

Shenzhen Textile (Holdings) Co., Ltd.  
The Third Quarterly Report 2016



**October 2016**

## **I. Important notes**

The Board of Directors, the Supervisory Committee, the directors, the supervisors, and executives of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Quarterly Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Quarterly Report.

All of the directors presented the board meeting at which this Quarterly Report was examined.

Mr. Zhu Jun, The Company Leader, Mr. Zhu Jun, Chief financial officer and the Mr. Mu Linying, the person in charge of the accounting department (the person in charge of the accounting )hereby confirm the authenticity and completeness of the financial report enclosed in the report.

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

## II. Main financial data and changes of shareholders

### I. Main accounting data and financial Index

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not.

Yes  No

	As at the end of the reporting period	As at the end of last year	Changed (%) over end of prev. year	
Gross assets (RMB)	2,777,417,478.69	2,969,394,978.70	-6.47%	
Net assets attributable to the shareholders of the listed company (RMB)	2,121,967,996.35	2,174,569,545.55	-2.42%	
	Reporting period	Increase/decrease over the same period of last year (%)	Between beginning of the year to the end of the report period	Changed (%) over end of prev. year
Operating income (RMB)	305,710,856.98	-5.08%	857,868,442.54	-9.03%
Net profit attributable to the shareholders of the listed company (RMB)	-22,331,061.71	-1,403.38%	-52,428,913.11	-948.00%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	-28,728,256.10	-120.21%	-61,106,934.45	-31.61%
Cash flow generated by business operation, net (RMB)	--	--	-48,557,775.49	-222.95%
Basic earning per share(RMB/Share)	-0.04	-1,233.33%	-0.10	-1,100.00%
Diluted gains per share(RMB/Share)(RMB/Share)	-0.04	-1,233.33%	-0.10	-1,100.00%
Weighted average income/asset ratio (%)	-1.04%	-0.97%	-2.44%	-2.72%

In RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-13,688.95	

Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	3,330,021.35	
Other non-business income and expenditures other than the above	5,361,871.03	
Less: Amount of influence of income tax	182.09	
Total	8,678,021.34	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable  Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non –recurring gain/loss in the report period.

## II.Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period

### 1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders

In shares

Total number of common shareholders at the period-end		32,431		Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0	
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	46.21%	234,069,436			
Qianhai Life insurance Co., Ltd.—Self funds Huatai Portfolio	Domestic non State-owned Legal person	4.02%	20,384,816			
Shenzhen Shenchao Technology Investment Co., Ltd.	State-owned Legal person	3.18%	16,129,032			
Anhui Guofu Industrial Investment Funds Mangement Co., Ltd.	Domestic non State-owned Legal person	0.73%	3,708,341			
He Zhu	Domestic Nature person	0.67%	3,382,468			
MORGAN STANLEY & CO. INTERNATIONAL PLC	Overseas legal person	0.57%	2,900,814			

Sun Huiming	Domestic Nature person	0.48%	2,443,526			
Xia Keyun	Domestic Nature person	0.48%	2,412,192			
Shanghai Chujiang Enterprise Development Co., Ltd.	Domestic non State-owned Legal person	0.40%	2,050,000			
Beijing Shen Zhou Mu Investment Fund Management Co., Ltd. — Hongyan Shenzhoumu Fund	Domestic non State-owned Legal person	0.36%	1,831,100			
Shares held by the Top 10 Shareholders of Non-restricted shares						
Shareholders' Names	Number of the non-restricted shares held	Share type				
		Share type	Quantity			
Shenzhen Investment Holdings Co., Ltd.	234,069,436	RMB Common shares	234,069,436			
Qianhai Life insurance Co., Ltd. — Self funds Huatai Portfolio	20,384,816	RMB Common shares	20,384,816			
Shenzhen Shenchao Technology Investment Co., Ltd.	16,129,032	RMB Common shares	16,129,032			
Anhui Guofu Industrial Investment Funds Mangement Co., Ltd.	3,708,341	RMB Common shares	3,708,341			
He Zhu	3,382,468	RMB Common shares	3,382,468			
MORGAN STANLEY & CO. INTERNATIONAL PLC	2,900,814	Foreign shares placed in domestic exchange	2,900,814			
Sun Huiming	2,443,526	Foreign shares placed in domestic exchange	2,443,526			
Xia Keyun	2,412,192	RMB Common shares	2,412,192			

