

Shenzhen Textile (Holdings) Co., Ltd.

The Third Quarterly Report 2018



October 2018

1 Important Notice

The Board of Directors ,Supervisory Committee, all directors, supervisors and senior executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

All the directors attended the board meeting for reviewing the Quarterly Report.

Mr.Zhu Jun, Person in charge of the Company, Mr. Zhu Meizhu, Chief financial officer and the Ms. 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 this Quarterly Report .

This Report has been prepared in both Chinese and English , In case any discrepancy , the Chinese version shall prevail.

II. Basic information about the company

I. Main financial data and financial index

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

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 (Yuan)	4,509,489,610.40	4,195,746,507.56	7.48%	
Net assets attributable to the shareholders of the listed company (Yuan)	2,413,288,148.00	2,397,474,603.79	0.66%	
	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 (Yuan)	533,270,021.40	61.11%	1,071,558,072.01	0.11%
Net profit attributable to the shareholders of the listed company (Yuan)	2,621,782.96	-86.37%	12,268,759.11	-63.59%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	-7,620,712.88	-172.87%	-18,438,027.80	-398.72%
Cash flow generated by business operation, net (Yuan)	--	--	-398,788,741.04	-87.30%
Basic earning per share(Yuan/Share)	0.005	-87.50%	0.024	-63.91%
Diluted gains per share(Yuan/Share)	0.005	-87.50%	0.024	-63.91%
Weighted average income/asset ratio (%)	0.11%	-0.70%	0.51%	-0.92%

Items and amount of non-current gains and losses

Applicable Not applicable

In RMB yuan

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)	-43,439.68	

Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	9,092,751.66	
Gain/loss on entrusting others with investment or asset management	40,885,414.42	
Other non-business income and expenditures other than the above	1,196,557.78	
Less :Influenced amount of income tax	48,598.77	
Influenced amount of minor shareholders' equity (after tax)	20,375,898.50	
Total	30,706,786.91	--

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 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		36,053	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	45.78%	234,069,436			
Shenzhen Shenchao Technology Investment Co., Ltd.	State-owned Legal person	3.15%	16,129,032			
Fujian Bairui	Domestic Non-	0.77%	3,954,735			

Jiayuan, Asset Management Co., Ltd. – Bairui Jiayuan Growth I Fund	State-owned Legal person					
Sun Huiming	Domestic Nature person	0.62%	3,192,767			
Li Songqiang	Domestic Nature person	0.56%	2,873,078			
Zheng Junsheng	Domestic Nature person	0.36%	1,830,000			
Kuang Guowei	Domestic Nature person	0.27%	1,387,900			
Zhu Ye	Domestic Nature person	0.22%	1,131,945			
Deng Hua	Domestic Nature person	0.21%	1,051,404			
Hong Fan	Domestic Nature person	0.20%	1,028,900			

Shareholding of top 10 shareholders of unrestricted shares

Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type	
		Share type	Quantity
Shenzhen Investment Holdings Co., Ltd.	234,069,436	RMB Common shares	234,069,436
Shenzhen Shenchao Technology Investment Co., Ltd.	16,129,032	RMB Common shares	16,129,032
Fujian Bairui Jiayuan, Asset Management Co., Ltd. – Bairui Jiayuan Growth I Fund	3,954,735	RMB Common shares	3,954,735
Sun Huiming	3,192,767	Foreign shares placed in domestic exchange	3,192,767
Li Songqiang	2,873,078	RMB Common shares	2,873,078
Zheng Junsheng	1,830,000	RMB Common shares	1,830,000
Kuang Guowei	1,387,900	RMB Common shares	1,387,900

Zhu Ye	1,131,945	RMB Common shares	1,131,945
Deng Hua	1,051,404	RMB Common shares	1,051,404
Hong Fan	1,028,900	RMB Common shares	1,028,900
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.		
Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	The Company shareholder Fujiang Bairui Jiayuan Asset Management Co., Ltd. – Bairui Jiayuan Growth I Fund holds 3,954,735 shares of the Company through stock account with credit transaction ; The Company Shareholder Li Songqiang holds 1,837,653 shares of the Company through stock account with credit transaction ; The Company Shareholder Zhu Ye holds 1,031,945 shares of the Company through stock account with credit transaction ; The Company Shareholder Deng Hua holds 1,051,404 shares of the Company through stock account with credit transaction.		

