

Shenzhen Textile (Holdings) Co., Ltd.

The First Quarterly Report 2019



April 2019

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.

Other directors attending the Meeting for annual report deliberation except for the followed:

Name of director absent	Title for absent director	Reasons for absent	Attorney
Zhu Jun	Chairman	Working reason	Zhu Meizhu

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 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)	592,839,958.12	221,307,388.08	167.88%
Net profit attributable to the shareholders of the listed company (RMB)	10,381,938.06	5,616,717.00	84.84%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	7,034,190.76	-4,641,384.38	251.55%
Cash flow generated by business operation, net (RMB)	23,567,172.13	-35,263,573.85	166.83%
Basic earning per share(RMB/Share)	0.0203	0.0110	84.55%
Diluted gains per share(RMB/Share)(RMB/Share)	0.0203	0.0110	84.55%
Weighted average ROE(%)	0.43%	0.23%	0.20%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets (RMB)	4,504,910,782.68	4,619,203,416.79	-2.47%
Net assets attributable to the shareholders of the listed company (RMB)	2,532,932,438.75	2,373,329,991.86	6.72%

Items and amount of non-current gains and losses

☒ Applicable ☐ Not applicable

In RMB

End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-638.80	

Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	5,552,132.00	
Other non-operating income and expenditure except for the aforementioned items	3,080.57	
Less: Amount of influence of income tax	25,005.06	
Amount of influence of minority interests (After tax)	2,181,821.41	
Total	3,347,747.30	--

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		35,689	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	0		
Shenzhen Shenchao Technology Investment Co., Ltd.	State-owned Legal person	3.15%	16,129,032	0		
Sun Huiming	Domestic Nature person	0.63%	3,224,767	0		
Li Songqiang	Domestic Nature person	0.56%	2,873,078	0		
Zheng Junsheng	Domestic Nature person	0.36%	1,830,000	0		
Kuang Guowei	Domestic Nature person	0.28%	1,453,000	0		
Hong Fan	Domestic Nature person	0.26%	1,328,900	0		
Zhu Ye	Domestic Nature person	0.22%	1,134,145	0		
Li Zengmao	Domestic Nature person	0.22%	1,101,200	0		
Xiong Yan	Domestic Nature person	0.20%	1,000,000	0		
Shareholding of top 10 shareholders of unrestricted shares						
Name of the shareholder		Quantity of unrestricted shares held at the end of the			Share type	

	reporting period	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
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
Zheng Junsheng	1,830,000	RMB Common shares	1,830,000
Kuang Guowei	1,453,000	RMB Common shares	1,453,000
Hong Fan	1,328,900	RMB Common shares	1,328,900
Zhu Ye	1,134,145	RMB Common shares	1,134,145
Li Zengmao	1,101,200	RMB Common shares	1,101,200
Xiong Yan	1,000,000	RMB Common shares	1,000,000
Related or acting-in-concert parties among shareholders above	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.		
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 1,031,945 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 ending balance of Construction in process Increased by RMB 10.2946 million and 65.90% over beginning of period, Mainly because of the current investment increase in the line 7 of polarizer;
- 2.The ending balance of Short-term loans decreased by RMB 285.5699 million and 69.39% over beginning of period, Mainly because that the current repayment of short-term loans leads to a decrease in the balance of short-term loans;
- 3.Operation revenue in current period increased by RMB371.5326 million and 167.88% year on year, Mainly because that current settlement of trade transactions leads to income increases;
4. Business costs in current period increased by RMB351.4396 million and 174.49% year on year, Mainly because that current settlement of trade transactions leads to income increases;
5. Asset impairment loss in current period increased by RMB 3.2958 million and 112.40% year on year, Mainly because that withdrawing inventory falling price reserves increase;
- 6.Investment gains in current period decreased by RMB 12.2767 million and 94.52% year on year, Mainly because that there is no trust investment in the period, and the investment income decreases accordingly;
- 7.Operating income in current period increased by RMB 5.9472 million and 84.19 % year on year, Mainly because that current settlement of trade transactions affects profit of the period;
8. The net cash flows from operating activities in current period increased by RMB 58.8307 million and 166.83% year on year, Mainly because that the payment for goods has increased compared with last year;
9. The net cash flows from financing activities in current period decreased by RMB297.7814 million and 2,991.13% year on year, Mainly because that repayment of bank loans has increased compared with the same period;
10. The net cash flows from investment activities in current period decreased by RMB 413.4722million and 96.06% year on year, Mainly because that the amount of funds recovered from matured finance products in the current period has decreased compared with the previous period.