Shanghai Chujiang Enterprise Development Co., Ltd.	2,050,000	RMB Common shares	2,050,000
Beijing Shen Zhou Mu Investment Fund Management Co., Ltd. — Hongyan Shenzhoumu Fund	1,831,100	RMB Common shares	1,831,100
Explanation on shareholders participating in the margin trading business	Shenzhen Shenchao Technology Investment Co., Ltd. is a wholly-owned subsidiary of Shenzhen Investment Holding Co., Ltd. and a person taking concerted action. Except this, the Company did not whether there is relationship between the top ten shareholders holding non-restricted negotiable shares and between the top ten shareholders holding non-restricted negotiable shares and the top 10 shareholders or whether they are persons taking concerted action defined in Regulations on Disclosure of Information about Shareholding of Shareholders of Listed Companies.		
<b>Participation of top 10 unconditional common share shareholders in securities margin trading (if any)</b>	The Company Shareholder He Zhu holds 3,382,468 shares of the Company through stock account with credit transaction and guarantee of Everbright Securities Co.,Ltd.		

Agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

Yes  No

No agreed re-purchasing is performed by the Company's shareholders in the report period.

## **2.Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period**

Applicable  Not applicable

### 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

√ Applicable    □ Not applicable

1. The closing balance of Note receivable is RMB 42.7915 million, increased by 127.11% compared with the beginning of the year, Its is mainly because clients purchase with bank acceptance.;
- 2.The closing balance of advance payment is RMB15.0037 million, increased by 91.04% compared with the beginning of the year, Mainly due to advance payment of the project construction of NO.6 line;
- 3.The closing balance of interest receivable is RMB7.5375 million ,decreased by 75.12% compared with the beginning of the year, Mainly due to the receipt of structured deposit interest this period;
4. Other account receivable is RMB58.9911 million, increased by 30.70% compared with the beginning of the year, Mainly due to the increase in deposit and margin for the current period;
- 5.Real estate investment is RMB 180.9673 million, increased by 34.66% compared with the beginnin of the year, Mainly due to the completion of Guanhua Building carried forward;
- 6.Short-term borrowing is RMB10.12 million,decreased by 81.21% compared with the beginning of the year, Mainly due to reduce the Yen bill payment;
- 7.Taxes payable is RMB4.6461 million ,decreased by 68.36% compared with the beginning of the year, Mainly due to the final settlement of income tax;
8. Retained earnings is RMB -43.2628 million, decreased by 571.98% compared with the beginning of the year, Mainly due to the current loss;
9. Business tax and surcharges is RMB3.8037 million , decreased by 30.87% over the same time last year, Mainly due to change camp;
10. The financial expenses is RMB9.7650 million, increased by 199.14% over the same time last year, Mainly due to the increase in exchange losses;
- 11.Investment income is RMB4.1090 million, decreased by 91.58% over the same time last year, Mainly due to the decrease in the investment income from the sale of available-for-sale financial assets;
12. Non-business expenses is RMB 8.7083 million ,decreased by 55.54% over the same time last year, Mainly due to the reduction of government subsidies;
- 13.Income tax expenses is RMB7.6828 million, decreased by 60.65% over the same time last year, Mainly due to the reduction of taxable income;
14. Cash flow from the business activities is RMB-48.5578 million, decreased by RMB 88.0508 million over the same time last year, Mainly due to the current deposit and deposit increased;
15. Cash flow generated by investment is RMB 24.0122 million, increased by RMB 448.0023 million over the same time last year、 Mainly due to the maturity of the deposits of current structure due;
16. Cash flow generated by financing is RMB -77 million, decreased by RMB54.90 million over the same time last year, Mainly due to the decrease in the yen denomination.



## **II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal.**

√ Applicable    □ Not applicable

### **I. The company planning a major asset restructuring**

1. On the evening of August 3, 2016, the company received a notice from the company's controlling shareholder-Shenzhen Investment Holdings Co.,Ltd, which plans an item that constitutes a major event to the company. As there is uncertainty about such matter, for better protecting the investor's interests and ensuring the fair information disclosure and avoiding the abnormal fluctuation to the company's stock, the suspension of the company's stock trading commenced from the date of August 4, 2016. On August 17, 2016, it's confirmed that the afore-said major event constitutes a major asset restructuring, so the suspension of the company's stock trading continues from August 18, 2016 but with the reason of major asset restructuring. Refer to Company Announcement No. 2016-23 and No. 2016-25 at JuChao information network (<http://www.cninfo.com.cn>)

2. Because of this major asset restructuring involving many matters and having a heavy workload, adding the transaction scheme still needs a further demonstration and communication, so for better protecting the investor's interests and avoiding the abnormal fluctuation to the company's stock, the suspension of the company's stock trading, after being approve by Shenzhen Stock Exchange, will continue from the date of September 19, 2016. Refer to Company Announcement No. 2016-36 at JuChao information network (<http://www.cninfo.com.cn>)

3. During the suspension period, the company disclosed the progress information of the relevant matter in every five trading days in strict compliance with the relevant laws and regulations. To the end of the reporting period, the company and the independent financial adviser has been actively working with all the parties to promote all the work of the major asset restructuring, including the communication and demonstration of the scheme of this major asset restructuring, the cooperation with the intermediary for its due diligence, and the consultation for the agreement contents of the framework of the major restructuring.

