

Stock code: 000045,200045 Stock Abbreviation: Shen Textile A,Shen Textile B Announcement No.: 2017-50

Shenzhen Textile (Holdings) Co., Ltd.

The Third Quarterly Report 2017

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 Mrs. 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. Main financial data and changes of shareholders

(1) Main financial data and financial index

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

Yes No

	As at the end of the reporting period	As at the end of last year	Changed (%) over end of prev. year	
Gross assets (RMB)	4,090,812,137.82	4,119,586,266.47	-0.70%	
Net assets attributable to the shareholders of the listed company (RMB)	2,372,792,289.14	2,339,554,176.31	1.42%	
	Reporting period	Increase/decrease over the same period of last year (%)	Between beginning of the year to the end of the report period	Changed (%) over end of prev. year
Operating income (RMB)	331,001,389.67	8.27%	1,070,339,146.54	24.77%
Net profit attributable to the shareholders of the listed company (RMB)	19,241,712.46	186.17%	33,699,554.09	164.28%

Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	10,458,557.56	136.41%	6,172,371.21	110.10%
Cash flow generated by business operation, net (RMB)	--	--	-212,907,824.15	-338.46%
Basic earning per share(RMB/Share)	0.04	200.00%	0.07	170.00%
Diluted gains per share(RMB/Share)(RMB/Share)	0.04	200.00%	0.07	170.00%
Weighted average income/asset ratio (%)	0.81%	1.85%	1.43%	3.87%

Items and amount of non-current gains and losses

Applicable Not applicable

In RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-1,891.59	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	7,044,206.96	
Gain/loss on entrusting others with investment or asset management	34,608,333.31	
Gain/loss on Contingent events irrelevant to the Company's normal business	418,132.96	
Other non-business income and expenditures other than the above	5,321,327.72	
Less :Influenced amount of income tax	1,795,610.24	
Influenced amount of minor shareholders' equity (after tax)	18,067,316.24	
Total	27,527,182.88	--

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		40,954	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)		0	
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	46.21%	234,069,436	0		
Shenzhen Shenchao Technology Investment Co., Ltd.	State-owned Legal person	3.18%	16,129,032	0		
Sun Huiming	Domestic Nature person	0.47%	2,396,826	0		
Liu Dongxia	Domestic Nature person	0.30%	1,523,900	0		
Su Yunze	Domestic Nature person	0.28%	1,401,500	0		
Zhu Ye	Domestic Nature person	0.26%	1,331,945	0		
Wang Mincang	Domestic Nature person	0.25%	1,280,236	0		
Hong Fan	Domestic Nature person	0.19%	972,400	0		
Su Zhifen	Domestic Nature person	0.19%	965,200	0		

Central Huijin Asset Management Co., Ltd.	State-owned Legal person	0.19%	958,300	0		
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			
Sun Huiming	2,396,826	Foreign shares placed in domestic exchange	2,396,826			
Liu Dongxia	1,523,900	RMB Common shares	1,523,900			
Su Yunze	1,401,500	RMB Common shares	1,401,500			
Zhu Ye	1,331,945	RMB Common shares	1,331,945			
Wang Mincang	1,280,236	RMB Common shares	1,280,236			
Hong Fan	972,400	RMB Common shares	972,400			
Su Zhifen	965,200	RMB Common shares	965,200			
Central Huijin Asset Management Co., Ltd.	958,300	RMB Common shares	958,300			
Explanation on shareholders participating in the margin trading business	Shenzhen Shenchao Technology Investment Co., Ltd. is a wholly-owned subsidiary of Shenzhen Investment Holdings 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 Liu Dongxia holds 1,523,900 shares of the Company through stock account with credit transaction , The Company Shareholder Zhu Ye holds 1,331,945 shares of the Company through stock account with credit transaction. The Company Shareholder Wang Mincang holds 780,036 shares of the Company through stock account					

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

Yes No

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

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

Applicable Not applicable

III Significant Events

I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

Applicable Not applicable

1. The closing balance of Notes receivable is RMB 27.8416 million, decreased by 33.57% compared with the beginning of the year, Mainly due to the maturity of the notes during the reporting period;
2. The closing balance of advance payment is RMB45.2897 million, increased by 568.65% compared with the beginning of the year, Mainly due to the increase in the advance payment in import and export trade and the increase in the pre-paid equipment payment for the II phase project of TFT-LCD polarizer;
3. The closing balance of interest receivable is RMB13.9065 million, increased by 109.03% compared with the beginning of the year, Mainly due to the provision for the interest on deposit in the reporting period;
4. The closing balance of Other account receivables is RMB 148.7362 million, increased by 121.09% compared with the beginning of the year, Mainly due to the increase in the money used for the technology and management services in the construction period and the whole process of putting-into production to the mass production of the light guide plate project and the reflective film project of Kunshan Jinlin and Zhejiang Jin Hao;
5. The closing balance of Construction in progress is RMB 283.8712 million, increased by 136.95% compared with the beginning of the year, Mainly due to the increase in the investment for the construction of TFT-LCD polarizer Phase II project;
6. The closing balance of Short-term bank loan facilities is RMB 46.6047 million, increased by 277.8% compared with the beginning of the year, Mainly due to the increase in the documentary bills payment for the import of raw materials;
7. The closing balance of account payable is RMB 120.0998 million, decreased by 31.55% compared with the beginning of the year, Mainly due to the payment of accounts payable during the reporting period;
8. The closing balance of Advances from customers is RMB51.5402 million, increased by 70.11% compared with the beginning of the year, Mainly due to the increase in advances on sales in the import and export trade;
9. The closing balance of Employee benefits payable is RMB19.141 million, decreased by 30.09% compared with the beginning of the year, Mainly due to the payment of staff salaries during the reporting period;
10. Financial expenses in current period increased by RMB-22.0509 million and 325.82% year on year, mainly

due to the increase in interest income and the decrease in exchange losses during the reporting period;