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 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 Notes receivable is RMB 138.0842 million, increased by 71.73% compared with the beginning of the year, Mainly due to the increase in the production of the No. 6 line project of the second phase of the polarizer and the increase in import and export trade business;

2.The closing balance of advance payment is RMB315.0868 million, increased by 2290.68% compared with the beginning of the year, Mainly due to the increase in advances in import and export trade during the period;

3.The closing balance of Fixed assets is RMB351.128 million, increased by 53.51% compared with the

beginning of the year, mainly due to the carry-over of fixed assets in the current phase II of the TFT-LCD polarizer;

4. The closing balance of construction in process is RMB314.2584 million, Decreased by 97.42% compared with the beginning of the year, mainly due to the carry-over of fixed assets in the current phase II of the TFT-LCD polarizer;

5. The closing balance of Other non-current assets is RMB129.2055 million, increased by 273.93% compared with the beginning of the year, Mainly due to the payment of technical service fees;

6. The closing balance of Short-term borrowing is RMB300.4261 million, increased by 338.94% compared with the beginning of the year, Mainly due to the addition of short-term bank loans;

7. The closing balance of Advance Payments is RMB20.1201 million, increased by 57.56% compared with the beginning of the year, Mainly due to the increase in advances in export trade;

8. The closing balance of Non-current liabilities due within one year is RMB40 million, decreased by 100% compared with the beginning of the year, Mainly due to the return of the loan;

9. The closing balance of Administrative expenses is RMB26.0883 million, Increased by 38.45% compared with the beginning of the year, Mainly due to the increase in research and development expenses and share payment expenses for the current period;

10. Financial expenses in current period increased by RMB16.70 million and 75.73% year on year, Mainly due to the increase in short-term borrowings in the current period, which led to an increase in interest expenses. The appreciation of the Japanese yen led to an increase in exchange losses;

11. The net cash flows from operating activities in current period decreased by RMB185.8809 million and 87.31% year on year, Mainly due to the increase in advances in trade activities;

12. The net cash flows from investment activities in current period increased by RMB27.6183 million and 158.88% year on year, Mainly due to the redemption of the entrusted financial management due in the current period;

13. The net cash flows from financing activities in current period increased by RMB252.1144 million and 13,976.67% year on year, Mainly due to the increase in short-term loans in the current period.

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

√ Applicable □ Not applicable

(1) Progress information about the second phase of No.6 line TFT-LCD polarizer project

In view of the fact that the second phase project of the No.6 line project has been transferred to the fixed asset and entered the mass production stage, the project invested by the raised funds has been basically finished, so the company will deposit the RMB 134,717,200 from the left raised funds into the original specific account for raised funds for the subsequent expenditures of No.6 Line project, and use the rest left RMB 403.0727 million (The specific amount is subject to the bank's settlement on the day the funds are transferred) of the raised funds for the ultra-large-size TV polarizer industrialization project (Line 7). The above matter have been reviewed and approved by the Company's second provisional shareholders' meeting of 2018. For details, please refer to the Company's announcements of No. 2018-34 and No. 2018-41.

(II) Progress in subsidiaries participating in the establishment of industrial funds

On November 16, 2017, the company's controlling subsidiary Shengbo Optoelectronic Co., Ltd signed the *Changxing Junying Equity Investment Partnership (Limited Partnership) Agreement* with the fund manager Huizhi Investment Management Co., Ltd, general partner Jinxin Investment Co., Ltd and other limited partners,

and co-sponsored the establishment of an industrial fund, focusing on the optical film industry chain related projects related to the company's main business, with a fund size of RMB 50 million. Shengbo Optoelectronic Co., Ltd, as one of the limited partners of the industrial fund, subscribed for a capital contribution of RMB 28.5 million .For details Juchao Website: (<http://www.cninfo.com.cn>. (Announcement No.2017--55).

