

Stock code: 000045,200045 Stock Abbreviation: Shen Textile A, Shen Textile B Announcement No. :2020-27

Shenzhen Textile (Holdings) Co., Ltd.

The First Quarterly Report 2020

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

Mr.Zhu Jun, Person in charge of the Company, Mr. He Fei, 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 of the Company

(1) Main financial data and financial index

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

☐ Yes ☒ No

In RMB

	This period	Same period of last year	Changes of this period over same period of last year (%)
Operating income (RMB)	384,038,897.58	592,839,958.12	-35.22%
Net profit attributable to the shareholders of the listed company (RMB)	-5,827,092.54	10,381,938.06	-156.13%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	-9,495,160.00	7,034,190.76	-234.99%
Cash flow generated by business operation, net (RMB)	-84,585,231.55	23,567,172.13	-458.91%
Basic earning per share(RMB/Share)	-0.0114	0.0203	-156.16%
Diluted gains per share(RMB/Share)(RMB/Share)	-0.0114	0.0203	-156.16%
Weighted average ROE(%)	-0.21%	0.43%	-0.64%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets (RMB)	4,433,249,808.89	4,531,399,885.99	-2.17%
Net assets attributable to the shareholders of the listed company (RMB)	2,722,669,224.01	2,727,764,144.36	-0.19%

Items and amount of non-current gains and losses

☒ Applicable ☐ Not applicable

In RMB

Items	Amount from year-begin to period -end	Notes
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	6,035,059.44	Mainly to confirm business related government subsidies of other income

Other non-operating income and expenditure except for the aforementioned items	22,036.60	
Less: Amount of influence of income tax	12,803.56	
Amount of influence of minority interests (After tax)	2,376,225.02	
Total	3,668,067.46	--

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		32,151	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	45.96%	234,069,436			
Shenzhen Shenchao Technology Investment Co., Ltd.	Domestic Nature person	3.17%	16,129,032			
Lv Qiang	Domestic Nature person	1.20%	6,136,146			
Sun Huiming	Domestic Nature person	0.63%	3,224,767			

Li Songqiang	Domestic Nature person	0.56%	2,873,078			
Su Weipeng	Domestic Nature person	0.46%	2,365,966			
Li Zengmao	Domestic Nature person	0.28%	1,432,497			
Kuang Guowei	Domestic Nature person	0.28%	1,405,100			
Hong Fan	Domestic Nature person	0.26%	1,338,900			
Zhu Ye	Domestic Nature person	0.26%	1,310,045			
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	
Lv Qiang	6,136,146			RMB Common shares	6,136,146	
Sun Huiming	3,224,767			Foreign shares placed in domestic exchange	3,224,767	
Li Songqiang	2,873,078			RMB Common shares	2,873,078	
Su Weipeng	2,365,966			RMB Common shares	2,365,966	
Li Zengmao	1,432,497			RMB Common shares	1,432,497	
Kuang Guowei	1,405,100			RMB Common shares	1,405,100	
Hong Fan	1,338,900			RMB Common shares	1,338,900	
Zhu Ye	1,310,045			RMB Common shares	1,310,045	
Related or acting-in-concert parties	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					

among shareholders above	Company did not know 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.
Explanation on shareholders participating in the margin trading business(if any)	The Company Shareholder Li Songqiang holds 2,872,653 shares of the Company through stock account with credit transaction; The Company Shareholder Zhu Ye holds 1,131,545 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

