

Stock Code: 000019, 200019

Public Notice No.: 2018- 70

Short Form of the Stock: Shenshenbao-A, Shenshenbao-B

Shenzhen Shenbao Industrial Co., Ltd.

Summary of Semi-Annual Report 2018

I. Important Notice

The summary is abstract from full-text of annual report, for more details of operating results, financial condition and future development plan of the Company; investors should found in the full-text of annual report that published on media appointed by CSRC.

Prompt of non-standard audit opinion

Applicable Not applicable

Profit distribution pre-plan of common stock or capitalizing of common reserves pre-plan deliberated by the Board in the reporting period

Applicable Not applicable

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve.

Profit distribution pre-plan of preferred stock deliberated and approved by the Board in the reporting period

Applicable Not applicable

II. Basic information of the company

1. Company profile

Short form of the stock	SHENSHENBAO-A, SHENSHENBAO-B	Stock code	000019, 200019
Stock exchange for listing	Shenzhen Stock Exchange		
Person/Way to contact	Secretary of the Board	Rep. of security affairs	
Name	Li Yiyan	Huang Bingxia	
Office add.	8/F, Tower-B, Building 4, Technology	8/F, Tower-B, Building 4, Technology	

	Park Nanshan Software Base, Nanshan District, Shenzhen	Park Nanshan Software Base, Nanshan District, Shenzhen
Tel.	0755-82027522	0755-82027522
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2. Main financial data and index

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

Yes No

	Current period	Same period of last year	Changes over last year
Operating revenue (RMB)	136,721,215.40	138,158,382.95	-1.04%
Net profit attributable to shareholders of the listed Company (RMB)	-18,246,639.07	-17,759,776.83	-2.74%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses (RMB)	-18,884,920.69	-19,357,560.01	2.44%
Net cash flow arising from operating activities (RMB)	9,795,470.07	-50,432,648.15	119.42%
Basic earnings per share (RMB/Share)	-0.0367	-0.0357	-2.80%
Diluted earnings per share (RMB/Share)	-0.0367	-0.0357	-2.80%
Weighted average ROE	-1.95%	-1.74%	-0.21%
	End of current period	End of last year	Changes over end of last year
Total assets (RMB)	1,040,484,135.20	1,070,386,220.55	-2.79%
Net assets attributable to shareholder of listed Company(RMB)	928,673,938.26	946,920,577.33	-1.93%

3. Amount of shareholders and particulars about shares holding

			In Share
Total common stock	71,459	Total preference	0

shareholders in reporting period-end		shareholders with voting rights recovered at end of reporting period (if applicable)				
Particulars about shares held top 10 shareholders						
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Total shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Shenzhen Agricultural Products Co., Ltd	Other	19.09%	94,832,294	15,384,832		
Shenzhen Fude State-Owned Capital Operation Co., Ltd.	Other	16.00%	79,484,302	13,431,784		
Sun Huiming	Domestic nature person	0.69%	3,403,262	0		
Hu Xiangzhu	Domestic nature person	0.45%	2,238,400	0		
Zhou Jun	Domestic nature person	0.33%	1,636,790	0		
Central Huijin Asset Management Co., Ltd.	State-owned legal person	0.30%	1,472,625	0		
Li Qian	Domestic nature person	0.26%	1,278,311	0		
Ye Xiuxia	Domestic nature person	0.20%	1,000,230	0		
Chen Xianping	Domestic nature person	0.20%	990,000	0		
Gu Fengyuan	Domestic nature person	0.19%	950,300	0		
Explanation on associated relationship among the aforesaid shareholders	Shenzhen SASAC directly holds 100% equity of Fude Capital, and holds 34% of Agricultural Products indirectly through Fude Capital; the Company was not aware of any related relationship between other shareholders above, and whether they belonged to parties acting in concert as defined by the Acquisition Management Method of Listed Company.					
Explanation on shareholders involving margin business (if applicable)	N/A					

4. Change of controlling shareholder or actual controller

Changes of controlling shareholders in reporting period

Applicable Not applicable

New controlling shareholder	Shenzhen Fude State-Owned Capital Operation Co., Ltd.
Date of change	2018-04-03
Query index in appointed website	"Notice of State-owned Shares Transfer for Free"(Notice No.:2018-27) released on Juchao Website
Disclosure date in appointed website	2018-04-04

Changes of actual controller in reporting period

Applicable Not applicable

The Company had no changes of actual controller in reporting period

5. Total preferred stock shareholders of the Company and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

No preferred stock in reporting period.