On February 10, 2018, Changxing Junying had accumulated 3 investment projects with a total investment of RMB 42 million.

No	Name	Investment	Fund contribution (Ten thousand)
1	Shenzhen Kaichuang Shijia Technology Co., Ltd.	Optical Film	1,400
2	Shenzhen shenfuyu Electronic Technology Co., Ltd.	Optical Film	1,300
3	Shenzhen Hengbaoshun Technology Development Co., Ltd.	Optical Film	1,500

(III)Progress in construction of Guanhua Building

During the reporting period, the Company has completed the open-tender rental scheme of Guanhua Building and is currently promoting the open-tender rental work of Guanhua Building. Meanwhile, the completion and settlement work of the Guanhua Building has been sped up, as well as the real estate license has been handled more quickly.

(IV) Progress of Nitto Denko's Technical Cooperation Contract

In order to introduce the world's leading Japanese polarizer company technology, we will build a wide-width polarizer production line project for TFT-LCD with a width of 2,500mm. Shengbo Optoelectronic will introduce the East Japan with Jinjiang Group and Kunshan Chi Mei on November 6, 2017. The related matters of the 2,500mm polarizer production line technology of the electrician and Nitto Denko signed the "Technical Cooperation Contract". For details, please refer to <http://www.cninfo.com.cn> "About Subsidiary Signing the Announcement of Technical Cooperation Contracts (2017-53)". In the normal implementation of the Technical Cooperation Contract, the company has communicated with Nitto Denko on the schedule, plant planning and design, equipment specification parameters of the No. 7 line project. The company originally disclosed that it intends to cooperate with professional investment institutions, initiated by Jinjiang Group, and Shengbo Optoelectronic participated in the establishment of the polarizer industry fund, and the "project company" established by the fund and Shengbo Optoelectronic Co., Ltd as the main construction investment construction No. 7 line project. After the establishment of the "project company", the company will inherit the responsibility of Shengbo Optoelectronic Co., Ltd in the Technical Cooperation Contract and pay the relevant technology licensing fees. Currently, due to the immaturity of the establishment of the industrial fund, the company will use other financing methods to invest the construction of Line 7 project, it also will not establish a "project company" as the main body of construction. At present, the "Technical Cooperation Contract" is in normal performance.

(V)Progress in construction of No. 7 line project

As of the date of disclosure of this report, The No.7 Line project prepared to construct by the Company, namely the ultra-large-size TV polarizer industrialization project (Line 7), has been reviewed and approved at the 13th meeting of the 7th Board of Directors and at the 2nd Provisional General Meeting of 2018. For details, please refer to the Company's announcements of No. 2018-33 and No. 2018-41. The company has been actively carrying out the work including the planning and applying-for-construction of the No. 7 line project, the bidding procurement of the host equipment and the environmental impact assessment approval of the project.

(VI) Progress of the company's capital increase and share expansion to introduce strategic investors

On June 1, 2018, the company held the twelfth meeting of the seventh board of directors, in which the "Proposal

about via capital increase and share-expanding to introduce strategic investors by the Company's Subsidiary-Shenzhen Shengbo Optoelectronic Technology Co., Ltd." was reviewed and approved, and agreed that the subsidiary Shengbo Optoelectronic Co., Ltd. can publicly solicit no more than 5 strategic investors on the Shenzhen United Assets and Equity Exchange according to the regulations on state-owned assets and based on the assets appraisal results recorded, and upon that finalize the strategic investors via competitive negotiations. At present, the company is communicating with the state-owned assets management department and some potential investors. Yet, there is still some uncertainty in this matter, and investors are advised to pay attention to the investment risks. The company will further fulfill the corresponding review procedures and information disclosure obligations according to the progress of the matter.

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 period

Applicable Not applicable

The company has no commitments completed in period and those without completed till end of the period from actual controller, shareholders, related parties, purchaser and companies.

IV. Anticipation of Business Performance of 2018

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

Applicable Not applicable

V. Investment in securities

Applicable Not applicable

No securities investment in period.