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

√ Applicable □ Not applicable

(1) Progress in Investment and Construction of Polarizer Industrialization Project (Line 7) for Ultra-Large-Size Television

During the reporting period, the project of Line 7 has completed the signing of construction contracts for extension machines, AGV, coated pressure sensors and wastewater treatment equipment, and the civil engineering construction of Line 7 began on April 18, 2019. As of March 31, 2019, the project of Line 7 has actually paid 354.307 million yuan for investment (157.627 million yuan for raising funds, 196.675 million yuan for self-owned funds and government funds).

(2) The termination of Shengbo Optoelectronic Company's introduction of strategic investors

The company held the Twelfth Meeting of the seventh board of directors on June 1, 2018. It considered and

adopted the Bill on Shenzhen Shengbo Photoelectric Technology Co., Ltd. to increase capital and share to introduce strategic investors. It agreed that Shengbo Photoelectric Company, a subsidiary company, would increase capital and share by adding capital and taking the results of assets assessment as the basis, and in accordance with the regulation of state-owned assets, conduct joint property rights transactions in Shenzhen. No more than five strategic investors are publicly recruited and the final strategic investors are determined through competitive negotiations. See Bulletin No. 2018-24 of Giant Tide Information Network (<http://www.cninfo.com.cn>).

During the promotion of Shengbo Photoelectric Company's introduction of strategic investors, the company actively consulted with interested investors to increase capital. However, due to the changes of domestic investment environment and financial policy, the capital of financial market tends to be tense, investors' investment decisions tend to be cautious, and the cooperation conditions of intending investors, the company continued to promote Shengbo Photoelectric Company's introduction of capital expansion. Strategic investors are faced with greater uncertainty. In view of the fact that the company has not yet reached an agreement with any interested investors on specific capital increase cooperation, and taking into account the above factors, the company held the 16th meeting of the seventh board of directors on January 29, 2019, and considered and adopted the Bill on the Subsidiary Shengbo Photoelectric Technology Co., Ltd. to terminate capital increase and share increase to introduce strategic investors. The company agreed to terminate Shengboguang, the subsidiary. The introduction of strategic investor issues in electricity capital increase and stock expansion. See Bulletin No. 2019-02 and No. 2019-03 of Juchao Information Network (<http://www.cninfo.com.cn>) for details.

(3) Matters relating to capital increase and related transactions of Shenzhen Guanhua Printing and Dyeing Co., Ltd.

In order to smooth the equity relationship between Shenzhen Guanhua Printing and Dyeing Co., Ltd. and Guanhua Building, the company and Qiaohui Industrial Co., Ltd. signed an equity transfer agreement to transfer 5.16% of the shares of Shenzhen Guanhua Printing and Dyeing Co., Ltd. and completed the equity transfer. After the transfer, the company and Qiaohui Industrial Co., Ltd. hold 50.16% and 49.84% of the shares of Shenzhen Guanhua Printing and Dyeing Co., Ltd. On February 28, 2019, in order to improve the investment obligations of the shareholders of Shenzhen Guanhua Printing and Dyeing Co., Ltd., the company and Qiaohui Industrial Co., Ltd. increased the capital of Shenzhen Guanhua Printing and Dyeing Co., Ltd. according to the proportion of 50.16% and 49.84% of the rights and interests occupied by the buildings of Guanhua Building, respectively, and the corresponding evaluation value of the buildings of Guanhua Building was 49.9351 million yuan and 49.616 million yuan. Shenzhen Guanhua Printing and Dyeing Co., Ltd. signed the Capital Increase Agreement with Qiaohui Industry Co., Ltd. and Shenzhen Guanhua Printing and Dyeing Co., Ltd. After the capital increase is completed, Shenzhen Guanhua Printing and Dyeing Co., Ltd. is an enterprise jointly controlled by the company and Qiaohui Industry Co., Ltd. See the announcement of Juchao Information Network (<http://www.cninfo.com.cn>) Co., Ltd. 2019-07. Up to the disclosure date of this report, Shenzhen Guanhua Printing and Dyeing Co., Ltd. has obtained the "Real Property Registration Certificate" of Guanhua Building, and the registration procedures for the change of shareholding rights and the increase of registered capital have been completed.