4. As of the disclosure date of this report, the Proposal on Application for a Continuing Suspension for the Company's Stock Trading due to the Major Asset Restructuring was examined and approved in the twenty-eighth meeting of the sixth session of board of directors. After the application was approved by Shenzhen Stock Exchange, the suspension of the company's stock trading continues from the date of October 19, 2016, but the suspension period shall not exceed 3 months (till to the day before November 3, 2016)calculated from the initial suspension date. Meanwhile, the Proposal on Convening a General Shareholders' Meeting to Deliberate the Relevant Matters about the Continuing Suspension was approved, so the company will convene the 2016 First Provisional general shareholders' meeting on November 3, 2016 to deliberate the continuing suspension matter for the major asset restructuring. After such proposal being approved in the provisional general shareholders' meeting, the company will make an application of a continuing suspension of the company's stock trading from November 4, 2016 to Shenzhen Stock Exchange, with a continuing suspension period not more than three months and the total suspension period no more than 6 months (till to the day before February 3, 2017) calculated from the initial suspension date. On October 17, the company signed the Framework Agreement for the Major Asset Restructuring with TCL Corporation. Refer to Company Announcement No.2016-46, No.2016-47, No.2016-48 and No.2016-49 at JuChao information network (<http://www.cninfo.com.cn>)

### **II.The item of the company's subsidiary-Shengbo Optoelectronic Co.,Ltd's open introducing of strategic investors**

1. In order to solve the current operational difficulties of Shengbo Optoelectronic Co.,Ltd(hereinafter referred to as Shengbo Optoelectronic) and enhance its technological level, management level and its profitability, the company started the work to introduce strategic investors for Shengbo Optoelectronic Co.,Ltd. By introducing the industrial resource-based strategic investors, enriching and expanding the upstream and downstream industry

chain, the overall compositeness of Shengbo Optoelectronic shall be further improved; meanwhile, the company shall fully utilize the advantages of mixed ownership to excite the inner vitality. It was planned that the shareholding ratio of the introduced strategic investors will be 40%. Such item was, after the audit, assessment and the appropriate reviewing process performed, publicly listed on Shenzhen United Property Exchange on July 11, 2016, with the duration of 40 working days that would expire on September 2. Refer to Company Announcement No. 2016-19, No.2016-20 and No.2016-21 at JuChao information network (<http://www.cninfo.com.cn>)

2. As of September 2, 2016 the expiration date of the announced period, the item of increasing capital and getting 40% equity accordingly of Shengbo Optoelectronic has got the investment intention of one investor which is Hangzhou Jinjiang Group Co., Ltd(hereinafter referred to as Jinjiang Group). It's agreed that Jinjiang Group sets up a limited partnership company as the main body of increasing capital to subscribe the stake of Shengbo Optoelectronic with the amount of RMB 1352.64 million and obtain 40% stake of Shengbo Optoelectronic after the completion of the capital increase. According to the rules of property rights transaction, the company will negotiate and sign the Agreement on Increasing Stock by Corporate Capital Increase with the limited partnership company set by Jinjiang Group, and the follow-up related formalities will be handled. Refer to Company Announcement No.2016-40 at JuChao information network (<http://www.cninfo.com.cn>).As of the disclosure date of this report, the establishment of the limited partnership company controlled by Jinjiang Group has not been completed.

### III.The progress about the second phase of the No.6 line project of TFT-LCD polarizer

During the reporting period, the second phase of the No.6 line project has been proceeded as planned, for instance, part of the host equipment has completed the manufacturing, 65% of engineering work for purification and decoration and the related projects has been completed and the technological and commercial exchange of the installation and the second matching engineering of the host equipment is proceeding.