VI. Entrusted Financial Management

Applicable Not applicable

Unit :Ten thousand yuan

Type	Source	Amount	Unexpired balance	Overdue amount
Bank financing product	Self fund	8,000	0	0
Trust financing product	Self fund	80,000	60,000	0
Bank financing product	Raise funds	50,000	0	0
Total		138,000	60,000	0

Specific Circumstance of Trust Investment which is Large in single amount, low insecurity, poor in liquidity or unguaranteed in high risk

Applicable Not applicable

Unit :Ten thousand yuan

Name of	Type of Trustee	Product Type	Amount	Capital Source	Start Date	Expiry Date	Funds Allocation	Method of	Reference	Expected	Actual profit	The actual recovery of	Amount of	Whether	Whether there	Summary of
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Trustee Organization (or Trustee Name)	Organization (or Trustee)					on	Reward Determination	Annualized Rate of Return	Income (if any)	and loss during the reporting period	profit and loss during the reporting period	provision for impairment (if any)	passed the statutory procedure	is any entrusted financial plan in the future	events and related search index (if any)	
Wanxiang Trust Co., Ltd.	Trust	Designated Use Business Management Funding Trust	40,000	Self fund	January 13, 2018	December 28, 2018	Trust financial products	Quarterly interest balance	2,860.27	7.50%	Unexpired		Yes	Not applicable	Http://www.cninfo.com.cn: (Announcement No. 2018-04)	
Wanxiang Trust Co., Ltd.	Trust	Designated Use Business Management Funding Trust	40,000	Self fund	February 17, 2017	December 16, 2018	Trust financial products	Quarterly interest balance	5,058.33	7.50%	2,242.41	Redemption part of the Trust, 200 million yuan, and recovery 22.42 million as the profit		Yes	Not applicable	Http://www.cninfo.com.cn: (Announcement No. 2017-26)
Total			80,000	--	--	--	--	--	7,918.6	2,242.41	--	0	--	--	--	

Entrusted financing appears to be unable to recover the principal or there may be other circumstances that may result in impairment

Applicable Not applicable

VII. Investment in derivatives

Applicable Not applicable

There is no derivative investment during the report period.

VIII. The registration form of acceptance of investigation, communication and interview in the report period for future reference

Applicable Not applicable

The Period has no research, communication and written inquiry from the investors in the report period.

IX. External guarantee get out of line

Applicable Not applicable

The Company has no external guarantee get out of the line in the Period

X. Controlling shareholder and its related parties occupying non-business capital of the listed company

Applicable Not applicable

There are no controlling shareholder and its related parties occupying non-business capital of the listed company in Period

IV. Financial Statement**I. Financial statement****1. Consolidated balance sheet**

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

September 30,2018

In RMB yuan

Items	At the end of term	Beginning of term
Current asset :		
Monetary fund	1,065,136,601.79	1,165,048,108.83
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable and account receivable	337,328,963.85	236,710,196.70
Including: Notes receivable	6,741,658.16	44,207,119.00
Account receivable	330,587,305.69	192,503,077.70
Advance payment	328,841,906.25	13,755,152.05
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	16,626,736.10	28,654,857.07
Repurchasing of financial assets		

Inventories	328,253,634.15	275,615,176.16
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	944,659,697.77	1,148,689,874.10
Total of current assets	3,020,847,539.91	2,868,473,364.91
Non-current assets:		
Loans and payment on other's behalf disbursed		
Available for sale of financial assets	63,892,748.65	66,035,733.04
Expired investment in possess		
Long-term receivable		
Long term share equity investment	20,648,696.21	20,380,734.56
Property investment	169,723,534.06	173,105,806.27
Fixed assets	1,007,261,178.25	656,133,200.19
Construction in progress	8,311,791.46	322,570,173.73
Production physical assets		
Gas & petrol		
Intangible assets	38,233,644.21	38,870,673.40
development expenses		
Goodwill		
Long-germ expenses to be amortized	1,131,051.69	1,035,290.08
Deferred income tax asset	3,066,907.36	1,974,536.90
Other non-current asset	176,372,518.60	47,166,994.48
Total of non-current assets	1,488,642,070.49	1,327,273,142.65
Total of assets	4,509,489,610.40	4,195,746,507.56
Current liabilities		
Short-term loans	389,064,282.40	88,638,181.45
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		
Notes payable and account payable	92,414,139.86	97,104,697.18

