Investment Holding Corporation, is the actual controlling shareholder of the Company and Shenzhen State-Owned Equity Operation and Management Co., Ltd. And the Company does not know whether there are related parties or acting-in-concert parties among the other 8 shareholders.					
Top 10 ordinary shareholders involved in securities margin trading (if any)	N/A					

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

Applicable Not applicable

III Other Significant Events

Applicable Not applicable

IV Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

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

31 March 2023

Unit: RMB

Item	31 March 2023	1 January 2023
Current assets:		
Monetary assets	1,294,112,476.80	1,517,528,893.83
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	404,086,870.42	419,933,915.30
Receivables financing		
Prepayments	146,425,179.45	100,341,806.56
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	658,575,446.66	639,903,523.33
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	11,106,509,106.85	10,975,334,223.37
Contract assets	1,064,005.07	1,094,632.90
Assets held for sale		
Current portion of non-current assets		
Other current assets	100,019,405.28	65,655,266.27
Total current assets	13,710,792,490.53	13,719,792,261.56
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables	22,292,127.37	22,651,454.07
Long-term equity investments	80,798,891.32	79,781,437.31
Investments in other equity instruments	758,527.58	887,838.64
Other non-current financial assets		
Investment property	396,785,785.35	405,762,739.18
Fixed assets	78,818,591.73	82,745,172.12
Construction in progress		
Productive living assets		
Oil and gas assets		

Right-of-use assets	63,452,759.65	70,168,415.65
Intangible assets	974,222.92	1,269,382.91
Development costs		
Goodwill	9,446,847.38	9,446,847.38
Long-term prepaid expense	22,104,628.41	21,980,602.46
Deferred income tax assets	1,390,497,288.53	1,383,050,586.04
Other non-current assets	2,750,873.08	2,750,873.08
Total non-current assets	2,068,680,543.32	2,080,495,348.84
Total assets	15,779,473,033.85	15,800,287,610.40
Current liabilities:		
Short-term borrowings		
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	424,879,548.32	608,283,388.52
Advances from customers	1,256,391.62	2,260,847.31
Contract liabilities	950,151,023.07	920,828,040.81
Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	199,128,150.85	239,126,392.02
Taxes and levies payable	3,872,677,504.17	3,917,278,346.81
Other payables	1,488,142,735.12	1,515,085,832.45
Including: Interest payable		
Dividends payable	12,202,676.04	12,202,676.04
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	218,456,766.65	218,858,766.82
Other current liabilities	79,539,635.66	83,991,786.83
Total current liabilities	7,234,231,755.46	7,505,713,401.57
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	3,868,882,344.00	3,618,782,344.00
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	70,419,433.29	77,963,283.55
Long-term payables	0.00	0.00
Long-term employee benefits payable	0.00	0.00
Provisions	766,612.52	766,612.52
Deferred income	0.00	0.00

Deferred income tax liabilities	174,168.87	241,978.54
Other non-current liabilities	125,716,075.26	128,008,919.79
Total non-current liabilities	4,065,958,633.94	3,825,763,138.40
Total liabilities	11,300,190,389.40	11,331,476,539.97
Owners' equity:		
Share capital	595,979,092.00	595,979,092.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	80,488,045.38	80,488,045.38
Less: Treasury stock		
Other comprehensive income	-2,898,563.93	-3,854,377.95
Specific reserve		
Surplus reserves	48,886,605.81	48,886,605.81
General reserve		
Retained earnings	3,704,272,933.68	3,691,056,182.73
Total equity attributable to owners of the Company as the parent	4,426,728,112.94	4,412,555,547.97
Non-controlling interests	52,554,531.51	56,255,522.46
Total owners' equity	4,479,282,644.45	4,468,811,070.43
Total liabilities and owners' equity	15,779,473,033.85	15,800,287,610.40

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

2. Consolidated Income Statement

Unit: RMB

Item	Q1 2023	Q1 2022
1. Revenues	411,469,619.15	1,255,811,600.03
Including: Operating revenue	411,469,619.15	1,255,811,600.03
Interest revenue		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	401,084,780.60	977,118,589.24
Including: Cost of sales	310,287,854.20	628,064,409.56
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	6,838,102.09	264,764,712.67
Selling expense	4,848,217.44	3,937,994.28