Overview of material matters	Date of disclosing	Description of the website for disclosing provisional announcements
The company planning a major asset restructuring	August 5,2016	( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> ), Announcement No.: 2016-23
	August 18,2016	( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> ), Announcement No.: 2016-25
	September 19,2016	( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> ), Announcement No.: 2016-36
	October 18,2016	( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> ), Announcement No.: 2016-46,2016-47,2016-48,2016-49.
The item of the company's subsidiary-Shengbo Optoelectronic Co.,Ltd's open introducing of strategic investors	May 17,2016	( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> ), Announcement No.: 2016-19
	July 2,2016	( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> ), Announcement No.: 2016-20
	July 2,2016	( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> ), Announcement No: 2016-21
	September 21,2016	( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> ), Announcement

No.: 2016-40

**III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting.**

Applicable  Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform	Shenzhen Investment Holdings Co., Ltd	Share reduction commitment	As Shenzhen Investment Holdings Co., Ltd., the controlling shareholder of the company, committed when the restricted-for-sale shares from the shares restructuring were listed for circulation in the market: i. if they plan to sell the shares through the securities exchange system in the future, and the decrease of the shares they hold reaches 5% within 6 months after the first decrease, they will disclose an	August 4, 2006	Sustained and effective	Under Fulfillment

			announcement indicating the sale through the company within two trading days before the first decrease; ii. They shall strictly observe the “Guidelines on Transfer of Restricted-for-sale Original Shares of Listed Companies” and the provisions of the relevant business principles of Shenzhen Stock Exchange.			
Commitment in the acquisition report or the report on equity changes						
Commitment made upon the assets replacement						
Commitments made upon issuance	Shenzhen Investment Holdings Co., Ltd.	Commitments on horizontal competition, related transaction and capital occupation	Shenzhen Investment Holdings Co., Ltd. signed a “Letter of Commitment and Statement on Horizontal Competition Avoidance” when the company issued	October 9, 2009	Sustained and effective	Under Fulfillment

			<p>non-public stocks in 2009.</p> <p>Pursuant to the Letter of Commitment and Statement, Shenzhen Investment Holdings Co., Ltd. and its wholly owned subsidiary, subsidiaries under control or any other companies that have actual control of it shall not be involved in the business the same as or similar to those Shenzhen Textile currently or will run in the future, or any businesses or activities that may constitute direct or indirect competition with Shenzhen Textile; if the operations of Shenzhen Investment Holdings Co., Ltd. and its wholly owned</p>			
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			<p>subsidiaries, subsidiaries under control or other companies that have actual control of it compete with Shenzhen Textile in the same industry or contradict the interest of the issuer in the future, Shenzhen Investment Holdings Co., Ltd. shall urge such companies to sell the equity, assets or business to Shenzhen Textile or a third party; when the horizontal competition may occur due to the business expansion concurrently necessary for Shenzhen Investment Holdings Co., Ltd. and its wholly owned subsidiaries, subsidiaries under control or other</p>			
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			companies that have actual control of it and Shenzhen Textile, Shenzhen Textile shall have priority.			
	Shenzhen Investment Holdings Co., Ltd.	Commitments on horizontal competition, related transaction and capital occupation	The commitments during the period non-public issuance in 2012: 1. Shenzhen Investment Holdings, as the controlling shareholder of Shenzhen Textile, currently hasn't the production and business activities of inter-industry competition with Shenzhen Textile or its share-holding subsidiary. 2. Shenzhen Investment Holdings and its share-holding subsidiaries or other enterprises owned the actual control	July 14, 2012	Sustained and effective	Under Fulfillment

			<p>rights can't be directly and indirectly on behalf of any person, company or unit to engage in the same or similar business in any districts in the future by the form of share-holding, equity participation, joint venture, cooperation, partnership, contract, lease, etc., and ensure not to use the controlling shareholder's status to damage the legitimate rights and interests of Shenzhen Textile and other shareholders, or to gain the additional benefits. 3. If there will be the situation of inter-industry competition with Shenzhen Textile for</p>			
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		<p>Shenzhen Investment Holdings and its share-holding subsidiaries or other enterprises owned the actual control rights in the future, Shenzhen Investment Holdings will promote the related enterprises to avoid the inter-industry competition through the transfer of equity, assets, business and other ways. 4. Above commitments will be continuously effective and irrevocable during Shenzhen Investment Holdings as the controlling shareholder of Shenzhen Textile or indirectly controlling Shenzhen Textile.</p>			
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	Shenzhen Investment Holdings Co., Ltd.	Share limited commitment	Commitment to non-public offering during the second phase project of Shenzhen Textile shares subscribed lock handling Shen Textile non-public offering on the stock market of 36 months.	March 25, 2013	2016-03-25	Has been Fulfilled
Equity incentive commitment						
Other commitments made to minority shareholders						
Executed timely or not?	Yes					
If the commitments failed to complete the execution when expired, should specifically explain the reasons of unfulfillment and the net stage of the working plan	None					

#### IV. Prediction of Business performance for 2016

Estimation of 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 of reason.