Advance receipts	55,072,612.60	34,952,567.83
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	19,923,735.12	29,503,260.65
Tax payable	10,423,560.90	6,935,262.57
Other account payable	243,049,055.30	200,826,343.58
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		
Total of current liability	809,947,386.18	497,960,313.26
Non-current liabilities:		
Long-term loan	40,000,000.00	40,000,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employee's remuneration		
Expected liabilities		
Deferred income	131,130,313.06	134,767,064.72
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	171,130,313.06	174,767,064.72
Total of liability	981,077,699.24	672,727,377.98
Owners' equity		
Share capital	511,274,149.00	511,274,149.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,871,178,266.17	1,866,001,475.17

Less: Shares in stock	27,230,679.00	27,230,679.00
Other comprehensive income	586,697.97	2,218,703.87
Special reserves		
Surplus reserves	77,477,042.19	77,477,042.19
Common risk provision		
Retained profit	-19,997,328.33	-32,266,087.44
Total of owner's equity belong to the parent company	2,413,288,148.00	2,397,474,603.79
Minority shareholders' equity	1,115,123,763.16	1,125,544,525.79
Total of owners' equity	3,528,411,911.16	3,523,019,129.58
Total of liabilities and owners' equity	4,509,489,610.40	4,195,746,507.56

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

2.Parent Company Balance Sheet

In RMB yuan

Items	At the end of term	Beginning of term
Current asset :		
Monetary fund	321,628,697.34	413,700,327.95
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable and account receivable	541,340.49	449,536.21
Including: Notes receivable		
Account receivable	541,340.49	449,536.21
Advance payment	144,445.00	10,000.00
Other account receivable	18,838,124.69	19,443,487.43
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	250,000,000.00	120,000,000.00
Total of current assets	591,152,607.52	553,603,351.59
Non-current assets:		
Available for sale of financial assets	33,892,748.65	36,035,733.04

Expired investment in possess		
Long-term receivable		
Long term share equity investment	1,989,379,324.88	1,984,849,008.23
Property investment	162,633,025.12	165,607,900.07
Fixed assets	26,922,467.14	28,119,990.58
Construction in progress		
Production physical assets		
Gas & petrol		
Intangible assets	1,112,607.48	1,413,305.67
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	2,695,264.19	1,526,871.33
Other non-current asset		493,620.44
Total of non-current assets	2,216,635,437.46	2,218,046,429.36
Total of assets	2,807,788,044.98	2,771,649,780.95
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable and account payable	411,743.57	411,743.57
Advance receipts	639,024.58	639,024.58
Employees' wage payable	6,097,679.30	8,495,538.21
Tax payable	6,257,990.61	3,247,028.64
Other account payable	140,392,477.08	134,018,771.57
Classified as held for sale debt		
Non-current liability due in 1 year		
Other current liability		
Total of current liability	153,798,915.14	146,812,106.57
Non-current liabilities:		
Long-term loan		
Bond payable		
Including: preferred stock		

Sustainable debt		
Long-term payable		
Long-term payable to employees		
Expected liabilities		
Deferred income	725,000.00	800,000.00
Deferred income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	725,000.00	800,000.00
Total of liability	154,523,915.14	147,612,106.57
Owners' equity		
Share capital	511,274,149.00	511,274,149.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,605,797,459.96	1,599,381,854.96
Less: Shares in stock	27,230,679.00	27,230,679.00
Other comprehensive income	586,697.97	2,218,703.87
Special reserves		
Surplus reserves	77,477,042.19	77,477,042.19
Retained profit	485,359,459.72	460,916,603.36
Total of owners' equity	2,653,264,129.84	2,624,037,674.38
Total of liabilities and owners' equity	2,807,788,044.98	2,771,649,780.95