Announcement	Date of disclosure	Website for disclosure
Matters on the end of capital and share increase and introduction of strategic investors to the subsidiary SAPO Photoelectric	January 30, 2019	http://www.cninfo.com.cn . Announcement No. 2019-03
Matters on the capital increase and related	March 1, 2019	http://www.cninfo.com.cn . Announcement

transactions of the joint stock company, Shenzhen Guanhua Printing & Dyeing Co., Ltd.		No.2019-07
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Progress in the implementation of share repurchase

☐ Applicable ☒ Not applicable

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	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.	October 9, 2009	Sustained and effective	Under Fulfillment

		n, related transaction and capital occupation	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 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.			
	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 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	July 14, 2012	Sustained and effective	Under Fulfillment

			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.			
Equity incentive commitment	Shenzhen Textile(Holdings) Co., Ltd.	Other commitment	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 Article 7 of the “Measures for the Management of Stock Incentives of Listed Companies”.	November 27,2017	December 27,2021	Under Fulfillment
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. Prediction of Business performance for January- June 2019

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. 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

IV. Financial Statement

I. Financial statement

1. Consolidated balance sheet

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

In RMB

Items	March 31,2019	December 31,2018
Current asset :		
Monetary fund	860,326,997.97	1,141,759,374.60
Settlement provision		
Outgoing call loan		
Transactional financial assets	540,000,000.00	
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable & account receivable	548,442,532.55	529,340,447.65
Including: Notes receivable	24,452,890.12	886,432.06
Account receivable	523,989,642.43	528,454,015.59
Prepayments	235,555,949.47	229,028,791.15
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other account receivable	13,155,345.66	14,846,896.50
Including: Interest receivable	3,902,071.05	5,589,704.44
Dividend receivable		
Repurchasing of financial assets		
Inventories	417,089,636.31	439,752,718.77
Contract assets		
Assets held for sales		
Non-current asset due within 1 year		
Other current asset	86,425,394.98	639,797,959.30
Total of current assets	2,700,995,856.94	2,994,526,187.97
Non-current assets:		

Loans and payment on other's behalf disbursed		
Debt investment		
Available for sale of financial assets		45,373,784.87
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	32,528,437.45	32,952,085.66
Other equity instruments investment	243,903,927.22	
Other non-current financial assets		
Property investment	166,052,770.24	167,997,941.98
Fixed assets	960,579,366.16	987,876,247.55
Construction in progress	25,915,905.51	15,621,286.64
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	37,527,987.70	37,880,815.85
Development expenses		
Goodwill		
Long-germ expenses to be amortized	1,762,633.02	1,486,209.03
Deferred income tax asset	6,191,239.43	6,036,198.23
Other non-current asset	329,452,659.01	329,452,659.01
Total of non-current assets	1,803,914,925.74	1,624,677,228.82
Total of assets	4,504,910,782.68	4,619,203,416.79
Current liabilities		
Short-term loans	125,952,243.71	411,522,111.40
Loan from Central Bank		
Borrowing funds		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable & account payable	223,665,516.60	180,239,452.90
Advance receipts	41,025,628.99	120,702,951.37