Applicable     Not applicable

#### V. Investment in securities

Applicable     Not applicable

No Securities investment in period

#### VI. Investment in derivatives

Applicable     Not applicable

There is no derivative investment during the report period.

## VII. Registration form of such Activities as Reception, Research, Communication, Interview in the Reporting Period

Applicable Not applicable

Reception time	Way of reception	Types of visitors	Basic index
July 25,2016	Onsite investigation	Organization	To know more about the situation of polarizer industry and the situation of the company's production and operation, please see details in "Log of Investor Relation Activities" posted on the interactive platform of investor relation on July,25, 2016. (No: 2016-02)

## VIII. Outward Guarantee against the Regulations

Applicable  Not applicable

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

## IX. Non-operational Occupancy of the Company's Capital by the Controlling Shareholder and its Related Parties

Applicable  Not applicable

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

## IV. Financial Statement

### I. Financial statement

#### 1. Consolidated balance sheet

Prepared by: Shenzhen Textile (Holdings) Co., Ltd.

September 30, 2016

In RMB

Items	At the end of term	Beginning of term
Current asset:		
Monetary fund	651,706,219.88	752,314,871.53
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	42,791,537.62	18,841,745.16
Account receivable	207,601,148.23	182,766,372.05
Prepayments	15,003,651.48	7,853,818.19
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable	7,537,497.64	30,298,938.80
Dividend receivable		
Other account receivable	58,991,091.66	45,133,672.10
Repurchasing of financial assets		
Inventories	296,392,282.90	308,775,044.88
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	368,000,000.00	513,553,675.47
Total of current assets	1,648,023,429.41	1,859,538,138.18

Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset	42,452,937.66	43,241,524.06
Expired investment in possess		
Long-term receivable		
Long term share equity investment	23,571,662.31	22,879,269.06
Property investment	180,967,280.85	134,389,963.05
Fixed assets	738,167,212.41	790,019,487.16
Construction in progress	102,457,563.10	75,803,586.70
Engineering material		
Fixed asset disposal	4,884.50	
Production physical assets		
Gas & petrol		
Intangible assets	39,757,564.69	40,626,936.34
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	816,147.53	633,541.50
Deferred income tax asset	1,198,796.23	2,262,532.65
Other non-current asset		
Total of non-current assets	1,129,394,049.28	1,109,856,840.52
Total of assets	2,777,417,478.69	2,969,394,978.70
Current liabilities		
Short-term loans	10,119,992.21	53,866,521.87
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		
Account payable	186,634,241.66	227,528,808.60
Advance payment	28,144,041.74	28,199,415.11
Selling of repurchased financial assets		

Fees and commissions receivable		
Employees' wage payable	16,485,948.95	35,307,822.40
Tax payable	4,646,085.55	14,682,643.09
Interest payable	42,050,103.99	39,088,887.96
Dividend payable		
Other account payable	129,821,261.99	125,775,723.80
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year		40,000,000.00
Other current liability	149,845.50	
Total of current liability	418,051,521.59	564,449,822.83
Non-current liabilities:		
Long-term loan	120,000,000.00	120,000,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Deferred income	106,743,662.61	99,524,165.58
Deferred income tax liability	10,654,298.14	10,851,444.74
Other non-current liabilities		
Total non-current liabilities	237,397,960.75	230,375,610.32
Total of liability	655,449,482.34	794,825,433.15
Owners' equity		
Share capital	506,521,849.00	506,521,849.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		

Capital reserves	1,585,130,057.75	1,585,130,051.37
Less: Shares in stock		
Other comprehensive income	3,039,544.88	3,212,187.35
Special reserves		
Surplus reserves	70,539,319.86	70,539,319.86
Common risk provision		
Undistributed profit	-43,262,775.14	9,166,137.97
Total of owner's equity belong to the parent company	2,121,967,996.35	2,174,569,545.55
Minority shareholders' equity		
Total of owners' equity	2,121,967,996.35	2,174,569,545.55
Total of liabilities and owners' equity	2,777,417,478.69	2,969,394,978.70

Legal Representative: Zhu Jun    Person in charge of accounting: Zhu Jun    Accounting Dept Leader: Mu Linying

## 2.Parent Company Balance Sheet

In RMB

Items	Year-end balance	Year-beginning balance
Current asset :		
Monetary fund	400,367,280.51	271,582,749.03
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	1,400,000.00	
Account receivable	744,135.07	819,054.57
Prepayments	249,000.00	1,754,880.00
Interest receivable	1,391,682.88	22,294,015.02
Dividend receivable		7,798,378.51
Other account receivable	15,194,406.29	72,543,709.78
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	60,000,000.00	260,000,000.00

