

Stock code: 000058, 200058

Stock abbreviation: SHEN SEG, SHEN SEG B

Notice No.:2019-052

Body of Q1 2019 Report of Shenzhen SEG Co., Ltd.

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 other than the following directors have attended this board meeting to review the annual report.

Name of director not present	Position of director not present	Reason for absence	Name of proxy
Gao Jianbai	Director	For work	Chen Huijie
Song Pingping	Independent director	For work	Fan Zhiqing
Zhang Yuwang	Director	For work	Chen Huijie
Zhang Liang	Director	For work	Xu Laping

Chairman of the Board Chen Huijie, Chief Financial Officer Yan Dongxia, and the responsible person of the accounting institution (accountant in charge) Yan Dongxia 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 revenue (yuan)	376,087,480.56	391,140,155.46	-3.85%
Net profit attributable to shareholders of the listed company (yuan)	60,097,292.93	62,622,931.80	-4.03%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (yuan)	15,160,088.23	27,128,268.89	-44.12%
Net cash flow arising from operating activities (yuan)	-10,122,641.51	-1,165,334.33	
Basic EPS (yuan/share)	0.0486	0.0507	-4.14%
Diluted EPS (yuan/share)	0.0486	0.0507	-4.14%
Weighted average ROE	2.41%	2.40%	0.01%
	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)	6,628,767,304.85	7,128,009,738.20	-7.00%
Net assets attributable to shareholders of the listed company (yuan)	1,920,074,451.41	1,867,881,216.44	2.79%

Items and amount of non-recurring gains and losses

√ Applicable ☐ Not Applicable

Unit: yuan

Item	Amount from the beginning of year to the end of the period	Remarks
Profit or loss on disposal of non-current assets (including the write-off of assets depreciation reserves)	55,036,051.26	Income from reduction of holding-shares of Huakong SEG
Government subsidies recognized in current profit or loss (except those closely related to corporate business and enjoyed according to national standards or certain quota)	474,999.99	Support project fund for the construction of Nantong SEG electronics market

Profit and loss from commissioned investment or asset management	4,806,398.41	
Other items conforming to the definition of non-recurring profit and loss	349,538.55	
Less: Amount of affected income tax	15,166,747.05	
Amount of influence of minority shareholders' equity (after tax)	563,036.46	
Total	44,937,204.70	--

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 ordinary shareholders and preferred shareholders restored with voting rights and shares held by top 10 shareholders

Unit: Share

Total number of ordinary shareholders at the end of the reporting period	70,146	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%	700,628,759	450,857,239		
Shenzhen Rongchao Investment Development Co., Ltd.	Domestic non-state-owned legal person	0.62%	7,660,000	0		
Liu Guocheng	Domestic natural person	0.57%	7,052,702	0		
Liu Guohong	Domestic natural person	0.26%	3,234,898	0		

Gong Qianhua	Overseas natural person	0.24%	2,940,000	0		
Shanghai Juzhang Investment Management Co., Ltd.	Domestic non-state-owned legal person	0.21%	2,652,541	0		
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	0.18%	2,271,900	0		
Xu Yueying	Domestic natural person	0.14%	1,760,000	0		
China Hi-tech Group Corporation	State-owned legal person	0.12%	1,500,000	0		
Chongqing International Trust Co., Ltd. - Yuxin Chuangxin Youshi No. 12 Assembled Funds Trust	Others	0.10%	1,220,000	0		
Information on top 10 shareholders of non-restricted shares						
Name of shareholder		Quantity of unrestricted ordinary shares held		Type of share		
				Type of share		Quantity
Shenzhen SEG Group Co., Ltd.		249,771,520		RMB ordinary shares		249,771,520
Shenzhen Rongchao Investment Development Co., Ltd.		7,660,000		RMB ordinary shares		7,660,000
Liu Guocheng		7,052,702		Domestically listed foreign shares		7,052,702
Liu Guohong		3,234,898		Domestically listed foreign shares		3,234,898
Gong Qianhua		2,940,000		Domestically listed foreign shares		2,940,000
Shanghai Juzhang Investment Management Co., Ltd.		2,652,541		RMB ordinary shares		2,652,541
China Securities Finance Corporation Limited		2,271,900		RMB ordinary shares		2,271,900
Xu Yueying		1,760,000		Domestically listed foreign shares		1,760,000
China Hi-tech Group Corporation		1,500,000		RMB ordinary shares		1,500,000
Chongqing International Trust Co., Ltd. - Yuxin Chuangxin Youshi No. 12 Assembled Funds Trust		1,220,000		RMB ordinary shares		1,220,000
Explanations on the association relationship or concerted action among the		Shenzhen SEG Group Co., Ltd. has no association relationship with other shareholders and is not a person acting in concert with other shareholders as specified in the <i>Management Methods for Disclosure of Information on Changes of</i>				