Items	Ending balance (RMB 10,000)	Operating balance(RMB 10,000)	Changes ratio	Reasons of changes
Monetary funds	23,664.40	40,956.48	-42.22%	Mainly due to the construction investment expenditure of Line 7 project and the expenditure of purchasing wealth management products.
Tax payable	1,085.56	2,254.56	-51.85%	Mainly due to the payment of corporate income tax in the fourth quarter of 2019 during the reporting period.
Items	Amount at the period (RMB 10,000)	Amount at the same period of last year(RMB 10,000)	Changes ratio	Reasons of changes
Operating income	38,403.89	59,284.00	-35.22%	Mainly due to rental income dropped significantly as the impact of the coronary epidemic (reduction of rent in February and March), and it had not been engaged in trading business during the reporting period, resulting in a substantial decline in trading income.
Operating cost	35,529.14	55,285.18	-35.73%	Mainly due to the fact that it had not been engaged in trading business during the reporting period, resulting in a substantial decline in trading costs.
Sale expenses	506.05	232.89	117.29%	Mainly due to the increase in sales and service fees for developing new customers.
Financial expenses	92.56	-47.48	294.95%	Mainly due to the year-on-year increase in exchange losses.
Assets impairment loss	1,698.96	622.80	172.79%	Mainly due to the increase in the provision for falling prices of raw material inventories during the reporting period.
Investment income	753.26	478.67	57.37%	Mainly due to the year-on-year increase in wealth management income during the reporting period.
Operating profit	-1,143.84	1,301.12	-187.91%	Mainly due to that the profit of property leasing dropped sharply due to the epidemic situation, and the profit from trading in the main business dropped sharply as not been engaged in trading business during the reporting period.
Total profit	-1,141.64	1,301.36	-187.73%	Mainly affected by the sharp decline in operating profit.
Net profit attributable to parent company	-582.71	1,038.19	-156.13%	Mainly affected by the sharp decline in total profit.

Net cash generated from used in operating activities	-8,458.52	2,356.72	-458.91%	Mainly due to the relatively large trade payment collected in the same period last year.
Net cash flow generated by investment activities	-80.92	-1,696.10	95.23%	Mainly due to the increase in the recovery of wealth management funds over the reporting period compared with the same period last year.
Net cash flow generated by financing activities	-40.05	-28,782.59	99.86%	Mainly due to the large repayment of bank loans in the same period last year.

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

√ Applicable □ Not applicable

(I) The progress of investment and construction of the polarized film industrialization project for ultra-large-size TVs (Line 7)

In order to meet the capital needs of Line 7 project construction, the "Proposal on the Company's Subsidiary Applying for Mortgage Loans from Banks" and the "Proposal on Providing Guarantee for the Mortgage Loans by the Company's Subsidiary" were reviewed and approved in the 28th meeting of the 7th Board of Directors of the Company, and in the Second Extraordinary Shareholders' Meeting of 2020, it reviewed and approved the "Proposal on Providing Guarantee for Subsidiary's Mortgage Loans", agreed that the subsidiary Shenzhen Shengbo Optoelectronics Technology Co., Ltd uses part of its self-owned properties to apply for a fixed asset loan of 800 million yuan from the syndicate with the lead bank of Bank of Communications Co., Ltd. Shenzhen Branch, with a term not exceeding 8 years and the specific terms and duration are subject to the actual signed loan contract; it's agreed that the Company provides a joint liability guarantee for the above loan matters at a 60% shareholding ratio, with the guarantee amount of 480 million yuan and it exempts the guarantee fee payable to the Company, as well as authorizing the Company's legal representative or its authorized representative to handle the above-mentioned guarantee matters on behalf of the Company and signing the guarantee contract and any other documents related to this guarantee; also it's agreed that the Company and the other guarantor- Hangzhou Jinjiang Group Co., Ltd stipulate the agreement for the related issues of the joint and several liability for the guarantee. For details, please refer to the Announcement of 2020-18, 2020-19 and 2020-22 on the website of <http://www.cninfo.com.cn>.

In order to meet the needs of downstream panel customers, improve the overall production efficiency of the Line 7 project and enhance the competitiveness of the enterprise, the subsidiary Shenzhen Shengbo Optoelectronics Technology Co., Ltd. invested an additional 147.20 million yuan in the Line 7 project to build an RTP production line and two RTS production lines, sources of the increase in investment funds will be self-owned funds and bank loans. For details, please refer to Announcement of 2020-25 on the website of <http://www.cninfo.com.cn>.

As of the disclosure date of this report, the Line 7 project has been completed the capping of the main plant and the manufacture of host equipment. At present, due to factors such as approval and the impact of the new coronavirus pneumonia epidemic, the progress of this project is expected to lag behind the original construction

plan by about 3 months. The company further strengthened the monitoring and management of budget, schedule, quality and other aspects, and rearranged the construction time node. It's estimated that the purification and decoration project will be completed by the end of July 2020, the installation of host equipment and the commissioning of a single host equipment will be completed by the end of December 2020, and the trial production will begin in January 2021.