Administrative expense	64,973,120.40	65,085,375.46
Development costs	1,197,579.33	1,267,710.00
Finance costs	12,939,907.14	13,998,387.27
Including: Interest costs	15,853,484.32	17,192,333.07
Interest revenue	3,282,400.58	4,135,325.97
Add: Other income	2,309,886.58	2,171,231.11
Return on investment (“-” for loss)	1,017,454.01	849,549.56
Including: Share of profit or loss of joint ventures and associates	1,017,454.01	714,020.44
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)		
Credit impairment loss (“-” for loss)	-88,003.56	
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)		
3. Operating profit (“-” for loss)	13,624,175.58	281,713,791.46
Add: Non-operating income	-377,546.96	193,104.68
Less: Non-operating expense	283,475.99	184,355.58
4. Gross profit (“-” for loss)	12,963,152.63	281,722,540.56
Less: Income tax expense	3,202,392.63	65,957,243.88
5. Net profit (“-” for net loss)	9,760,760.00	215,765,296.68
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	9,760,760.00	215,765,296.68
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	13,216,750.95	219,440,470.15
5.2.2 Net profit attributable to non-controlling interests	-3,455,990.95	-3,675,173.47
6. Other comprehensive income, net of tax	955,814.02	392,054.27
Attributable to owners of the Company as the parent	955,814.02	392,054.27
6.1 Items that will not be reclassified to profit or loss	-129,311.06	-12,045.80
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	-129,311.06	-12,045.80
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	1,085,125.08	404,100.07

6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	1,085,125.08	404,100.07
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	10,716,574.02	216,157,350.95
Attributable to owners of the Company as the parent	14,172,564.97	219,832,524.42
Attributable to non-controlling interests	-3,455,990.95	-3,675,173.47
8. Earnings per share		
8.1 Basic earnings per share	0.0222	0.3682
8.2 Diluted earnings per share	0.0222	0.3682

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

Legal representative: Liu Shengxiang

Head of financial affairs: Cai Lili

Head of the financial department: Liu Qiang

3. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2023	Q1 2022
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	477,368,068.71	505,056,812.76
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	101,125.67	523,079.87
Cash generated from other operating	109,438,389.88	393,205,832.81

activities		
Subtotal of cash generated from operating activities	586,907,584.26	898,785,725.44
Payments for commodities and services	583,398,323.24	949,559,047.62
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	259,582,400.88	258,508,367.52
Taxes and levies paid	100,157,319.11	242,002,874.71
Cash used in other operating activities	62,919,459.28	211,104,452.42
Subtotal of cash used in operating activities	1,006,057,502.51	1,661,174,742.27
Net cash generated from/used in operating activities	-419,149,918.25	-762,389,016.83
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment		
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	254.95	
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	254.95	
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	1,096,694.47	1,300,024.45
Payments for investments		240,634,030.00
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	1,096,694.47	241,934,054.45
Net cash generated from/used in investing activities	-1,096,439.52	-241,934,054.45
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings received	250,100,000.00	86,200,000.00
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	250,100,000.00	86,200,000.00
Repayment of borrowings		

Interest and dividends paid	53,355,811.48	48,154,777.50
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities	387,031.41	1,101,998.11
Subtotal of cash used in financing activities	53,742,842.89	49,256,775.61
Net cash generated from/used in financing activities	196,357,157.11	36,943,224.39
4. Effect of foreign exchange rates changes on cash and cash equivalents	-967,133.01	-438,124.09
5. Net increase in cash and cash equivalents	-224,856,333.67	-967,817,970.98
Add: Cash and cash equivalents, beginning of the period	1,509,693,857.48	1,963,966,564.41
6. Cash and cash equivalents, end of the period	1,284,837,523.81	996,148,593.43

(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 Properties & Resources Development (Group) Ltd.
28 April 2023