above-mentioned shareholders	<i>Shareholding Status of Shareholders of Listed Companies</i> . It is unclear whether other shareholders are persons acting in concert.
Information on top 10 ordinary shareholders participating in securities margin trading (if any)	None.

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

☐ Yes ☒ No

Top 10 ordinary shareholders of the Company or top 10 ordinary 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

Unit: RMB/Yuan

Item	Closing balance	Opening balance	Difference	Increase/decrease year on year (%)
Monetary funds	1,230,137,703.98	1,757,492,816.67	-527,355,112.69	-30.01%
Notes receivable and accounts receivable	74,163,820.86	54,426,228.11	19,737,592.75	36.26%
Prepayment	1,542,058.75	2,701,718.53	-1,159,659.78	-42.92%
Payroll payable	30,080,168.48	44,065,725.59	-13,985,557.11	-31.74%
Taxes payable	171,476,588.03	121,045,597.93	50,430,990.10	41.66%
Other payables	588,676,374.70	1,021,673,905.77	-432,997,531.07	-42.38%

1. Monetary funds decreased by RMB 527,355,112.69 or 30.01% over the beginning of the period, mainly due to repayment of the restructuring consideration to SEG Group and bank loans.

2. Notes receivable and accounts receivable increased by RMB 19,737,592.75 or 36.26% over the beginning of the period, mainly because SEG Property Management accrued the management expenses of RMB 20,527,800.

3. Prepayment decreased by RMB 1,159,659.78 or 42.92% over the beginning of the period, mainly due to business contraction of SEG Industrial in the reporting period.

4. Payroll payable decreased by RMB 13,985,557.11 or 31.74% over the beginning of the period, mainly because the company granted part of salaries and bonuses accrued in the previous year.

5. Taxes payable increased by RMB 50,430,990.10 or 41.66% over the beginning of the period, mainly because SEG New Urban incurred the land VAT for property sales of RMB 21 million and the Company incurred the enterprise income tax of RMB 9,246,600 for sales of shares of Huakong SEG.

6. Other payables decreased by RMB 432,997,531.07 or 42.38% over the beginning of the period, mainly due to repayment of the restructuring consideration to SEG Group.

(II) Items of the Consolidated Profit Statement

Unit: RMB/Yuan

Item	Amount for the current period	Amount of the same period of the previous year	Difference	Increase/decrease year on year (%)
Interest income	0.00	5,020,857.08	-5,020,857.08	-100.00%
Service charges and commissions	0.00	223,839.96	-223,839.96	-100.00%

income				
Tax and surcharges	31,785,231.34	10,239,902.06	21,545,329.28	210.41%
Sale expenses	5,180,963.20	7,610,500.75	-2,429,537.55	-31.92%
Financial expenses	23,195,019.91	15,524,536.56	7,670,483.35	49.41%
Loss from asset impairment	0.00	3,428,150.12	-3,428,150.12	-100.00%
Non-operating revenue	1,059,075.24	1,567,854.35	-508,779.11	-32.45%
Non-operating expenses	234,536.70	4,264,049.51	-4,029,512.81	-94.50%

1. Interest income decreased by RMB 5,020,857.08 or 100% year on year, mainly because the equity of SEG Credit was sold in the previous year and such income was not generated in the reporting period.

