

Stock code: 000058, 200058

Notice No.:2020-084

Stock abbreviation: SHEN SEG, SHEN SEG B



## **Body of Q3 2020 Report of Shenzhen SEG Co., Ltd.**

## **Section I. Important Notes**

**Board of Directors and the Supervisory Committee of Shenzhen SEG Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.**

**All directors of the Company are attended the Meeting for quarterly report deliberation.**

**Zhangliang, Principal of the Company; Yan Dongxia, Person in Charge of Accounting Work; Wang Lei, Person in Charge of Accounting Organization (Accounting Officer) hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.**

## Section II. Basic information of Company

### I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data or not

☐Yes ☒No

	Current period-end	Period-end of last year	Increase/decrease	
Total assets (RMB)	5,828,666,628.54	6,190,598,894.81	-5.85%	
Net assets attributable to shareholders of listed company (RMB)	1,950,728,114.63	1,899,384,178.95	2.70%	
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	301,827,368.72	-13.29%	1,078,720,419.17	-3.13%
Net profit attributable to shareholders of the listed company (RMB)	34,247,890.09	26.98%	93,318,718.92	-15.36%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	13,451,259.45	-9.13%	54,129,420.41	22.94%
Net cash flow arising from operating activities (RMB)	102,532,507.71	439.18%	153,056,581.83	51.52%
Basic earnings per share (RMB/Share)	0.0277	27.06%	0.0755	-15.36%
Diluted earnings per share (RMB/Share)	0.0277	27.06%	0.0755	-15.36%
Weighted average ROE	1.74%	0.32%	4.82%	-0.99%

Items and amount of extraordinary profit (gains)/losses

☒Applicable ☐Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
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Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	20,875,516.77	Selling the Huakong SEG stock
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	9,412,190.54	
Capital occupation fee charged to non-financial enterprises included in current profit and loss	1,309,925.26	
Gains/losses from entrusted investment or assets management	20,865,258.75	Profit of financial product
Trustee fee from entrusted operation	114,091.90	
Other non-operating income and expenditure except for the aforementioned items	2,211,510.93	
Other items conforming to the definition of non-recurring profit and loss	2,045,625.17	
Less: impact on income tax	13,896,655.96	
Impact on minority shareholders' equity (post-tax)	3,748,164.85	
Total	39,189,298.51	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

☐ Applicable    ☒ Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*.

## II. Statement of the total shareholders and shares-held of top ten shareholders at end of the Period

### 1. Common and preferred stockholders with voting rights recover and the top ten share-holding

In Share

Total common shareholders at the end of report period		80,480		Total preferred stockholders with voting rights recover at the end of report period (if applicable)		0	
Top ten shareholders							
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen		
					State of share		Amount

Shenzhen SEG Group Co., Ltd.	State-owned corporate	56.70%	700,618,759	450,857,239		
LI SHERYN ZHAN MING	Overseas natural person	0.73%	9,063,952			
Liu Guocheng	Domestic natural person	0.59%	7,250,502			
Hou Xiulan	Domestic natural person	0.41%	5,100,000			
Yang Fan	Domestic natural person	0.32%	3,977,000			
Liu Guohong	Domestic natural person	0.28%	3,399,903			
Gong Qianhua	Overseas natural person	0.24%	2,940,000			
China Securities Finance Corporation Limited	Domestic non-state legal person	0.18%	2,271,900			
Xie Zhenghao	Domestic natural person	0.18%	2,236,501			
Hong Kong Securities Clearing Company Limited	Foreign legal person	0.18%	2,169,437			
Particular about top ten shareholders with un-restrict shares held						
Shareholders	Amount of un-restrict common shares held	Type of shares				
		Type	Amount			
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	5,100,000	RMB common shares	5,100,000			

Yang Fan	3,977,000	RMB common shares	3,977,000
Liu Guohong	3,399,903	Domestically listed foreign shares	3,399,903
Gong Qianhua	2,940,000	Domestically listed foreign shares	2,940,000
China Securities Finance Corporation Limited	2,271,900	RMB common shares	2,271,900
Xie Zhenghao	2,236,501	RMB common shares	2,236,501
Hong Kong Securities Clearing Company Limited	2,169,437	RMB common shares	2,169,437
Explanation on related relationship or concerted action among the above mentioned shareholders	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 in Shareholding Status of Shareholders of Listed Companies</i> . It is unclear whether other shareholders are persons acting in concert.		
Explanation on top 10 shareholders involving margin business (if applicable)	In the foregoing top 10 shareholders, Xie Zhenghao holds 560,100 share of the Company in the ordinary account and 1,676,401 shares in the margin trading investor credit account, which are 2,236,501 shares of the Company in total.		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