Total of current assets	479,346,504.75	636,792,786.91
Non-current assets:		
Disposable financial asset	40,952,937.66	41,741,524.06
Expired investment in possess		
Long-term receivable		
Long term share equity investment	1,987,795,428.92	1,779,103,035.67
Property investment	173,804,138.70	126,873,096.51
Fixed assets	27,850,221.44	26,579,978.92
Construction in progress		38,792,110.90
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,180,896.96	1,378,688.61
R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Differed income tax asset	1,729,491.77	2,556,126.29
Other non-current asset		
Total of non-current assets	2,233,313,115.45	2,017,024,560.96
Total of assets	2,712,659,620.20	2,653,817,347.87
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		
Account payable	411,743.57	411,743.57
Advance payment	639,024.58	639,024.58
Employees' wage payable	4,131,171.43	7,299,686.80
Tax payable	4,626,179.46	12,558,340.06
Interest payable		
Dividend payable		
Other account payable	119,371,463.76	77,332,555.09



Liabilities held for sales		
Non-current liability due in 1 year		
Other current liability		
Total of current liability	129,179,582.80	98,241,350.10
Non-current liabilities:		
Long-term loan		
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Employees' wage Long-term payable		
Special payable		
Expected liabilities		
Differed income		
Differed income tax liability	81,322.97	278,469.57
Other non-current liabilities		
Total of Non-current liabilities	81,322.97	278,469.57
Total of liability	129,260,905.77	98,519,819.67
Owners' equity		
Share capital	506,521,849.00	506,521,849.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,576,547,075.96	1,576,547,069.58
Less: Shares in stock		
Other comprehensive income	3,039,544.88	3,212,187.35
Special reserves		
Surplus reserves	70,539,319.86	70,539,319.86
Undistributed profit	426,750,924.73	398,477,102.41
Total of owners' equity	2,583,398,714.43	2,555,297,528.20
Total of liabilities and owners' equity	2,712,659,620.20	2,653,817,347.87

### 3.Consolidated Profit statement of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	305,710,856.98	322,076,321.92
Incl: Business income	305,710,856.98	322,076,321.92
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	332,838,956.11	334,440,714.71
Incl: Business cost	293,161,084.09	299,844,588.98
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	676,740.73	1,955,653.09
Sales expense	2,395,071.28	2,995,741.03
Administrative expense	28,691,827.56	25,571,161.74
Financial expenses	792,176.38	1,423,203.81
Asset impairment loss	7,122,056.08	2,650,366.06
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	1,841,836.25	1,210,004.77
Incl: investment gains from affiliates	495,803.23	538,702.27
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	-25,286,262.88	-11,154,388.02
Add: Non-business income	6,410,060.11	11,711,198.52
Incl: Gains from disposal of non-current assets		4,756.09
Less: Non business expenses	9,247.31	27,796.76
Incl: Loss from disposal of non-current assets	-7,081.98	
IV.Total profit(“-”for loss)	-18,885,450.08	529,013.74

Less: Income tax expenses	3,445,611.63	2,014,408.71
V. Net profit (“-”for net loss	-22,331,061.71	-1,485,394.97
Net profit attributable to the owners of parent company	-22,331,061.71	-1,485,394.97
Minority shareholders’ equity		
VI. Net after-tax of Other comprehensive income	1,836,791.59	-2,763,151.39
Net after-tax of other comprehensive income attributable to owners of the parent company.	1,836,791.59	-2,763,151.39
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	1,836,791.59	-2,763,151.39
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	1,648,638.44	-3,396,979.04
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements	188,153.15	633,827.65
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders’		

equity		
VII. Total comprehensive income	-20,494,270.12	-4,248,546.36
Total comprehensive income attributable to the owner of the parent company	-20,494,270.12	-4,248,546.36
Total comprehensive income attributable minority shareholders		
VIII. Earnings per share		
(I) Basic earnings per share	-0.04	-0.003
(II) Diluted earnings per share	-0.04	-0.003

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0, last period the combined party realized RMB 0.