Selling of repurchased financial assets		
Deposit taking and interbank deposit		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	23,997,639.28	32,506,267.08
Tax payable	27,864,165.63	7,745,128.99
Other account payable	219,868,921.58	229,015,279.98
Including: Interest payable	38,699,208.95	
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		
Contract Liabilities		
Liabilities held for sales		
Non-current liability due within 1 year	40,000,000.00	40,000,000.00
Other current liability		
Total of current liability	702,374,115.79	1,021,731,191.72
Non-current liabilities:		
Reserve fund for insurance contracts		
Long-term loan		
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Expected liabilities		
Deferred income	134,874,431.51	137,991,698.33
Deferred income tax liability	49,632,535.58	
Other non-current liabilities		
Total non-current liabilities	184,506,967.09	137,991,698.33
Total of liability	886,881,082.88	1,159,722,890.05
Owners' equity		
Share capital	511,274,149.00	511,274,149.00
Other equity instruments		
Including: preferred stock		

Sustainable debt		
Capital reserves	1,865,716,983.63	1,865,716,983.63
Less: Shares in stock	27,230,679.00	27,230,679.00
Other comprehensive income	150,559,717.24	1,339,208.41
Surplus reserves	80,004,803.23	80,004,803.23
Common risk provision		
Retained profit	-47,392,535.35	-57,774,473.41
Total of owner's equity belong to the parent company	2,532,932,438.75	2,373,329,991.86
Minority shareholders' equity	1,085,097,261.05	1,086,150,534.88
Total of owners' equity	3,618,029,699.80	3,459,480,526.74
Total of liabilities and owners' equity	4,504,910,782.68	4,619,203,416.79

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

2.Parent Company Balance Sheet

In RMB

Items	March 31,2019	December 31,2018
Current asset :		
Monetary fund	73,507,776.59	85,416,567.74
Transactional financial assets	520,000,000.00	
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Notes receivable & account receivable	264,304.35	541,948.21
Including: Notes receivable		
Account receivable	264,304.35	541,948.21
Prepayments	19,288.46	17,436.00
Other account receivable	12,880,829.88	13,856,382.02
Including: Interest receivable	3,612,997.28	4,974,799.47
Dividend receivable		
Inventories		
Contract assets		
Assets held for sales		

Non-current asset due within 1 year		
Other current asset		500,000,000.00
Total of current assets	606,672,199.28	599,832,333.97
Non-current assets:		
Debt investment		
Available for sale of financial assets		15,373,784.87
Other investment on bonds		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	1,996,752,204.06	1,997,175,852.27
Other equity instruments investment	201,938,936.05	
Other non-current financial assets		
Property investment	159,254,652.64	161,053,628.71
Fixed assets	26,125,475.97	26,565,399.91
Construction in progress		
Production physical assets		
Oil & gas assets		
Use right assets		
Intangible assets	912,142.23	1,012,374.75
Development expenses		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset	5,819,498.51	5,818,069.48
Other non-current asset		
Total of non-current assets	2,390,802,909.46	2,206,999,109.99
Total of assets	2,997,475,108.74	2,806,831,443.96
Current liabilities		
Short-term loans		
Transactional financial liabilities		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Notes payable & account payable	411,743.57	411,743.57
Advance receipts	639,024.58	639,024.58

Contract Liabilities		
Employees' wage payable	6,769,698.33	9,760,306.51
Tax payable	6,171,182.87	5,494,627.33
Other account payable	138,108,180.68	141,746,352.67
Including: Interest payable		
Dividend payable		
Liabilities held for sales		
Non-current liability due within 1 year		
Other current liability		
Total of current liability	152,099,830.03	158,052,054.66
Non-current liabilities:		
Long-term loan		
Bond payable		
Including: preferred stock		
Sustainable debt		
Lease liability		
Long-term payable		
Expected liabilities		
Deferred income	675,000.00	700,000.00
Deferred income tax liability	46,641,287.79	
Other non-current liabilities		
Total non-current liabilities	47,316,287.79	700,000.00
Total of liability	199,416,117.82	158,752,054.66
Owners' equity		
Share capital	511,274,149.00	511,274,149.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,599,025,454.96	1,599,025,454.96
Less: Shares in stock	27,230,679.00	27,230,679.00
Other comprehensive income	141,585,973.86	1,339,208.41
Surplus reserves	80,004,803.23	80,004,803.23
Retained profit	493,399,288.87	483,666,452.70
Total of owners' equity	2,798,058,990.92	2,648,079,389.30