3.Consolidated Income statement of the Report period

In RMB yuan

Items	Amount in this period	Amount in last period
I. Total revenue	533,270,021.40	331,001,389.67
Incl: Business income	533,270,021.40	331,001,389.67
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	554,021,386.71	315,237,699.19
Incl: Business cost	504,893,477.84	285,392,459.66
Interest expenses		

Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount provided as insurance contract reserves		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	1,738,585.02	2,418,395.81
Sales expense	2,602,163.62	2,289,553.93
Administrative expense	22,119,362.08	18,247,199.60
R & D expenses	9,392,863.24	8,758,361.69
Financial expenses	-1,498,297.07	-10,013,576.23
Including: Interest cost	4,023,167.51	900,858.38
Interest income	-10,856,486.49	-8,685,673.15
Asset impairment loss	14,773,231.98	8,145,304.73
Add: Other gains	3,280,583.90	1,900,245.06
Investment gain (“-”for loss)	15,640,419.06	13,715,772.77
Incl: Investment gains from affiliates	770,496.99	-268,250.53
Fair value change income		
Gains from currency exchange (“-”for loss)		
Assets disposal income		
III. Operational profit (“-”for loss)	-1,830,362.35	31,379,708.31
Add : Non-operational income	1,216,652.61	-460,271.44
Less: Non-operational expenses	1,105.40	1,500,120.00
IV .Gross profit(“-”for loss)	-614,815.14	29,419,316.87
Less: Income tax expenses	3,334,101.51	2,876,264.57
V. Net profit	-3,948,916.65	26,543,052.30
(1) Categorized by going concern	-3,948,916.65	26,543,052.30
(2) Termination of operating net profit		
Net profit attributable to the owners of parent company	2,621,782.96	19,241,712.46
Minority shareholders' equity	-6,570,699.61	7,301,339.84
VI. After tax net amount of comprehensive income	-1,242,238.23	-387,412.35
Net of profit of other comprehensive	-1,242,238.23	-387,412.35

income attributable to owners of the parent company		
(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.	-1,242,238.23	-387,412.35
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	-1,097,121.47	-103,501.96
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	-145,116.76	-283,910.39
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	-5,191,154.88	26,155,639.95
Total comprehensive income attributable to the owner of the parent company	1,379,544.73	18,854,300.11
Total comprehensive income attributable minority shareholders	-6,570,699.61	7,301,339.84
VIII. Earnings per share		
(I) Basic earnings per share	0.005	0.04

(II)Diluted earnings per share	0.005	0.04
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The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

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

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

In RMB yuan

Items	Amount in this period	Amount in last period
I. Turnover	17,545,119.19	16,416,906.14
Less: Operation cost	3,851,696.65	4,787,245.13
Taxes and surcharge	591,784.85	927,123.27
Sales expenses		
Administrative expenses	6,614,949.78	5,712,438.73
R & D cost		
Financial expenses	-4,392,650.45	-3,566,528.25
Including: Interest cost		
Interest income	-4,390,835.23	-3,558,355.70
Impairment loss on assets	11,510.21	60,186.86
Add: Other gains	25,000.00	
Investment gains("-"for loss)	1,217,643.59	18,965,349.31
Including: investment income from associates and joint ventures	770,496.99	-268,250.53
Fair value change income		
Assets disposal income		
II. Operational profit ("-"for loss)	12,110,471.74	27,461,789.71
Add : Non-operational income	0.00	0.00
Less: Non -operational expenses		0.00
III.Gross profit("-"for loss)	12,110,471.74	27,461,789.71
Less: Income tax expenses	2,761,780.38	2,012,344.53
IV. Net profit	9,348,691.36	25,449,445.18
(1) Categorized by going concern	9,348,691.36	25,449,445.18
(2) Termination of operating net profit		
V.After tax net amount of comprehensive income	-1,242,238.23	-387,412.35
(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.	-1,242,238.23	-387,412.35
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	-1,097,121.47	-103,501.96
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	-145,116.76	-283,910.39
6.Other		
VI. Total comprehensive income	8,106,453.13	25,062,032.83
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 yuan

