

Stock code: 000056, 200056

Stock abbreviation: SGS, SGSB

Announcement No.: 2014-19

Shenzhen International Enterprise Co., Ltd.

Abstract of the Report for the First Quarter of 2014

Section I. Important Reminders

The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of Shenzhen International Enterprise Co., Ltd. (hereinafter referred to as “the Company”) warrant that this report is factual, accurate and complete without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.

All directors attended the board session for reviewing this report.

Zheng Kanghao, chairman of the Board and the company principal, Chen Xiaohai, chief of the accounting work, and Xu Xiaoyun, chief of the accounting organ (chief of accounting), hereby confirm that the financial statements enclosed in this report are factual, accurate and complete.

This report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Section II. Financial Highlights & Change of Shareholders

I. Major accounting data and financial indexes

Does the Company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

☐ Yes ☒ No

	Jan.-Mar. 2014	Jan.-Mar. 2013	YoY increase/decrease (%)
Operating revenues (RMB Yuan)	19,087,924.37	7,674,875.64	148.71%
Net profit attributable to shareholders of the Company (RMB Yuan)	-38,325,384.06	-18,963,664.06	
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	-36,183,154.65	-18,944,164.97	
Net cash flows from operating activities (RMB Yuan)	-241,465,725.86	-54,479,886.26	
Basic EPS (RMB Yuan/share)	-0.17	-0.09	
Diluted EPS (RMB Yuan/share)	-0.17	-0.09	
	31 Mar. 2014	31 Dec. 2013	Increase/decrease (%)
Total assets (RMB Yuan)	9,053,896,739.98	7,803,283,696.00	16.03%
Net assets attributable to shareholders of the Company (RMB Yuan)	2,198,483,470.00	2,236,808,854.06	

Items and amounts of extraordinary gains and losses

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Item	Amount as of Jan.-Mar. 2014	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	-19,611.85	Disposal of the losses of the fixed assets
Other non-operating income and expenses other than the above	-3,550,389.74	Mainly were the liquidated damages of the deferred engineering payment
Minority interests effects (after tax)	-1,427,772.18	
Total	-2,142,229.41	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

☐ Applicable ☒ Inapplicable

II. Total number of shareholders at the period-end and shares held by the top ten shareholders

Unit: Share

Total number of shareholders at the period-end		18,076				
Shares held by the top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of the shares held	Number of the restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
MULTI PROFIT ASIA PACIFIC INVESTMENT LTD	Foreign corporation	13.7%	30,264,192		Pledged	30,260,000
SHENZHEN WONGTEE REAL ESTATE INVESTMENT CO., LTD.	Domestic non-state-owned corporation	5.07%	11,208,453		Pledged	11,199,175
SHENZHEN SPECIAL ECONOMIC ZONE DEVELOPMENT (GROUP) CO., LTD.	State-owned corporation	3.96%	8,755,650			
Zhong Zhiqiang	Foreign natural person	3.72%	8,215,594			
BOCI SECURITIES LIMITED	Foreign corporation	3.05%	6,744,046			
WONGTEE INTERNATIONAL GROUP LTD	Foreign corporation	1.84%	4,063,855		Pledged	3,477,750
Appointed repurchased special account of Guoyuan Securities Co., Ltd.	Other	1%	2,200,000			
Chen Shu	Domestic natural person	0.97%	2,149,327			
Zeng Haixing	Domestic natural person	0.97%	2,148,715			
Shanghai Wanguo	Foreign	0.84%	1,856,818			

Securities (Hong Kong)	corporation					
Shares held by the top ten non-restricted share holders						
Name of shareholder	Number of non-restricted shares held	Type of shares		Type	Number	
MULTI PROFIT ASIA PACIFIC INVESTMENT LTD	30,264,192	Domestically listed foreign shares			30,264,192	
SHENZHEN WONGTEE REAL ESTATE INVESTMENT CO., LTD.	11,208,453	RMB ordinary share			11,208,453	
SHENZHEN SPECIAL ECONOMIC ZONE DEVELOPMENT (GROUP) CO., LTD.	8,755,650	RMB ordinary share			8,755,650	
Zhong Zhiqiang	8,215,594	Domestically listed foreign shares			8,215,594	
BOCI SECURITIES LIMITED	6,744,046	Domestically listed foreign shares			6,744,046	
WONGTEE INTERNATIONAL GROUP LTD	4,063,855	Domestically listed foreign shares			4,063,855	
Appointed repurchased special account of Guoyuan Securities Co., Ltd.	2,200,000	RMB ordinary share			2,200,000	
Chen Shu	2,149,327	Domestically listed foreign shares			2,149,327	
Zeng Haixing	2,148,715	Domestically listed foreign shares			2,148,715	
Shanghai Wanguo Securities (Hong Kong)	1,856,818	Domestically listed foreign shares			1,856,818	
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	Inquired by the Company, the chairman of the Board of the Company--Mr. Zheng Kanghao, Multi Profit Asia Pacific, Shenzhen Wongtee Real Estate Investment Co., Ltd. and Wongtee International Group Co., Ltd. were persons acting in concert, which owns the stocks of the Company with the total amount of 46,108,011 shares, accounting for 20.87% of the total shares of the Company. Zhong Zhiqiang, Chen Shu, Zeng Haixing, Tan Guanqiang and Zhao Chongyue are persons acting in concert and up to 31 Mar. 2014, they total held 14,045,873 shares of the B share, which accounted for 6.358% of the share					