Legal Representative: Zhu Jun    Person in charge of accounting: Zhu Jun    Accounting Dept Leader: Mu Linying

#### 4. Income statement of the Parent Company of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	16,253,921.81	16,673,908.73
Incl: Business cost	3,770,559.95	3,416,259.44
Business tax and surcharge	574,926.95	1,428,180.41
Sales expense		
Administrative expense	5,639,121.85	5,312,787.36
Financial expenses	-1,597,590.78	1,547,925.62
Asset impairment loss	-3,322,787.77	31,823.50
Add: Gains from change of fair value ("-"for loss)		
Investment gain ("-"for loss)	1,164,195.73	9,258,383.28
Incl: investment gains from affiliates	495,803.23	538,702.27
II. Operational profit ("-"for loss)	12,353,887.33	14,195,315.68
Add: Non-business income		239,989.71
Incl: Gains from disposal of non-current assets		4,756.09
Less: Non business expenses		
Incl: Loss from disposal of non-current assets		

III.Total profit("-"for loss)	12,353,887.33	14,435,305.39
Less: Income tax expenses	2,964,521.03	1,495,529.26
IV. Net profit ("-"for net loss)	9,389,366.30	12,939,776.13
V. Net after-tax of Other comprehensive income	1,836,791.59	-2,763,151.39
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	1,836,791.59	-2,763,151.39
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	1,648,638.44	-3,396,979.04
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements	188,153.15	633,827.65
6.Other		
VI. Total comprehensive income	11,226,157.89	10,176,624.74
VII. Earnings per share:		
(I) Basic earnings per share		
(II)Diluted earnings per share		

## 5. Consolidated income statement between the beginning of the year and end of the report period

In RMB

Items	Amount in this period	Amount in last period
I. Total operating income	857,868,442.54	943,069,655.40
Including: Operating income	857,868,442.54	943,069,655.40
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	915,401,781.55	985,653,962.14
Including: Operating cost	804,410,781.73	887,982,615.01
Interest expense		
Commission chare and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	3,803,678.76	5,502,273.75
Sales expenses	6,911,080.91	8,006,440.06
Administration expenses	74,816,082.68	70,628,446.60
Financial expenses	9,764,993.94	-9,849,981.82
Losses of devaluation of assets	15,695,163.54	23,384,168.54
Add : Changing income of fair value		
Investment income	4,109,029.54	48,801,951.20
Including: Investment income on affiliate company and joint venture	1,207,801.57	1,568,224.14
Exchange income		
III. Operating profit	-53,424,309.47	6,217,644.46
Add : Non-operating income	8,708,280.52	19,588,147.80
Including :Disposal Gains of non-current assets		5,056.09
Less: Non-operating expense	30,077.09	100,785.32
Including :Disposal loss of non-current assets	13,688.95	72,965.54

IV. Total profit	-44,746,106.04	25,705,006.94
Less: Income tax	7,682,807.07	19,522,373.96
V. Net profit (“-”for net loss)	-52,428,913.11	6,182,632.98
Net profit attributable to the owners of parent company	-52,428,913.11	6,182,632.98
Minority shareholders’ equity		
VI. Net after-tax of Other comprehensive income	-172,642.47	-32,131,612.56
Net after-tax of other comprehensive income attributable to owners of the parent company.	-172,642.47	-32,131,612.56
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	-172,642.47	-32,131,612.56
1.Other comprehensive income under the equity method investee can be reclassified in to profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	-591,439.80	-32,759,624.50
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements	418,797.33	628,011.94
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders’ equity		

VII. Total comprehensive income	-52,601,555.58	-25,948,979.58
Total comprehensive income attributable to the owner of the parent company	-52,601,555.58	-25,948,979.58
Total comprehensive income attributable minority shareholders		
VIII. Earnings per share		
(I) Basic earnings per share	-0.10	0.01
(II) Diluted earnings per share	-0.10	0.01

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0, last period the combined party realized RMB 0.

## 6. Income Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I. Business income	47,852,981.99	48,201,097.76
Less: Business cost	9,424,664.27	8,819,816.67
Business tax and surcharge	2,837,268.54	3,929,922.41
Sales expense		
Administrative expense	17,241,163.36	16,655,025.27
Financial expenses	-9,259,975.56	-6,954,416.07
Asset impairment loss	-3,306,538.05	79,889.94
Add: Gains from change of fair value ("-"for loss)		
Investment gain ("-"for loss)	3,431,389.02	56,164,984.76
Incl: investment gains from affiliates	1,207,801.57	1,568,224.14
II. Operational profit	34,347,788.44	81,835,844.30
Add: Non-business income		2,047,648.92
Incl: Gains from disposal of non-current assets		4,756.09
Less: Non business expenses	13,422.71	13,020.92
Incl: Loss from disposal of non-current assets	13,422.71	13,020.92
III. Total profit	34,334,365.73	83,870,472.30
Less: Income tax expenses	6,060,543.41	18,106,052.99
IV. Net profit)	28,273,822.32	65,764,419.31
V. Net after-tax of Other comprehensive	-172,642.47	-32,131,612.56