Total of liabilities and owners' equity	2,997,475,108.74	2,806,831,443.96
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3.Consolidated Income statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	592,839,958.12	221,307,388.08
Including: Business income	592,839,958.12	221,307,388.08
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	586,092,361.89	231,890,134.62
Including: Business cost	552,851,788.11	201,412,228.67
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net amount of withdrawal of insurance contract reserve		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	1,880,024.43	1,875,292.08
Sales expense	2,328,903.70	1,836,791.12
Administrative expense	18,595,131.28	20,787,649.63
R & D costs	8,758,585.41	3,858,889.94
Financial expenses	-4,550,101.37	-812,983.29
Including: Interest expense	2,542,219.74	1,106,001.36
Interest income	7,184,494.24	5,834,428.82
Asset impairment loss	6,228,030.33	2,932,266.47
Credit impairment loss		
Add: Other income	5,552,132.00	4,658,570.00
Investment gain ("-"for loss)	711,449.73	12,988,132.73
Including: investment gains from affiliates	253,449.73	189,606.88
Gains from currency exchange		
Net exposure hedging income		

Changing income of fair value		
Income on disposal of assets		
III. Operational profit (“-”for loss)	13,011,177.96	7,063,956.19
Add : Non-operational income	3,080.57	61,695.20
Less: Non-operating expense	638.80	144,103.41
IV. Total profit (“-”for loss)	13,013,619.73	6,981,547.98
Less: Income tax expenses	3,441,962.36	3,228,986.18
V. Net profit	9,571,657.37	3,752,561.80
(I) Classification by business continuity		
1.Net continuing operating profit	9,571,657.37	3,752,561.80
2.Termination of operating net profit		
(II) Classification by ownership		
Net profit attributable to the owners of parent company	10,381,938.06	5,616,717.00
Minority shareholders’ equity	-810,280.69	-1,864,155.20
VI. Net after-tax of other comprehensive income	1,844,380.73	-1,338,011.64
Net of profit of other comprehensive income attributable to owners of the parent company.	1,844,380.73	-1,338,011.64
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	1,521,478.67	
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.		
3. Changes in the fair value of investments in other equity instruments	1,521,478.67	
4. Changes in the fair value of the company’s credit risks		
5.Other		
(II)		
Other comprehensive income that will be reclassified into profit or loss.	322,902.06	-1,338,011.64
1.Other comprehensive income under the equity		

method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		-709,727.75
4. Other comprehensive income arising from the reclassification of financial assets		
5. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements	322,902.06	-628,283.89
9. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	11,416,038.10	2,414,550.16
Total comprehensive income attributable to the owner of the parent company	12,226,318.79	4,278,705.36
Total comprehensive income attributable minority shareholders	-810,280.69	-1,864,155.20
VIII. Earnings per share		
(I) Basic earnings per share	0.0203	0.0110
(II) Diluted earnings per share	0.0203	0.0110

If there are entities merged under common control, their net profit realized before the merger were totaled to RMB***. While it was RMB*** previous period.

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

4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Revenue	16,985,644.24	16,418,067.39