Items	Amount in this period	Amount in last period
I. Total revenue	1,071,558,072.01	1,070,339,146.54
Including: Business income	1,071,558,072.01	1,070,339,146.54
Interest income		
Insurance fee earned		
Commission charge and commission		

income		
II. Total Business cost	1,116,730,918.66	1,062,920,000.87
Including: Business cost	984,012,078.21	963,009,655.45
Interest expense		
Commission chare and commission expense		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	5,579,141.14	9,007,413.66
Sales expenses	6,382,575.15	6,296,597.07
Administrative expense	63,358,481.81	48,152,890.61
R & D cost	30,581,963.06	19,699,239.17
Financial expenses	-5,350,884.73	-22,050,932.81
Including: Interest cost	7,451,251.45	3,141,086.46
Interest income	-20,792,762.67	-26,009,209.02
Asset impairment loss	32,167,564.02	38,805,137.72
Add: Other gains	9,092,751.66	7,044,206.96
Investment gain (“-”for loss)	44,193,129.21	36,670,808.16
Including: investment income from associates and joint ventures	1,387,442.66	-48,134.90
Fair value change income		
Gains from currency exchange (“-”for loss)		
Assets disposal income		
III. Operational profit (“-”for loss)	8,113,034.22	51,134,160.79
Add : Non-operational income	1,306,557.78	68,148.33
Less: Non-operational expenses	154,443.48	1,503,598.36
IV. Gross profit(“-”for loss)	9,265,148.52	49,698,710.76
Less: Income tax expenses	8,655,966.04	10,619,222.84
V. Net profit	609,182.48	39,079,487.92
(1) Categorized by going concern	609,182.48	39,079,487.92
(2) Termination of operating net profit		

Net profit attributable to the owners of parent company	12,268,759.11	33,699,554.09
Minority shareholders' equity	-11,659,576.63	5,379,933.83
VI.After tax net amount of comprehensive income	-1,632,005.90	-461,441.26
Net of profit of other comprehensive income attributable to owners of the parent company	-1,632,005.90	-461,441.26
(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.	-1,632,005.90	-461,441.26
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		
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	-24,767.61	-399,320.80
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	-1,022,823.42	38,618,046.66
Total comprehensive income attributable to the owner of the parent	10,636,753.21	33,238,112.83

company		
Total comprehensive income attributable minority shareholders	-11,659,576.63	5,379,933.83
VIII. Earnings per share		
(I) Basic earnings per share	0.024	0.0665
(II) Diluted earnings per share	0.024	0.0665

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0.00, last period the combined party realized RMB0.00.

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

In RMB yuan

Items	Amount in this period	Amount in last period
I. Turnover	50,889,018.61	48,266,504.17
Less: Business cost	10,785,956.23	10,870,510.97
Taxes and surcharge	2,050,198.31	2,291,747.22
Sales expenses		
Administrative expense	21,051,519.67	16,100,877.53
R & D cost		
Financial expenses	-12,225,921.71	-9,928,250.42
Including: Interest cost		
Interest income	-12,236,505.07	-9,924,251.20
Asset impairment loss	377,337.07	-3,591,943.81
Add: Other gains	75,000.00	
Investment gain (“-”for loss)	2,409,363.41	21,112,051.38
Including: investment income from associates and joint ventures	1,387,442.66	-48,134.90
Fair value change income		
Assets disposal income		
II. Operational profit (“-”for loss)	31,334,292.45	53,635,614.06
Add : Non-operational income	79,604.02	1,510.00
Less: Non-operational expenses		1,582.15
III. Gross profit (“-”for loss)	31,413,896.47	53,635,541.91
Less: Income tax expenses	6,971,040.11	8,390,425.68
IV. Net profit	24,442,856.36	45,245,116.23
(1) Categorized by going concern	24,442,856.36	45,245,116.23

(2) Termination of operating net profit		
V.After tax net amount of comprehensive income	-1,632,005.90	-74,028.91
(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.	-1,632,005.90	-74,028.91
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		
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	-24,767.61	-399,320.80
6.Other		
VI. Total comprehensive income	22,810,850.46	45,171,087.32
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 yuan