	capital of the Company. Other than that, it is unknown whether there were other related relations or action-in-concert regulated in Administrative Measures for Takeover of Listed Companies among the above shareholders.
Top 10 Shareholders taking part in margin financing and securities lending (if any)	Naught

Did any shareholder of the Company carry out an agreed buy-back in the reporting period?

☐ Yes ☒ No

Section III. Significant Events

I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

Statement item	31 Mar. 2014	31 Dec. 2013	Ratio of change	Reasons for change
Monetary funds	1,223,167,537.99	9,357,753.34		Bank borrowings obtained
Accounts receivable	13,176,728.55	2,291,658.84	474.99%	As Wongtee Plaza was opened for business, the receivable shop rents, management charges, etc. increased.
Prepayments	33,484,643.00	714,670.23		The Company prepaid the shop decoration subsidies.
Accounts payable	132,362,166.88	350,937,897.87	-62.28%	The construction payment was made as the construction of Wongtee Plaza was completed.
Other payables	830,520,836.39	571,826,282.57	45.24%	Borrowings increased for routine operation.
Non-current liabilities due within 1 year	22,000,000.00	93,710,000.00	183.26%	The Company secured a borrowing from Western Trust to exchange the borrowing from China Zhongtou Trust.
Long-term borrowings	1,943,000,000.00	600,000,000.00		
	Jan.-Mar. 2014	Jan.-Mar. 2013	Ratio of change	
Operating revenues	19,087,924.37	7,674,875.64	148.71%	The incomes (shop rents, management charges, etc.) from Wongtee Plaza increased.
Financial expenses	58,987,484.64	13,178,533.62	347.60%	As Wongtee Plaza was completed, capitalization of the relevant financial expenses stopped.
Net cash flows from operating activities	-241,465,725.86	-54,479,886.26	343.22%	The construction payment was made as the construction of Wongtee Plaza was completed.

II. Progress and influence of significant events, as well as the analysis and explanation on solutions

Overview of the significant event	Date of disclosure	Index to the relevant announcement disclosed on the website
The Company reviewed and approved the Proposal on Planning to Agree Rongfa Company to Borrow From the Bank and the Proposal on Planning to Agree Rongfa Company to Borrow From the Institutions on the 1st Extraordinary General Meeting of 2014. During the reporting period, Rongfa Company had signed the relevant contracts of the loans with Agricultural Bank of China Co., Ltd. with the total amount of borrowing of RMB 1.2 billion; and had signed the relevant contracts of the loans with Western Trust Co., Ltd. with the total amount of borrowing of RMB 1.2 billion. Up to the disclosure date, the Company had received the account of RMB 0.87 billion from the Agricultural Bank of China and RMB 1.2 billion from the Western Trust Co., Ltd and at the same time completed the relevant work of the borrowings replacement with the China Zhongtong Trust.	15 Apr. 2014	http://www.cninfo.com.cn/finalpage/2014-03-15/63679421.PDF
	15 Mar. 2014	http://www.cninfo.com.cn/finalpage/2014-04-15/63839288.PDF

III. Commitments made by the Company or shareholders holding over 5% of the Company's shares in the reporting period or such commitments carried down into the reporting period

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitments made in a share reform					
Commitments made in an acquisition report or a report on equity changes	Zheng Kanghao	The obligor for information disclosure shall not reduce the shares of Multi Profit Asia Pacific Investment Ltd. Held the obligor from this	6 Aug. 2010	60 months	Strictly fulfill the commitments

		acquisition or reduce the shares of SZIEC indirectly held by the obligor from this acquisition within the future 60 months.			
Commitments made in asset reorganization					
Commitments made in the first public offering or refinancing.					
Other commitments made to minority shareholders					
Executed in time or not?	Yes				
Detailed reason for failing to execute and the plan for the next step (If any)	Naught				

IV. Predict the 2014 annual operating results of Jan.-Jun.

Warnings of possible loss or large-margin change of the accumulated net profit made during the period from the beginning of the year to the end of the next reporting period compared with the same period of the last year according to prediction, as well as explanations on the reasons

☐Applicable ☒Inapplicable