2. Service charges and commissions income decreased by RMB 223,839.96 or 100% year on year, mainly because the equity of SEG Credit was sold in the previous year and such income was not generated in the reporting period.

3. Tax and surcharges increased by RMB 21,545,329.28 or 210.41% year on year, mainly because SEG New Urban incurred the land VAT for property sales of RMB 21 million.

4. Sale expenses decreased by RMB 2,429,537.55 or 31.92% year on year, mainly because the sales agent expense paid by SEG New Urban decreased by RMB 1.55 million year on year and the advertising expenses paid by Nantong SEG and Huizhou Stars decreased by RMB 670 thousand year on year.

5. Financial expenses increased by RMB 7,670,483.35 or 49.41% year on year, mainly because the interest of RMB 9,088,400 was incurred due to issue of corporate bonds of RMB 800 million.

6. Loss from asset impairment decreased by RMB 3,428,150.12 year on year, mainly because SEG Credit accrued the provision for loan loss in the same the period of the previous year and there is no such impairment in the reporting period as SEG Credit has been sold.

7. Non-operating revenue decreased by RMB 508,779.11 or 32.45% year on year, mainly because SEG Property Development received the subsidy of RMB 666,200 for facade renovation of SEG Plaza in the same the period of the previous year and no such income was generated in the reporting period.

8. Non-operating expenses decreased by RMB 4,029,512.81 or 94.50% year on year, mainly because SEG Real Estate paid for termination of a contract (2017 Y. 0307 M. C. No. 6835) in the same the period of the previous year.

(III) Items of the Consolidated Cash Flow Statement

Unit: RMB/Yuan

Item	Amount for the current period	Amount for the same period of the previous year (adjusted)	Difference	Increase/decrease year on year (%)
Cash received from interest, handling charges and commissions	371,052.26	4,661,395.77	-4,290,343.51	-92.04%
Cash paid for goods and service	104,282,449.76	244,997,988.68	-140,715,538.92	-57.44%
Net increase in loans to customers and advances	0.00	-16,784,988.00	16,784,988.00	
Taxes paid	37,114,103.27	70,845,921.44	-33,731,818.17	-47.61%
Net cash received from disposal of subsidiaries and other business units	0.00	-3,394,971.91	3,394,971.91	

Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	4,150,185.67	32,963,785.60	-28,813,599.93	-87.41%
Cash paid for investment	793,128,340.34	350,880,000.00	442,248,340.34	126.04%
Cash received from absorbing investment	0.00	980,000.00	-980,000.00	-100.00%
Cash received from borrowings	250,000,000.00	152,000,000.00	98,000,000.00	64.47%
Cash paid for debt repayment	375,632,579.00	281,320,347.76	94,312,231.24	33.52%
Cash paid for dividend and profit distribution or interest payment	8,805,931.09	12,986,315.44	-4,180,384.35	-32.19%

1. Cash received from interest, handling charges and commissions decreased by RMB 4,290,343.51 or 92.04% year on year, mainly because the equity of SEG Credit has been transferred in the reporting period and no loan was incurred.
2. Cash paid for goods and service decreased by RMB 140,715,538.92 or 57.44% year on year, mainly because the projects of Nantong SEG and SEG New Urban have been completed and the expenditure decreased by RMB 141,325,500 year on year.
3. Net increase in loans to customers and advances decreased by RMB 16,784,988.00 year on year, mainly because no loan was incurred in the reporting period.
4. Taxes paid decreased by RMB 33,731,818.17 or 47.61% year on year, mainly because taxes paid by SEG Real Estate decreased by RMB 29,478,700 year on year.
5. Net cash received from disposal of subsidiaries and other business units decreased by RMB 3,394,971.91 year on year, mainly because no subsidiaries and other business units were disposed of in the reporting period.
6. Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets decreased by RMB 28,813,599.93 or 87.41%, mainly because this item included the prepayment for equipment by Shenzhen-Shantou Longyan last year.
7. Cash paid for investment increased by RMB 442,248,340.34 or 126.04% year on year, mainly because repayment of the restructuring consideration of RMB 375,626,200 to SEG Group.
8. Cash received from absorbing investment decreased by RMB 980,000.00 or 100% year on year, mainly because the company acquired the investment from minority shareholders of SEG Yicheng in the same period of the previous year.
9. Cash received from borrowings increased by RMB 98,000,000.00 or 64.47% year on year, mainly because borrowings increased in the reporting period.
10. Cash paid for debt repayment increased by RMB 94,312,231.24 or 33.52% year on year, mainly because loan repayment increased in the reporting period.
11. Cash paid for dividend and profit distribution or interest payment decreased by RMB 41,803,843,500 or 32.19% year on year, mainly because SEG Credit paid the interest of RMB 2,996,600 in the same period of the previous year and this expenditure was not incurred in the reporting period.