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or	974,017,262.18	1,124,801,981.04

ending of services		
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 the financial assets that are measured at fair value and whose movement is counted to the current gain and loss		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	57,858,289.86	37,074,063.06
Other cash received from business operation	55,467,567.57	79,873,288.20
Sub-total of cash inflow	1,087,343,119.61	1,241,749,332.30
Cash paid for purchasing of merchandise and services	1,308,829,199.47	1,031,529,910.73
Net increase of client trade and advance		
Net increase of savings n 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	110,803,215.30	102,698,032.16
Taxes paid	33,844,922.30	128,736,026.79
Other cash paid for business activities	32,654,523.58	191,693,186.77
Sub-total of cash outflow from business	1,486,131,860.65	1,454,657,156.45

activities		
Cash flow generated by business operation, net	-398,788,741.04	-212,907,824.15
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	3,264,969.53	5,713,598.83
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	26,797.81	1,510.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	2,921,223,209.77	2,448,723,939.45
Sub-total of cash inflow due to investment activities	2,924,514,977.11	2,454,439,048.28
Cash paid for construction of fixed assets, intangible assets and other long-term assets	172,613,463.28	155,985,884.39
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	2,706,900,000.00	2,281,069,933.33
Sub-total of cash outflow due to investment activities	2,879,513,463.28	2,437,055,817.72
Net cash flow generated by investment	45,001,513.83	17,383,230.56
III.Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans	494,228,404.46	102,114,112.05
Cash received from bond placing		
Other financing –related cash received	2,587,238.69	6,809,000.00
Sub-total of cash inflow from financing activities	496,815,643.15	108,923,112.05
Cash to repay debts	238,398,742.89	106,864,967.87

Cash paid as dividend, profit, or interests	4,683,129.69	
Incl: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	-184,487.96	254,321.38
Sub-total of cash outflow due to financing activities	242,897,384.62	107,119,289.25
Net cash flow generated by financing	253,918,258.53	1,803,822.80
IV. Influence of exchange rate alternation on cash and cash equivalents	-97,897.33	-1,455,883.48
V.Net increase of cash and cash equivalents	-99,966,866.01	-195,176,654.27
Add: balance of cash and cash equivalents at the beginning of term	1,161,240,139.33	930,114,436.57
VI ..Balance of cash and cash equivalents at the end of term	1,061,273,273.32	734,937,782.30

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

In RMB yuan

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	52,432,255.32	49,895,645.32
Tax returned		
Other cash received from business operation	9,186,847.78	16,881,970.49
Sub-total of cash inflow	61,619,103.10	66,777,615.81
Cash paid for purchasing of merchandise and services	4,367,850.28	3,829,810.68
Cash paid to staffs or paid for staffs	13,780,580.01	12,300,082.40
Taxes paid	10,360,700.34	12,437,816.73
Other cash paid for business activities	13,913,677.69	15,990,242.25
Sub-total of cash outflow from business activities	42,422,808.32	44,557,952.06
Cash flow generated by business operation, net	19,196,294.78	22,219,663.75
II.Cash flow generated by investing		

Cash received from investment retrieving		
Cash received as investment gains	2,366,618.15	4,879,575.52
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	24,597.81	1,510.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	347,915,044.35	80,589,678.73
Sub-total of cash inflow due to investment activities	350,306,260.31	85,470,764.25
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,574,185.70	3,972,272.58
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	460,000,000.00	160,000,000.00
Sub-total of cash outflow due to investment activities	461,574,185.70	163,972,272.58
Net cash flow generated by investment	-111,267,925.39	-78,501,508.33
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		

alteration on cash and cash equivalents		
V.Net increase of cash and cash equivalents	-92,071,630.61	-56,281,844.58
Add: balance of cash and cash equivalents at the beginning of term	413,700,327.95	440,685,610.11
VI ..Balance of cash and cash equivalents at the end of term	321,628,697.34	384,403,765.53

II. Auditor's report

Whether the Q3 report is audited

Yes No

The Q3 Report is not audited.

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

October 30, 2018