income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	-172,642.47	-32,131,612.56
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets	-591,439.80	-32,759,624.50
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements	418,797.33	628,011.94
6.Other		
VI. Total comprehensive income	28,101,179.85	33,632,806.75
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	824,006,721.12	886,932,725.50
Net increase of customer deposits and		

capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	62,673,571.10	56,508,663.71
Other cash received from business operation	60,039,821.23	46,617,056.53
Sub-total of cash inflow	946,720,113.45	990,058,445.74
Cash paid for purchasing of merchandise and services	792,062,055.43	807,159,598.33
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	98,087,526.79	98,294,056.61
Taxes paid	27,472,449.31	24,050,803.65
Other cash paid for business activities	77,655,857.41	21,060,971.22
Sub-total of cash outflow from business activities	995,277,888.94	950,565,429.81
Cash flow generated by business operation, net	-48,557,775.49	39,493,015.93
II.Cash flow generated by investing		

Cash received from investment retrieving	25,760,086.27	46,395,738.95
Cash received as investment gains	2,187,491.10	3,371,417.02
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	160.00	5,056.09
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	460,677,646.90	
Sub-total of cash inflow due to investment activities	488,625,384.27	49,772,212.06
Cash paid for construction of fixed assets, intangible assets and other long-term assets	96,613,162.71	13,665,323.15
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	368,000,000.00	460,096,952.42
Sub-total of cash outflow due to investment activities	464,613,162.71	473,762,275.57
Net cash flow generated by investment	24,012,221.56	-423,990,063.51
III.Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans	224,798,737.66	69,457,976.24
Cash received from bond placing		
Other financing –related cash received		
Sub-total of cash inflow from financing activities	224,798,737.66	69,457,976.24
Cash to repay debts	301,706,189.01	91,030,873.93
Cash paid as dividend, profit, or interests		531,694.35
Incl: Dividend and profit paid by subsidiaries to minor shareholders		

Other cash paid for financing activities	88,581.31	
Sub-total of cash outflow due to financing activities	301,794,770.32	91,562,568.28
Net cash flow generated by financing	-76,996,032.66	-22,104,592.04
IV. Influence of exchange rate alternation on cash and cash equivalents	932,934.94	3,492,348.65
V.Net increase of cash and cash equivalents	-100,608,651.65	-403,109,290.97
Add: balance of cash and cash equivalents at the beginning of term	748,658,875.60	1,098,232,359.02
VI ..Balance of cash and cash equivalents at the end of term	648,050,223.95	695,123,068.05

### 8. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	48,347,776.50	47,673,939.56
Tax returned		
Other cash received from business operation	108,432,069.49	14,897,875.28
Sub-total of cash inflow	156,779,845.99	62,571,814.84
Cash paid for purchasing of merchandise and services	4,167,353.86	2,821,980.78
Cash paid to staffs or paid for staffs	12,477,129.52	10,857,018.13
Taxes paid	18,088,042.80	16,425,515.14
Other cash paid for business activities	17,243,692.79	6,679,401.52
Sub-total of cash outflow from business activities	51,976,218.97	36,783,915.57
Cash flow generated by business operation, net	104,803,627.02	25,787,899.27
II.Cash flow generated by investing		
Cash received from investment retrieving	25,760,086.27	46,395,738.95
Cash received as investment gains	9,985,869.61	3,371,417.02

Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		4,756.09
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	260,000,006.38	
Sub-total of cash inflow due to investment activities	295,745,962.26	49,771,912.06
Cash paid for construction of fixed assets, intangible assets and other long-term assets	3,765,057.80	7,382,622.19
Cash paid as investment	208,000,000.00	
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	60,000,000.00	260,000,000.00
Sub-total of cash outflow due to investment activities	271,765,057.80	267,382,622.19
Net cash flow generated by investment	23,980,904.46	-217,610,710.13
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans		
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing activities		
Cash to repay debts		
Cash paid as dividend, profit, or interests		
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities		
Net cash flow generated by financing		
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	128,784,531.48	-191,822,810.86

Add: balance of cash and cash equivalents at the beginning of term	271,582,749.03	457,379,886.16
VI ..Balance of cash and cash equivalents at the end of term	400,367,280.51	265,557,075.30

## II. Auditor's report

Whether the Q3 report is audited

Yes  No

The Q3 Report is not audited.

The Board of Directors of Shenzhen Textile (Holdings) Co., Ltd.

October 27,2016