Including: Business cost	2,743,322.90	2,319,453.78
Business tax and surcharge	704,906.47	682,141.89
Sales expense		
Administrative expense	6,038,113.39	6,237,078.40
R & D costs		
Financial expenses	-4,593,263.22	-3,835,518.39
Including: Interest expenses		
Interest income	4,588,892.26	3,825,014.60
Asset impairment loss	5,716.11	-15,381.82
Credit impairment loss		
Add: Other income	25,000.00	25,000.00
Investment gain (“-”for loss)	711,449.73	439,606.88
Including: investment gains from affiliates	253,449.73	189,606.88
Net exposure hedging income		
Changing income of fair value		
Income on disposal of assets		
II. Operational profit (“-”for loss)	12,823,298.32	11,494,900.41
Add : Non-operational income		55,006.21
Less: Non -operational expenses		
III. Total profit (“-”for loss)	12,823,298.32	11,549,906.62
Less: Income tax expenses	3,090,462.15	2,840,074.94
IV. Net profit	9,732,836.17	8,709,831.68
1.Net continuing operating profit	9,732,836.17	8,709,831.68
2.Termination of operating net profit		
V. Net after-tax of other comprehensive income	1,844,380.73	-1,338,011.64
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	1,521,478.67	
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.		

3. Changes in the fair value of investments in other equity instruments	1,521,478.67	
4. Changes in the fair value of the company's credit risks		
5. Other		
(II) Other comprehensive income that will be reclassified into profit or loss.	322,902.06	-1,338,011.64
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Gains and losses from changes in fair value available for sale financial assets		-709,727.75
4. Other comprehensive income arising from the reclassification of financial assets		
5. Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
6. Allowance for credit impairments in investments in other debt obligations		
7. Reserve for cash flow hedges		
8. Translation differences in currency financial statements	322,902.06	-628,283.89
9. Other		
VI. Total comprehensive income	11,577,216.90	7,371,820.04
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I. Cash flows from operating activities		
Cash received from sales of goods or	537,417,923.43	255,065,638.60

rendering 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 amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received by agent in securities trading		
Tax returned	4,225,844.89	11,904,252.09
Other cash received from business operation	25,717,072.62	30,675,645.79
Sub-total of cash inflow	567,360,840.94	297,645,536.48
Cash paid for purchasing of merchandise and services	486,838,549.63	243,676,008.15
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in financial assets held for trading purposes		
Net increase for Outgoing call loan		
Cash paid for interest, processing fee		

and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	44,358,670.67	41,183,931.63
Taxes paid	7,526,108.43	20,200,074.43
Other cash paid for business activities	5,070,340.08	27,849,096.12
Sub-total of cash outflow from business activities	543,793,668.81	332,909,110.33
Net cash generated from /used in operating activities	23,567,172.13	-35,263,573.85
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	808,000.00	999,984.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	13,500.00	2,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	546,287,467.47	515,781,261.16
Sub-total of cash inflow due to investment activities	547,108,967.47	516,783,245.16
Cash paid for construction of fixed assets, intangible assets and other long-term assets	24,070,004.42	137,216,482.28
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	540,000,000.00	810,000,000.00
Sub-total of cash outflow due to investment activities	564,070,004.42	947,216,482.28
Net cash flow generated by investment	-16,961,036.95	-430,433,237.12
III. Cash flow generated by financing		
Cash received as investment		
Including: Cash received as investment from minor shareholders		

Cash received as loans	47,292,713.22	95,971,462.72
Cash received from bond placing		
Other financing –related cash received	2,449,910.31	
Sub-total of cash inflow from financing activities	49,742,623.53	95,971,462.72
Cash to repay debts	335,312,491.22	85,831,505.96
Cash paid as dividend, profit, or interests	2,256,037.46	
Including: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities		184,487.96
Sub-total of cash outflow due to financing activities	337,568,528.68	86,015,993.92
Net cash flow generated by financing	-287,825,905.15	9,955,468.80
IV. Influence of exchange rate alternation on cash and cash equivalents	-202,991.44	-1,014,369.39
V.Net increase of cash and cash equivalents	-281,422,761.41	-456,755,711.56
Add: balance of cash and cash equivalents at the beginning of term	1,133,574,235.22	1,161,240,139.33
VI ..Balance of cash and cash equivalents at the end of term	852,151,473.81	704,484,427.77

6. Cash Flow Statement of the Parent Company

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	17,791,493.02	16,719,611.00
Tax returned		
Other cash received from business operation	3,191,898.36	4,054,432.86
Sub-total of cash inflow	20,983,391.38	20,774,043.86
Cash paid for purchasing of merchandise and services	713,323.12	860,394.62
Cash paid to staffs or paid for staffs	6,956,497.78	5,619,694.30