As of March 31, 2020, the cumulative investment contract value of the Line 7 project was 1,444.3319 million yuan, and the actual payment was 977.7257 million yuan (using the raised funds of 409.9276 million yuan, and using its own funds and government funds of 567.7981 million yuan).

(II) Matters concerning the Company's involving arbitration and the subsidiary's' 2019 performance commitment compensation

On March 9, 2020, the Company received the 2020 Shen Guo Zhong Shou No. 452-2 "Arbitration Notice" and the "Arbitration Application" submitted by Hangzhou Jinjiang Group Co., Ltd. who is the applicant. The Company is the respondent for this arbitration. Hangzhou Jinjiang Group Co., Ltd. filed the arbitration request: 1. Ruling for making the following changes to the "Cooperation Agreement": (1) delete the original Article 3.1 of the "Cooperation Agreement", and the relevant outstanding rights and obligations will no longer be performed ; (2) Delete the original Article 6.4 of the "Cooperation Agreement", and the relevant rights and obligations that have not been fulfilled will no longer be performed; 2. The respondent shall be ruled to pay the arbitration fee in this case and the actual expenses of the arbitral tribunal. The applicant reserves the right to further modify the arbitration request. For details, please refer to the "Announcement on the Company's Involving Arbitration" on [\(http://www.cninfo.com.cn\)](http://www.cninfo.com.cn). (Announcement No.: 2020-07).

On March 26, 2020, the Company received the 2020 Shen Guo Zhong Shou No. 452-3 "Notice on Extending the Arbitrator's Appointment Period" delivered by the Shenzhen International Arbitration Court. Due to the complex disputes in this case and the special epidemic background, the applicant needs additional time to communicate with the respondent on the procedural matters in this case, therefore it applied to the Shenzhen International Arbitration Court to extend the time limit for the arbitrator appointed in this case. The Shenzhen International Arbitration Institute considered that the applicant's request was reasonable, and requested both parties to in written notify the Shenzhen International Arbitration Institute of the results of the appointment of the arbitrator before March 30, 2020. Therefore, the Company appoints an arbitrator within 15 days after receiving the arbitration notice on March 9, 2020, which is to extend to appoint an arbitrator before March 30, 2020, and notifies the Shenzhen International Arbitration Court of the result in writing. For details, please refer to the "Announcement on the Progress of the Company's Involving Arbitration" disclosed on [\(http://www.cninfo.com.cn\)](http://www.cninfo.com.cn). (Announcement No.: 2020-21).

As of March 30, 2020, both parties involved in the arbitration had notified the Shenzhen International Arbitration Court of the results of the selected arbitrators in accordance with the arbitration procedures. On April 17, 2020, the Company received the 2020 Shen Guo Zhong Shou No. 452-4 "Composition of Arbitration Tribunal" delivered by Shenzhen International Arbitration Court, stating the two sides have each appointed an arbitrator and jointly appointed a chief arbitrator, which on April 16, 2020 have formed an arbitration tribunal to hear the case.

As of the disclosure date of this report, the Company is in the stage of preparing the defense materials, and the arbitration has not yet been heard. In view of the uncertainty of the above-said of the Company's involved arbitration matters and the results of the arbitration, there will be uncertainty for Hangzhou Jinjiang Group Co., Ltd's commitment fulfillment to the Company's subsidiary Shenzhen Shengbo Optoelectronics Technology Co., Ltd. on the latter's 2019 annual performance commitment as it has not yet been fulfilled. The Company will continue to pay attention to the follow-up progress of this arbitration and timely fulfill its information disclosure

obligations.

(III) Progress of Guanhua Building

In order to further revitalize the Company's stock assets, concentrate resources to do the main business, and stimulate the vitality of the Company, in the 22nd meeting of the seventh session of the board of directors and the second extraordinary shareholders' general meeting of 2019 it approved the "Proposal on Transfer of Shenzhen Guanhua Printing & Dyeing Co., Ltd's 50.16% Equity ", agreeing that the Company transfers its holding of 50.16% of the Shenzhen Guanhua Printing & Dyeing Co., Ltd on the Shenzhen United Property Exchange at a price not less than the evaluation result of 340.4683 million yuan that's filed and approved by the state-owned assets management department . However, due to market reasons and changes in related conditions, after comprehensive consideration by the Company, the equity of Shenzhen Guanhua Printing & Dyeing Co., Ltd was not listed on the Shenzhen United Property Exchange. The Company will within the validity period of the subject equity evaluation report (to August 30, 2020) list the equity at a selected time according to market conditions and with combining with the actual operation of the Company. For details, please refer to the Announcement of 2019-55, 2019-63 and 2019-71 on the website of <http://www.cninfo.com.cn>.