6. Corporate Bonds

Whether the Company has a corporation bonds that issuance publicly and listed on stock exchange and without due on the date when semi-annual report approved for released or fail to cash in full on due

Yes No

III. Discussion and analysis of the operation

1. Brief of the operation in Period

Dose the Company need to comply with disclosure requirements of the special industry

Yes No

In first half of 2018, the Company continued to promote scientific and technological innovation by focusing on the existing industrial layout and market development trends, fully implemented various operational measures to consolidate the industrial foundation and enhance the industrial value, vigorously expand the main business, and enhance the profitability and core competitiveness

of the enterprise. At the same time, in line with the overall strategic deployment of state-owned grain and agricultural enterprises in Shenzhen, it was planned to acquire 100% equity of Shenzhen Cereals Group Co., Ltd. by issuing shares to purchase assets. During this period, the Company adhered to grasping two objects at the same time, in the case of steadily implementing various intrinsic management measures, ensured the stable development of various business segments, actively promoted the progress of major assets restructuring projects, adjusted and optimized the industrial layout, and achieved resource integration by superior resource complementary of all parties, which ultimately promoted the Company's sustainable operation ability and profitability and improved the quality and efficiency of enterprise development.

During the reporting period, the Company continuously promoted the project research and development and technical support, promoted the industrial development by product breakthroughs and technological innovations, steadily improved the advantages of traditional business segments, and strived to improve quality and reduce losses and increase revenue. In the first half of the year, the Technology Center completed a number of government application projects, including "Shenzhen High-tech Enterprise Cultivation and Storage" and "Shenzhen R&D Expenses Funding", and reached cooperation with many brand customers, which provided integrative solutions with multiple dimensions and aspects for related enterprises from concept to product realization; the deep processing business module somewhat increased the product gross margin through a series of strict cost control measures such as optimizing supply chain, reducing consumption and increasing efficiency; Huizhou Shenbao Technology continued to improve the production process and formula of the beverage and condiments business, and completed various production tasks by guaranteeing both quality and quantity; the overall sales of specialty tea business of Hangzhou Ju Fang Yong did not meet the expectations, but the fast drink business of its subordinate "iTealife" has gradually opened up the franchise market through the third party cooperation, and the performance has been improved to some extent; under the premise of the existing business model, Shenbao tea culture continued to promote the internal rectification, sorted out the product system, and achieved expectations in new product development, cost control, and operation procedure improvement, and reduced losses.

During the reporting period, the Company actively promoted the major assets restructuring projects and fulfilled the relevant internal decision-making procedures and information disclosure obligations.

In the first half of 2018, the Company achieved a total operating income of 136,721,215.40 Yuan, a decline of 1.04% over the same period of last year; operating profit of -18,090,617.03 Yuan, a decrease of 15.97% over the same period of last year; net profit attributable to shareholders of listed

companies was -18,246,639.07 Yuan, a decline of 2.74% compared with the same period of last year. The main reason for the change was that the Company's profit from tea deep processing business increased compared with the same period of the previous year by optimizing the product structure. At the same time, the Company added new assets restructuring related expenses in the current period, which caused the Company's overall losses were basically the same as that of the same period of last year.

2. Relevant items involving financial report

(1) Particulars about the changes in aspect of accounting policy, estimates and calculation method compared with the financial report of last fiscal period

Applicable Not applicable

There are no particulars of changes in aspect of accounting policy, estimates and calculation method in the period

(2) Major accounting errors within reporting period that needs retrospective restatement

Applicable Not applicable

No major accounting errors within reporting period that needs retrospective restatement for the Company

(3) Particulars about the change of consolidation range compared with the financial report of last fiscal period

Applicable Not applicable

The Company had no change of consolidation range in reporting period.

Shenzhen Shenbao Industrial Co., Ltd.

Chairman: Zheng Yuxi

28 August 2018