Taxes paid	4,564,642.70	2,029,647.11
Other cash paid for business activities	1,249,003.15	1,775,182.86
Sub-total of cash outflow from business activities	13,483,466.75	10,284,918.89
Net cash generated from /used in operating activities	7,499,924.63	10,489,124.97
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	808,000.00	999,984.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received	506,287,467.47	
Sub-total of cash inflow due to investment activities	507,095,467.47	999,984.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	6,504,183.25	428,575.70
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities	520,000,000.00	10,000,000.00
Sub-total of cash outflow due to investment activities	526,504,183.25	10,428,575.70
Net cash flow generated by investment	-19,408,715.78	-9,428,591.70
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	-11,908,791.15	1,060,533.27
Add: balance of cash and cash equivalents at the beginning of term	85,416,567.74	413,700,327.95
VI ..Balance of cash and cash equivalents at the end of term	73,507,776.59	414,760,861.22

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Financial Instruments, Revenue or Leases

√ Applicable □ Not applicable

Consolidated balance sheet

In RMB

Items	December 31,2018	January 1,2019	Adjustment
Current asset :			
Monetary fund	1,141,759,374.60	1,141,759,374.60	
Transactional financial assets	Not applicable	540,000,000.00	540,000,000.00
Notes receivable & account receivable	529,340,447.65	529,340,447.65	
Including : Notes receivable	886,432.06	886,432.06	
Account receivable	528,454,015.59	528,454,015.59	
Prepayments	229,028,791.15	229,028,791.15	
Other account receivable	14,846,896.50	14,846,896.50	
Including: Interest receivable	5,589,704.44	5,589,704.44	
Dividend receivable	439,752,718.77	439,752,718.77	

Other current asset	639,797,959.30	99,797,959.30	-540,000,000.00
Total of current assets	2,994,526,187.97	2,994,526,187.97	
Non-current assets:			
Available for sale of financial assets	45,373,784.87	Not applicable	-45,373,784.87
Long term share equity investment	32,952,085.66	32,952,085.66	
Other equity instruments investment	Not applicable	241,875,289.00	241,875,289.00
Property investment	167,997,941.98	167,997,941.98	
Fixed assets	987,876,247.55	987,876,247.55	
Construction in progress	15,621,286.64	15,621,286.64	
Intangible assets	37,880,815.85	37,880,815.85	
Long-term expenses to be amortized	1,486,209.03	1,486,209.03	
Deferred income tax asset	6,036,198.23	6,036,198.23	
Other non-current asset	329,452,659.01	329,452,659.01	
Total of non-current assets	1,624,677,228.82	1,821,178,732.95	196,501,504.13
Total of assets	4,619,203,416.79	4,815,704,920.92	196,501,504.13
Current liabilities			
Short-term loans	411,522,111.40	411,522,111.40	
Notes payable & account payable	180,239,452.90	180,239,452.90	
Advance receipts	120,702,951.37	120,702,951.37	
Employees' wage payable	32,506,267.08	32,506,267.08	
Tax payable	7,745,128.99	7,745,128.99	
Other account payable	229,015,279.98	229,015,279.98	
Non-current liability due within 1 year	40,000,000.00	40,000,000.00	
Total of current liability	1,021,731,191.72	1,021,731,191.72	
Non-current liabilities:			
Deferred income	137,991,698.33	137,991,698.33	
Deferred income tax liabilities		49,125,376.03	49,125,376.03
Total non-current liabilities	137,991,698.33	187,117,074.36	49,125,376.03
Total of liability	1,159,722,890.05	1,208,848,266.08	49,125,376.03