As of the disclosure date of this report, the equity of Shenzhen Guanhua Printing & Dyeing Co., Ltd was not listed on the Shenzhen United Property Exchange.

Announcement	Date of disclosure	Website for disclosure
Matters concerning the Company's involving arbitration for its subsidiary's 2019 performance commitment compensation	March 11,2020	http://www.cninfo.com.cn . Announcement No.2020-07
	March 28,2020	http://www.cninfo.com.cn . Announcement No.2020-21
Matters concerning the Company providing guarantee for its subsidiary's bank mortgage loans applied.	March 18,2020	http://www.cninfo.com.cn . Announcement No.2020-18
	March 18,2020	http://www.cninfo.com.cn . Announcement No.2020-19
	April 7,2020	http://www.cninfo.com.cn . Announcement No.2020-22

Progress in the implementation of share repurchase

√ Applicable □ Not applicable

1. About the repurchase and cancellation of some restricted stocks namely the repurchase and cancellation of the first phase and the restricted stocks held by 3 original incentive objects

On June 4, 2019, the Company convened the 19th meeting of the 7th Board of Directors and the 13th meeting of the 7th Board of Supervisors, in which it examined and approved the Proposal on Repurchase and Cancellation of Some Restricted Stocks, agreed that the Company buys back and cancels the restricted stock-that does not meet the conditions for lifting the sales restriction in the first phase of 1,877,720 shares held by 116 incentive objects with a repurchase price of RMB 5.92 per share, and buys back and cancels the 58,000 restricted stocks held by the three original incentive subjects who left for personal reasons with a repurchase price of RMB 5.73 per share, thus a total of 1,935,720 restricted stocks shall be repurchased and cancelled.

On June 26, 2019, the Company held the 2018 Shareholders' Annual General Meeting, in which it reviewed and approved the "Proposal on the Repurchase of Some Restricted Stocks", agreed that the Company buys back and cancels the restricted stock-that does not meet the conditions for lifting the sales restriction in the first phase of 1,877,720 shares held by 116 incentive objects with a repurchase price of RMB 5.92 per share, and buys back and

cancels the 58,000 restricted stocks held by the three original incentive subjects who left for personal reasons with a repurchase price of RMB 5.73 per share, thus a total of 1,935,720 restricted stocks shall be repurchased and cancelled.

On September 12, 2019, for the above-mentioned restricted stock, the Company completed the repurchase and cancellation procedures at the China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

2. About the repurchase and cancellation of some restricted stocks namely the repurchase and cancellation of the restricted stocks held by the three original incentive objects

On December 30, 2019, the Company convened the twenty-fifth meeting of the seventh board of directors and the seventeenth meeting of the seventh board of supervisors in which he "Proposal on the Repurchase of Some Restricted Stocks" was approved, agreed that the Company buys back and cancels the 69,900 restricted stocks held by the three original incentive subjects who left for personal reasons with a repurchase price of RMB 5.73 per share.

On January 16, 2020, the Company held the first shareholders' extraordinary general meeting in 2020, in which it reviewed and approved the "Proposal on Repurchase of Some Restricted Stocks", and agreed that the Company buys back and cancels the 69,900 restricted stocks held by the three original incentive subjects who left for personal reasons with a repurchase price of RMB 5.73 per share. For the above-mentioned restricted stocks, it has not yet completed the repurchase and cancellation procedures at the China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

3. About the repurchase and cancellation of some restricted stocks namely the repurchase and cancellation of phase II restricted stocks and the restricted stocks held by the three original incentive objects

On March 12, 2020, the Company convened the 27th meeting of the 7th Board of Directors and the 19th meeting of the 7th Board of Supervisors, in which it reviewed and approved the "Proposal on the Repurchase of Some Restricted Stocks", agreed that the Company buys back and cancels the restricted stock of the Phase II-that does not meet the conditions for lifting the sales restriction in the second phase of 1,313,340 shares held by 110 incentive objects with a repurchase price of RMB 5.73 per share plus with the interest during the same period that the bank's deposit has, and buys back and cancels the 120,000 restricted stocks-granted but have not been lifted for sale-held by the three original incentive subjects who left for personal reasons with a repurchase price of RMB 5.73 per share, thus a total of 1,433,340 restricted stocks shall be repurchased and cancelled.