II. Progress and impacts of major events and analysis of solutions

√ Applicable □ Not applicable

Overview of major events	Disclosure date	Inquiry index for the websites disclosing the temporary reports
1. Progress of breach of contract by the holding sub-subsidiary SEG New Urban	April 30, 2019	http://www.cninfo.com.cn <i>Annual Report of 2018 of Shenzhen SEG</i>

Due to such force majeure as severe weather, the construction of the ECO project developed by the holding sub-subsidiary SEG New Urban was affected, resulting in breach of contract with 585 owners (of which 29 owners filed lawsuits). As of the end of the reporting period, SEG New Urban has reached a compromise with 417 owners.		<i>Co., Ltd.</i>
	January 3, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	January 10, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	January 17, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	January 24, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	January 31, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	February 14, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	February 28, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	March 7, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	March 21, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding Sub-subsidiary</i>
	March 28, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of Breach of Contract by the Holding</i>

		<i>Sub-subsidiary</i>
<p>2. Dispute over the lease contract arose between Nanning Haiqi Real Estate Development Co., Ltd. and Shenzhen SEG Co., Ltd. Case number: 2016 G. 0102 M. C. No. 3653</p> <p>Second instance judgment: Nanning SEG shall pay the liquidated damages of RMB 8 million, pay the attorney fee of RMB 263,000 to Nanning Haiqi, and pay the case acceptance fee of RMB 134,238.</p> <p>The Company has applied for retrial. On July 11, 2018, the Higher People's Court of Guangxi Zhuang Autonomous Region decided to put the case on file. On March 22, 2019, the company received the <i>Civil Ruling Paper</i> served by the Higher People's Court of Guangxi Zhuang Autonomous Region which rejected the re-trial application of the company. Now the case is fulfilled completely.</p>	September 26, 2016	http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on Receipt of Court Summons and the Civil Complaint</i>
	August 31, 2018	http://www.cninfo.com.cn <i>Semi-Annual Report 2018 of Shenzhen SEG Co., Ltd.</i>
<p>3. SEG Industrial sued against Shenzhen Wonder Industry Co., Ltd., Liu Guiyun and Liu Yu for a dispute over the purchase and sales contract. Case number: (2017) Y. 0304 M. C. No. 5092; involved amount: 8,394,100 yuan</p> <p>The first-instance judgment has taken effect. The claims filed by SEG Industrial were basically supported, except that not all of the overdue fine was supported, and SEG Industrial has applied for enforcement with the court.</p> <p>Shenzhen Wonder Industry Co., Ltd. and Liu Yu refused to accept the first instance judgment and applied for re-trial to Shenzhen Intermediate People's Court. On March 4, 2019, the court decided to put the case on file.</p>	September 20, 2018	http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Progress of the Lawsuit Involving Holding Subsidiaries</i>
<p>4. SEG Industrial sued against Shenzhen Yixin Zhongtian Technology Co., Ltd., Zhe Shaojun, and Zhao Xiaoyan for a dispute over the purchase and sales contract. Case number: (2017) Y. 0304 M. C. No. 5088; involved amount: 14,805,700 yuan</p> <p>The first-instance judgment has taken effect. The claims filed by SEG Industrial were basically supported, except that not all of the overdue fine was supported.</p> <p>On January 30, 2019, Shenzhen Yixin Zhongtian Technology Co., Ltd., Zhe Shaojun, and Zhao Xiaoyan applied for re-trial to Guangdong Higher People's Court and the court decided to put the case on file.</p>	September 20, 2018	http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Progress of the Lawsuit Involving Holding Subsidiaries</i>
<p>5. SEG Industrial sued against Shenzhen Comnet Technology Co., Ltd., Xiao Qingshan, Zhou Ronghua, Anhua Meishan Small Loan Co., Ltd., and Shenzhen Baiyide</p>	September 20, 2018	http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on the Progress of the Lawsuit</i>