☐ Yes ☒ No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

## 2. Total of shareholders with preferred stock held and the top ten shareholdings

☐Applicable ☒Not applicable

## Section III. Important events

### I. Particular about major changes from items of main accounting statements and financial indexes as well as reasons

√ Applicable    □ Not applicable

(i) Consolidate Balance Sheet

In RMB

Item	Closing balance	Opening balance	Difference	Increase or decrease over the previous year (%)
Note receivable	4,133,400.00	7,637,000.00	-3,503,600.00	-45.88%
Account receivable	85,133,758.72	46,742,740.72	38,391,018.00	82.13%
Other receivable	70,452,610.21	53,999,926.45	16,452,683.76	30.47%
Wages payable	44,699,132.28	67,138,794.88	-22,439,662.60	-33.42%
Non-current liability due within one year	411,000,000.00	289,044,403.94	121,955,596.06	42.19%
Long-term loans	482,500,000.00	781,817,739.49	-299,317,739.49	-38.28%
Deferred income	3,566,918.34	5,163,798.28	-1,596,879.94	-30.92%

1. Note receivable: decreased 3,503,600 Yuan over that of period-begin with 45.88% down, mainly due to the acceptance of note receivable in the Period.

2. Account receivable: increased 38,391,018 Yuan over that of period-begin with 82.13% up, mainly due to the means of payments for property management business.

3. Other receivable: increased 16,452,683.76 Yuan over that of period-begin with 30.47% up, mainly due to the increase of operational contacts.

4. Wages payable: decreased 22,439,662.60 Yuan over that of period-begin with 33.42% down, mainly due to the payment of wages in the Period.

5. Non-current liability due within one year: increased 121,955,596.06 Yuan over that of period-begin with 42.19% up, mainly due to the increase of long-term loans due within one year.

6. Long-term loans: decreased 299,317,739.49 Yuan over that of period-begin with 38.28% down, mainly because part of the long-term loans is paid in the Period.

7. Deferred income: decreased 1,596,879.94 Yuan over that of period-begin with 30.92% down, mainly because part of the deferred income is carried forward in the Period.

(II) Consolidate Profit Statement

In RMB

Item	Amount of the current period	Amount of the previous period	Difference	Increase or decrease over the previous year (%)
Taxes and surcharge	77,116,160.93	49,262,755.54	27,853,405.39	56.54%
Other income	11,457,815.71	5,720,879.15	5,736,936.56	100.28%
Investment income	30,119,271.57	76,745,625.33	-46,626,353.76	-60.75%

Income tax expenses	51,976,350.33	76,293,559.52	-24,317,209.19	-31.87%
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1. Taxes and surcharge: an increase of 27,853,405.39 Yuan over the same period last year with 56.54% up, mainly because VAT for lands is increased in the Period.

2. Other income: an increase of 5,736,936.56 Yuan over the same period last year with 100.28% up, mainly due to the increase of government subsidy received in the Period.

3. Investment income: a decrease of 46,626,353.76 Yuan over the same period last year with 60.75% down, mainly because income from selling the Huakong SEG stock decreased on a y-o-y basis.

4. Income tax expenses: a decrease of 24,317,209.19 Yuan over the same period last year with 31.87% down, mainly because total profit in the Period declined.

### (III) Consolidate Cash Flow

#### Statement

In RMB

Item	Amount of the current period	Amount of the previous period	Difference	Increase or decrease over the previous year (%)
Net cash flow arising from operation activity	153,056,581.83	101,017,368.07	52,039,213.76	51.52%
Net cash flow arising from investment activity	86,943,802.70	-628,918,862.22	715,862,664.92	113.82%
Net cash flow arising from financing activity	-304,096,806.23	-440,926,712.55	136,829,906.32	31.03%
Net increase of cash and cash equivalent	-64,096,421.70	-968,827,781.68	904,731,359.98	93.38%

1. Net cash flow arising from operation activity: an increase of 52,039,213.76 Yuan over the same period last year with 51.52% up, mainly because operational expenditure declined in the Period.

2. Net cash flow arising from investment activity: an increase of 715,862,664.92 Yuan over the same period last year with 113.82% up, mainly because bank financial collected in the Period increased on a y-o-y basis.

3. Net cash flow arising from financing activity: an increase of 136,829,906.32 Yuan over the same period last year with 31.03% up, mainly because the net external financing amount increased on a y-o-y basis.

4. Net increase of cash and cash equivalent: an increase of 904,731,359.98 Yuan over the same period last year with 93.38% up, mainly because the net cash flow arising from operation activity, investment activity and financing activity are increased in the Period.