On April 3, 2020, the Company held the second extraordinary shareholders' general meeting of 2020, in which it reviewed and approved the "Proposal on the Repurchase of Some Restricted Stocks", agreed that the Company buys back and cancels the restricted stock-that does not meet the conditions for lifting the sales restriction in the second phase of 1,313,340 shares held by 110 incentive objects with a repurchase price of RMB 6.01 per share, and buys back and cancels the 120,000 restricted stocks held by the three original incentive subjects who left for personal reasons with a repurchase price of RMB 5.73 per share, thus a total of 1,433,340 restricted stocks shall be repurchased and cancelled. The afore-mentioned restricted stocks have not yet completed the repurchase and cancellation procedures at the China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

Progress in the implementation of the reduction of the repurchased shares by means of centralized bidding

☐ Applicable ☒ Not applicable

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

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 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.	August 4, 2006	Sustained and effective	Under Fulfillment
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 non-public stocks in 2009. Pursuant to the Letter of Commitment and Statement, Shenzhen Investment Holdings Co., Ltd. and its wholly owned	October 9, 2009	Sustained and effective	Under Fulfillment

			<p>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 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 companies that have actual control of it and Shenzhen Textile, Shenzhen Textile shall have priority.</p>			
	Shenzhen Investment Holdings Co., Ltd.	Commitments on horizontal competition, related transaction and capital occupation	<p>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</p>	July 14, 2012	Sustained and effective	Under Fulfillment

			<p>or other enterprises owned the actual control 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 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>			
Equity incentive commitment	Shenzhen Textile(Holdings) Co., Ltd.	Other commitment	<p>1.The company undertakes not to provide loans, loan guarantees, and any other forms of financial assistance to the incentive objects for obtaining the restricted stocks in the incentive plan; 2. The company undertakes that there is no circumstance that the stock incentive shall be prohibited as stipulated in the provisions of</p>	November 27,2017	December 27,2021	Under Fulfillment

			Article 7 of the “Measures for the Management of Stock Incentives of Listed Companies”.			
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	Not applicable					

IV. Investment in securities

☐ Applicable ☒ Not applicable

No securities investment in period.

V. Entrusted Financial Management

☒ Applicable ☐ Not applicable

In RMB 10,000

Type	Capital resources	Amount for entrust	Undue balance	Overdue amount
Bank financing product	Self funds	65,000	53,000	0
Total		65,000	53,000	0

The detailed information of entrusted wealth-management with significant amount or low safety, poor liquidity or high risk with no promise of principal

☒ Applicable ☐ Not applicable

In RMB10,000

Name of Trustee Organization (or Trustee)	Type of Trustee Organization (or Trustee)	Product Type	Amount	Capital Source	Start Date	Expiry Date	Funds Allocation	Method of Reward Determination	Reference Annualized Rate of Return	Expected Income (if any)	Actual profit and loss during the reporting	The actual recovery of profit and loss during	Amount of provision for impairment (if any)	Whether passed the statutory procedure	Whether there is any entrusted financial	Summary of events and related search index
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e Name)											period	the reporting period			plan in the future	(if any)
SPD Bank Co., ltd. Fenghuang Building Branch	Bank	Structure Deposit	28,000	Self funds	February 5, 2020	August 3, 2020	Bank financial products	Due payment at a time	3.85%	539		Not yet due			Yes	Not applicable
SPD Bank Co., ltd. Fenghuang Building Branch	Bank	Structure Deposit	12,000	Self funds	March 12, 2020	September 14, 2020	Bank financial products	Due payment at a time	3.85%	233.57		Not yet due			Yes	Not applicable
Total			40,000	--	--	--	--	--	--	772.57	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

VI. Investments in derivatives

☐ Applicable ☒ Not applicable

There is no derivative investment during the report period.

VII. 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.

VIII. Outward Guarantee against the Regulations

☐ Applicable ☒ Not applicable

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

IX. 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

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

April 30, 2020