Technology Co., Ltd. for a dispute over the purchase and sales contract. Case number: (2017) Y. 0304 M. C. No. 7976; involved amount: 5,155,400 yuan According to the first-instance judgment, SEG Industrial was the prevailing party. The other party arrested the first-instance judgment and instituted an appeal. The second instance is in progress.		<i>Involving Holding Subsidiaries</i>
6. SEG Industrial sued against Shenzhen Runneng Digital Technology Co., Ltd., Xiao Qingshan, Zhou Ronghua, Anhua Meishan Small Loan Co., Ltd., and Shenzhen Baiyide Technology Co., Ltd. for a dispute over the purchase and sales contract. Case number: (2017) Y. 0304 M. C. No. 7977; involved amount: 15,345,000 yuan According to the first-instance judgment, SEG Industrial was the prevailing party. The other party arrested the first-instance judgment and instituted an appeal. The second instance is in progress.	September 20, 2018	http://www.cninfo.com.cn Announcement of Shenzhen SEG Co., Ltd. on the Progress of the Lawsuit Involving Holding Subsidiaries
7. In the reporting period, 16 cases involving Nantong SEG Operation are not settled yet, in which 2 cases are new. Merchants owed the rents and management fees to Nantong SEG Operation, resulting in disputes over lease contracts. Involved amount: 7,813,500 yuan Twelve cases were settled and Nantong SEG Operation was the prevailing party. The remaining four cases are not settled, among which two are on first trial and the other two are on second trial.	August 31, 2018	http://www.cninfo.com.cn <i>Semi-Annual Report 2018 of Shenzhen SEG Co., Ltd.</i>
In the reporting period, Nantong SEG is involved in 16 cases. In one case, Nantong SEG was the defendant. All lawsuits arise from disputes over the house decoration contract, involving RMB 34,506,300. 12 cases have been settled and are being enforced. One case is under re-trial. Three cases are under second trial.	August 31, 2018	http://www.cninfo.com.cn <i>Semi-Annual Report 2018 of Shenzhen SEG Co., Ltd.</i>
9. Follow-up on the business transaction between the holding sub-subsidiary SEG New Urban and Shenzhen Zhaocheng Group	February 1, 2019	http://www.cninfo.com.cn <i>Risk Warning on Suspension of Some Bank Accounts of the Holding Sub-subsidiary</i>
	March 2, 2019	http://www.cninfo.com.cn <i>Announcement on the Receipt of the Legal Instrument & the Progress of Suspension of Some Bank Accounts of the Holding Sub-subsidiary</i>
	March 22, 2019	http://www.cninfo.com.cn