## II. Progress of significant events, their influences, and analysis and explanation of their solutions

√ Applicable □ Not applicable

There are no other major events than major events in the following table.

Overview	Disclosure date	Query index for interim notice
1. 55% equity of Xi'an Kanghong transfer through public listing by SEG Property	4 July 2020	Juchao website: <a href="http://www.cninfo.com.cn/(Resolution of the 10&lt;sup&gt;th&lt;/sup&gt; extraordinary Meeting of 8&lt;sup&gt;th&lt;/sup&gt; BOD and Notice on Planning on transfer 55% equity of Xi'an SEG Kanghong">http://www.cninfo.com.cn/(Resolution of the 10<sup>th</sup> extraordinary Meeting of 8<sup>th</sup> BOD and Notice on Planning on transfer 55% equity of Xi'an SEG Kanghong</a>



		Property Co., Ltd. through public listing by controlling subsidiary and with related transactions concerned )
	17 July 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> (Notice on Replying the Letter of Concern from Shenzhen Stock Exchange)
	4 August 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> (Notice on the Assets Appraisal Report Obtained a Filed by Shenzhen SASAC-resulted by the equity transfer of controlling subsidiary)
	7 August 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ( Resolution of the 4 <sup>th</sup> extraordinary shareholders general meeting of 2020)
2.Litigation of SEG New City and relevant progress	10 July 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> (Notice on Release of Seizure for part of the Property from controlling sub-subsidiary)
	12 August 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> (Notice on Receiving the ‘Enforcement Ruling’ and ‘Notice to Assist in Enforcement’ by subordinate enterprise)
	16 September 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> (Notice on Litigation Progress of the controlling sub-subsidiary)
	23 October 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ( Announcement on Receipt of the “Notice of Additional Third Party” by subordinate consolidated enterprises )
3. Progress of the free transfer of state-owned property rights	23 May 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ( Indicative Announcement on Free Transfer of State-owned Property Rights)
	14 August 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ( Progress of

		the Free Transfer of State-owned Property Rights)
4. Adjustment of the development strategy committee members for 8 <sup>th</sup> BOD	25 August 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ( Resolution of 3 <sup>rd</sup> session of 8 <sup>th</sup> BOD)
5. Reducing the stock of Shenzhen Huakong SEG Co., Ltd.	10 September 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> (Resolution of the 12 <sup>th</sup> extraordinary Meeting of 8 <sup>th</sup> BOD and Notice on Reducing the Stock of Shenzhen Huakong SEG Co., Ltd. held by the Company)
	26 September 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ( Resolution of the 5 <sup>th</sup> extraordinary shareholders general meeting of 2020)
6. Reducing the stock of Shenzhen Huakong SEG Co., Ltd.	4 March 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ( Notice on Reducing the Stock of Shenzhen Huakong SEG Co., Ltd. held by the Company)
	16 May 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ( Progress of Reducing the Stock of Shenzhen Huakong SEG Co., Ltd. held by the Company)
	29 June 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ( Progress of Reducing the Stock of Shenzhen Huakong SEG Co., Ltd. held by the Company)
	29 September 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> ( Implementation of Reducing the Stock of Shenzhen Huakong SEG Co., Ltd. held by the Company)
7. Further implementation of rent reduction and exemption in response to the COVID-19	29 September 2020	Juchao website: <a href="http://www.cninfo.com.cn/">http://www.cninfo.com.cn/</a> (Resolution of the 13 <sup>th</sup> extraordinary Meeting of 8 <sup>th</sup> BOD and Notice on further implementation of rent reduction and exemption in response to the COVID-19 and some exemption objects involve

		related transactions)
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Progress of shares buy-back

☐Applicable ☒Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

☐Applicable ☒Not applicable

### III. Commitments that the actual controller, shareholders, related parties, purchaser and the company have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

☒ Applicable ☐ Not applicable

Commitment	Made by	Type	Content	Time	Duration	Fulfillment
Commitment for share reform	Not applicable					
Commitments in the Acquisition Report and the Report of Changes on Equity	Not applicable					
Commitments made during major assets restructuring	Shenzhen SEG Group Co., Ltd	Other commitment	Relevant renewal matters of the three buildings (SEG Industry Building, SEG Economic Building and Kangle Industry Building) found more in item 17 of the “13. Commitments made by the parties with the transaction concerned” under “Major Matters” contain in the Notice (Shares Issuance and Pay Cash to Purchase Assets and Raise Supporting Funds & Report on Related Transactions (Revised)) released on Juchao Website dated January 18 <sup>th</sup> 2017.	3 August 2016	Long-term effective	Extended performance
Commitment made at the time of initial public offerings or refinancing	Not applicable					
Commitment on equity incentives	Not applicable					
Other	Not					

commitments made to small and medium-sized shareholders of the Company	applicable					
Commitments fulfilled as scheduled or not	No					
If commitments are not fulfilled as scheduled, specify the reasons and further work plans	The Company has applied for extension of the license for the said property after expiration and submitted application materials to the relevant competent authority for approval. Up to now, there has been no loss to the listed company caused by the matter, and there is no need for SEG group to compensate.					