Owners' equity			
Share capital	511,274,149.00	511,274,149.00	
Capital reserves	1,865,716,983.63	1,865,716,983.63	
Less: Shares in stock	27,230,679.00	27,230,679.00	
Other comprehensive income	1,339,208.41	148,715,336.51	147,376,128.10
Surplus reserves	80,004,803.23	80,004,803.23	
Retained profit	-57,774,473.41	-57,774,473.41	
Total of owner's equity belong to the parent company	2,373,329,991.86	2,520,706,119.96	147,376,128.10
Minority shareholders' equity	1,086,150,534.88	1,086,150,534.88	
Total of owners' equity	3,459,480,526.74	3,606,856,654.84	147,376,128.10
Total of liabilities and owners' equity	4,619,203,416.79	4,815,704,920.92	196,501,504.13

Adjustment statement

Parent Company Balance Sheet

In RMB

Items	December 31,2018	January 1,2019	Adjustment
Current asset :			
Monetary fund	85,416,567.74	85,416,567.74	
Transactional financial assets	Not applicable	500,000,000.00	500,000,000.00
Notes receivable & account receivable	541,948.21	541,948.21	
Account receivable	541,948.21	541,948.21	
Prepayments	17,436.00	17,436.00	
Other account receivable	13,856,382.02	13,856,382.02	
Including: Interest receivable	4,974,799.47	4,974,799.47	
Other current asset	500,000,000.00		-500,000,000.00
Total of current assets	599,832,333.97	599,832,333.97	
Non-current assets:			
Available for sale of financial assets	15,373,784.87	Not applicable	-15,373,784.87
Long term share equity investment	1,997,175,852.27	1,997,175,852.27	
Other equity instruments	Not applicable	199,910,297.83	199,910,297.83

investment			
Property investment	161,053,628.71	161,053,628.71	
Fixed assets	26,565,399.91	26,565,399.91	
Intangible assets	1,012,374.75	1,012,374.75	
Deferred income tax asset	5,818,069.48	5,818,069.48	
Other non-current asset	2,206,999,109.99	2,391,535,622.95	184,536,512.96
Total of non-current assets	2,806,831,443.96	2,991,367,956.92	184,536,512.96
Total of assets			
Notes payable & account payable	411,743.57	411,743.57	
Advance receipts	639,024.58	639,024.58	
Employees' wage payable	9,760,306.51	9,760,306.51	
Tax payable	5,494,627.33	5,494,627.33	
Other current liability	141,746,352.67	141,746,352.67	
Total of current liability	158,052,054.66	158,052,054.66	
Non-current liabilities:			
Deferred income	700,000.00	700,000.00	
Deferred income tax liabilities		46,134,128.24	46,134,128.24
Total non-current liabilities	700,000.00	46,834,128.24	46,134,128.24
Total of liability	158,752,054.66	204,886,182.90	46,134,128.24
Owners' equity			
Share capital	511,274,149.00	511,274,149.00	
Capital reserves	1,599,025,454.96	1,599,025,454.96	
Less: Shares in stock	27,230,679.00	27,230,679.00	
Other comprehensive income	1,339,208.41	139,741,593.13	138,402,384.72
Surplus reserves	80,004,803.23	80,004,803.23	
Retained profit	483,666,452.70	483,666,452.70	
Total of owners' equity	2,648,079,389.30	2,786,481,774.02	138,402,384.72
Total of liabilities and owners' equity	2,806,831,443.96	2,991,367,956.92	184,536,512.96

Adjustment statement

In 2017, the Ministry of Finance promulgated revised Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments (CK [2017] No.7), Accounting Standards for Business Enterprises No.23 - Transfer of Financial Assets (CK [2017] No.8), Accounting Standards for Business Enterprises No.24 - Hedge Accounting (CK [2017] No.9) and Accounting Standards for Business Enterprises

No.37 - Presentation of Financial Instruments (CK [2017] No.14). The Company will implement the above-mentioned new financial accounting standards from 2019 onwards in January 1.

2. Retrospective Restatement of Previous Comparative Data due to the First Execution of any New Standards Governing Financial Instruments or Leases

☐ Applicable ☒ Not applicable

III. Auditor' report

Is the First Quarterly Report be audited?

☐ Yes ☒ No

The First Quarterly report is not audited.

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

April 27,2019