		<i>Announcement on Unfreezing Accounts of the Holding Sub-subsidiary</i>
	March 29, 2019	http://www.cninfo.com.cn <i>Risk Warning on the Possibility of the Holding Sub-subsidiary's Liability for Guarantee</i>
	April 16, 2019	http://www.cninfo.com.cn <i>Announcement on the Receipt of the Civil Ruling Paper and the Notice for Assistance in Enforcement</i>
	April 23, 2019	http://www.cninfo.com.cn <i>Risk Warning on Matters Related to the Receipt of the Notice of Contract Termination by the Holding Sub-subsidiary</i>
<p>10. Public offering of corporate bonds</p> <p>To meet the capital needs of the Company during main business development and to further expand financing channels, based on financial and operational status of the Company, the Company planned to publicly issue corporate bonds worth RMB 800 million on Shenzhen Stock Exchange and provided counter-guarantee for mortgage.</p> <p>On January 15, 2019, the corporate bonds (1st issue) of RMB 800 million issued by the Company were listed.</p>	April 30, 2019	http://www.cninfo.com.cn/ 2018 Annual Report
	January 15, 2019	http://www.cninfo.com.cn <i>Announcement on Public Offering of Corporate Bonds (1st Issue) to Qualified Investors in 2018</i>
	February 19, 2019	http://www.cninfo.com.cn <i>Announcement on Contemplated Changes in Details of Repayment Objects of 18 SEG 01 and 18 SEG 02</i>
	February 22, 2019	http://www.cninfo.com.cn <i>Announcement on Contemplated Changes in Details of Repayment Objects of 18 SEG 01 and 18 SEG 02</i>
<p>11. Retirement of Vice General Manager of the Company</p> <p>Hong Xi was removed from Vice General Manager of the Company due to retirement and no longer holds any post in the Company.</p>	January 31, 2019	http://www.cninfo.com.cn <i>Announcement on the Retirement of Vice General Manager of the Company</i>
<p>12. Reduction of Holding-shares of Shenzhen Huakong SEG Co., Ltd.</p>	January 15, 2019	http://www.cninfo.com.cn <i>Announcement on the Resolution of the 1st Extraordinary General Meeting in 2019</i>
	April 24, 2019	http://www.cninfo.com.cn <i>Announcement on the Progress of</i>

		<i>Reduction of Holding-shares of Shenzhen Huakong SEG Co., Ltd.</i>
13. Suspension of the Construction Project of the PV Industry Base of Shenzhen-Shantou Special Cooperation & the Connected Transaction Concerning Proposed Transfer of 100% of the Equity of Shenzhen-Shantou Cooperation Zone SEG Longyan Energy Technology Co., Ltd. Held by the Holding Subsidiary	March 12, 2019	http://www.cninfo.com.cn <i>Suggestive Announcement on Suspension of the Construction Project of the PV Industry Base of Shenzhen-Shantou Special Cooperation & the Connected Transaction Concerning Proposed Transfer of 100% of the Equity of Shenzhen-Shantou Cooperation Zone SEG Longyan Energy Technology Co., Ltd. Held by the Holding Subsidiary</i>
14. Leasing of the entire commercial podium of SEG Times Plaza by the wholly-owned subsidiary Nantong SEG Times Plaza Development Co., Ltd. and execution of the lease contract The wholly-owned subsidiary Nantong SEG Times Plaza Development Co., Ltd. and Red Star Macalline Group Corporation Ltd. ("Macalline") entered into the Lease Contract. The Company leased the entire commercial podium of Nantong SEG Times Plaza (with a total area of 57,481 m ²) to Macalline. The lease term is 15 years. The total contract price is RMB 246,731,000.	January 16, 2019	http://www.cninfo.com.cn <i>Announcement on Leasing of the Entire Commercial Podium of SEG Times Plaza by the Wholly-owned Subsidiary Nantong SEG Times Plaza Development Co., Ltd. and Execution of the Lease Contract</i>
15. Payment of the transaction consideration of SEG Group for major assets restructuring According to the major assets restructuring appraisal results and the transaction payment method, 86.90% of the transaction consideration for 55% of equity of SEG Recreation, 100% of equity of SEG Property, 100% of equity of SegMaker, and 79.02% of equity of SEG Real Estate (RMB 4,481,521,000 in total) was paid by non-public offering of shares; 13.10% of the transaction consideration (RMB 675,626,200) was paid in cash. On January 19, 2017, the business registration alteration procedures for the four target companies involved in the major assets restructuring of SEG Group were completed. On February 25, 2017, 450,857,239 A-shares were determined for non-public offering in the major assets restructuring and were listed on March 6, 2017. On March 7, 2019, payment for the consideration of RMB 675,626,200 in cash was completed.	January 18, 2017	http://www.cninfo.com.cn <i>Report of Share Issuance and Cash Payment to Acquire Assets and Raise Supporting Funds & Connected Transaction</i>
	January 25, 2017	http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on Transfer of Underlying Assets for Share Issuance and Cash Payment to Acquire Assets and Raise Funds & Connected Transactions</i>
	March 4, 2017	http://www.cninfo.com.cn <i>Announcement of Shenzhen SEG Co., Ltd. on Transfer of Underlying Assets for Share Issuance and Cash Payment to Acquire Assets and Raise Funds & Connected Transactions & Public Offering of New Shares</i>