#### IV. Financial asset investment

##### 1. Particular about security investment

√ Applicable

□ Not applicable

In RMB

Variety of securities	Code of securities	Short form of securities	Initial investment cost	Accounting measurement model	Book value at the beginning of the period	Changes in fair value of the current profit and loss	Cumulative fair value changes in equity	Current purchase amount	Current sales amount	Profit and loss in the Reporting Period	Book value at the end of the period	Accounting subject	Source of stock
Domestic and overseas shares	600778	Youhao Group	90,405.00	Measured by fair value	329,508.69		-22,452.71	0.00	0.00	0.00	307,055.98	Other assets	Self-owned capital
Domestic and overseas shares	000068	Huakong SEG	171,769.894.20	Measured by fair value	131,907.396.90		-145.78	0.00	-4,427,061.08	-12,048,941.83	124,285.370.37	Other assets	Self-owned capital

Dome stic and overs eas shares	83277 0	SEG Navig ations	8,275, 321.4 3	Meas ureme nt with the cost metho d	13,51 5,392. 83			0.00	0.00	0.00	13,51 5,392. 83	Other assets	Self-o wned capita l
Total			180,1 35,62 0.63	--	145,7 52,29 8.42	0.00	-22,5 98.49	0.00	-4,427 ,061.0 8	-12,04 8,941. 83	138,1 07,81 9.18	--	--
Disclosure date of securities investment approval from the Board													
Disclosure date of the announcement on approval of securities investments by the General Meeting (if applicable)													

## 2. Particulars about derivatives investment

☐ Applicable    ☒ Not applicable

The Company had no derivatives investment in Period.

## V. Progress of investment projects with raised funds

☐ Applicable    ☒ Not applicable

## VI. Prediction of 2020 business performance

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

## VIII. Trust financing

☒ Applicable    ☐ Not applicable

In 10 thousand Yuan

Type	Capital resources	Amount for entrust	Balance un-expired	Overdue amount
Bank financing product	Self-owned capital	81,821.1	74,181.1	0
Total		81,821.1	74,181.1	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 reporting period.

**X. Non-operational fund occupation from controlling shareholders and its related party**☐ Applicable ☒ Not applicable

The Company had no non-operational fund occupation from controlling shareholders and its related party.

**XI. Registration form of receiving research, communication and interview in the report period**☒ Applicable ☐ Not applicable

Reception time	Reception location	Reception way	Reception object type	Reception object	The main content of the discussion and the information provided	Index of the basic situation of the survey
July 13, 2020	The Company	Telephone communication	Personal	Investors	Ask the number of shareholders	/
July 16, 2020	The Company	Telephone communication	Personal	Investors	Ask about company announcement	/
July 17, 2020	The Company	Telephone communication	Personal	Investors	Understand the company's strategic development	/

July 21, 2020	The Company	Telephone communication	Personal	Investors	Ask the number of shareholders	/
August 3, 2020	The Company	Telephone communication	Personal	Investors	Ask the number of shareholders	/
August 19, 2020	The Company	Telephone communication	Personal	Investors	Ask about the company's operations	/
August 25, 2020	The Company	Telephone communication	Personal	Investors	Understand the company's strategic development	/
August 26, 2020	The Company	Telephone communication	Personal	Investors	Ask about the company's stock price	/
August 28, 2020	The Company	Telephone communication	Personal	Investors	Ask about the company's stock price	/
August 31, 2020	The Company	Telephone communication	Personal	Investors	Ask about the company's stock price	/
August 31, 2020	The Company	Telephone communication	Personal	Investors	Ask about the company's stock price	/
August 31, 2020	The Company	Telephone communication	Personal	Investors	Ask about the business development	/
September 7, 2020	The Company	Telephone communication	Personal	Investors	Ask about the company's stock price	/
September 25, 2020	The Company	Telephone communication	Personal	Investors	Ask about the business development	/
September 29, 2020	The Company	Telephone communication	Personal	Investors	Ask about company announcement	/