Progress of share repurchase

☐ 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 SegMaker, SEG Recreation and SEG Property is 2,855.20 m ² . SEG Group undertakes that the use of the temporary buildings belonged to SegMaker, 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	August 3, 2016	April 20, 2024	Extended performance (The Company has applied for extension of the license for the said property and submitted application materials to the relevant competent authority for approval. SEG Group is assisting with such

			<p>according to the following compensation methods:</p> <p>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.</p> <p>2. The amount of compensation for the income that is lower than the expected income during the period from 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). 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 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</p>			<p>extension application. The renewal application is still under approval and the license for renewal is not obtained yet.)</p>
--	--	--	--	--	--	---

			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 period, specify the reasons for non-fulfillment and further plans	The Company has applied for extension of the license for the said property and submitted application materials to the relevant competent authority for approval. SEG Group is assisting with such extension application. The renewal application is still under approval and the license for renewal is not obtained yet.					

IV. Estimation of operating results of January-June 2019

Warning of negative estimated accumulated net profit from the beginning of the year to the end of the next reporting period or large fluctuation over the same period of the previous year and causes

□ Applicable √ Not applicable

V. Securities investment

√ Applicable □ Not applicable

Unit: 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	274,287.16		47,787.86	0.00	0.00	0.00	322,075.02	Available-for-sale financial assets	Self-owned capital
Domestic and overseas shares	000068	Huakong SEG	173,687,994.45	Measurement of cost method	139,130,451.09		-184.27		-7,455,408.85	-4,608,463.34	127,066,394.6	Long term equity investment	Self-owned capital
Domestic and overseas shares	832770	SEG Navigations	8,275,321.43	Measurement of cost method	13,515,392.83			0.00	0.00	0.00	13,515,392.83	Available-for-sale financial assets	Self-owned capital
Other securities investment held at the end of the period													-
Total			182,053,720.88	--	152,920,131.08	0.00	47,603.59	0.00	-7,455,408.85	-4,608,463.34	140,903,862.48	-	

VI. Derivative investment

☐ Applicable ☒ Not applicable

No derivative investment is involved in the reporting period.

VII. Registration form for investigations, communication and interviews in the reporting period

☒ Applicable ☐ Not applicable

Time	Means	Type	Investigation Index
January 7, 2019	Phone call	Individual	Inquire about recent operations of the Company.
January 28, 2019	Phone call	Individual	Inquire about whether the controlling shareholder of the Company SEG Group has pledged stocks of the Company.
January 29, 2019	Phone call	Individual	Inquire about whether the Company will release the performance forecast for 2018.
February 1, 2019	Phone call	Individual	Inquire about lawsuits involving the holding sub-subsidiary SEG New Urban and suspension of some bank accounts.
February 27, 2019	Phone call	Organization	Inquire about the progress of suspension of some bank accounts of the holding sub-subsidiary SEG New Urban and whether the reason is known.
March 4, 2019	Phone call	Individual	Inquire about the latest number of shareholders of the Company.
March 11, 2019	Phone call	Individual	Consult the latest register of shareholders of the Company.
March 12, 2019	Phone call	Individual	Inquire about equity transfer of Shenzhen-Shantou Longyan.
March 21, 2019	Phone call	Individual	Inquire about the latest number of shareholders of the Company.
March 29, 2019	Phone call	Individual	Inquire about recent operations of the Company.

VIII. Illegal external guarantee

☐ Applicable ☒ Not applicable

No illegal external guarantee is involved in the reporting period.

IX. Non-operating capital occupation on the listed company by the controlling shareholders and related parties

☐ Applicable ☒ Not applicable

No non-operating capital occupation on the listed company by the controlling shareholders and related parties is involved in the reporting period.