11. Impairment loss of assets in current period increased by RMB38.8051 million and 147.24% year on year,

Mainly due to the provision for bad debts and the increase in inventory falling price reserves;

12. Investment Income in current period increased by RMB36.6708 million and 792.44% year on year, Mainly due to the increase in proceeds in the trust wealth management during the reporting period;

13. Income tax expenses in current period increased by RMB10.6192 million and 38.22% year on year, Mainly due to the increase in taxable income during the reporting period;

14. The net cash flows from operating activities in current period decreased by RMB-212.9078 million and 338.46% year on year, Mainly due to the increase in the money used for the technology and management services in the construction period and the whole process of putting-into production to the mass production of the light guide plate project and the reflective film project of Kunshan Jinlin and Zhejiang Jin Hao;

15. The net cash flows from financing activities in current period increased by RMB1.8038 million and 102.34% year on year, Mainly due to more cash paid for the repayment of debt 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

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

As of September 30, 2017, the construction of the Phase II project of No.6 line has been carried out according to the schedule, and the purification project and the procurement, installation and acceptance of the main equipment and auxiliary equipment were completed, the whole production line commissioning was complete, the sample had passed the product reliability test, and currently it's undergoing the speeding-up test and the trial production of new product.

As of September 30, 2017, the accumulated investment for second phase of No.6 line project was RMB 503.8026 million, accounting for 71.94% of the adjusted total investment of RMB 700.34 million. Thereinto, the use of raised funds was RMB 166.8024 million and the self-own funds and government funds used were RMB 337.0002 million.

(2) Progress in the construction of Guanhua Building

At the 11th meeting of the fifth session of the Board of Directors of the Company, the "Proposal about cooperative development and construction of Guanhua Building" was examined and approved, agreed that the company contributed RMB 42.21 million in cooperation with Hong Kong Qiao Hui Industrial Co., Ltd and Shenzhen Guanhua Printing & Dyeing Co., Ltd to develop and construct Guanhua Building project. The project construction started on October 15, 2011, and currently, the construction project completion of acceptance for the

record was obtained on June 26, 2017, Currently, the project has been completed, and it's undergoing the project settlement, and the settlement draft for examination has been completed and sent to the Project Cost Reviewing Station of Nanshan District for reviewing.

On August 24, 2017, the Proposal about Increasing Investment in Guan Hua Building Project was examined and approved in the third meeting of the 7th board of directors, agreed to increase the total investment in Guanhua Building project from RMB 84.15 million to RMB 122.94 million, of which the proportion of equity the company has is 50.16%, therefore it's estimated that RMB 19.46 million shall be contributed, yet the actual investment shall be based on the final settlement amount of the project. For details Juchao Website: (<http://www.cninfo.com.cn>). (Announcement No.2017--47).

(3)Matters relating to the signing of the cooperation agreement by a subsidiary

As of September 30, 2017, the light guide plate production line project (Phase I) cooperated between the company's holding subsidiary-Shenzhen Shengbo Optoelectronic Technology Co., Ltd and Kunshan Jinlin Optoelectronic Materials Co., Ltd, and the LCD reflective film production line project (Phase I) cooperated between Shenzhen Shengbo Optoelectronic Technology Co., Ltd and Zhejiang Jin Hao Optoelectronic Materials Co., Ltd have been in smooth progress. Shengbo Optoelectronic performed the technical guidance and project management services stipulated in the agreement and respectively received the RMB 3 million fees and the RMB 2.6 million fees for service of production line construction.

Shengbo Optoelectronic will continue to provide technical guidance for the construction of the second-time matching project of the light guide plate production line; speed up the installation and commissioning of the three production lines of liquid crystal reflective film production line project; meanwhile will assist the two projects to complete the acceptance work, supervising the equipment debugging and raw material preparation and the completion of first batch products.

Overview of material matters	Date of disclosing	Description of the website for disclosing provisional announcements
Matters relating to the signing of the cooperation agreement by a subsidiary	June 10,2017	(www.cninfo.com.cn), Announcement No.: 2017-29
Increasing investment in Guan Hua Building Project	August 26,2017	(www.cninfo.com.cn), Announcement No.: 2017-47

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	Type	Contents	Time of making	Period of commitment	Fulfillment
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	maker			commitment	ent	
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	Shenzhen Textile(Holdings) Co., Ltd.	No major asset restructuring commitments	The company, according to the relevant provisions of Measures for the Administration of Major Asset Restructuring of Listed Companies, No.10 Guidelines for Business Handling of Listed Companies- Major Asset Restructuring and No.9 Business Memorandum of Main Board Information Disclosure-Suspending Stock-trading for Listed Companies, committed that the company shall not plan a major asset restructuring matter in 2 months commenced from the date of termination of the major asset restructuring namely the date of announcement on resuming the company's stock trading.	December 19,2016	February 18,2017	Fulfilled
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. Pursuant to the Letter of Commitment and Statement, Shenzhen Investment Holdings Co.,	October 9, 2009	Sustained and effective	Under Fulfillment

		related transaction and capital occupation	<p>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.</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 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</p>	July 14, 2012	Sustained and effective	Under Fulfillment

			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.			
Equity incentive commitment						
Other commitments made to minority shareholders						
Executed timely or not?	Yes					
If the commitments failed to complete the execution when expired, should specifically explain the reasons of unfulfillment and the net stage of the working plan	Nil					

IV. Prediction of Business performance for 2017

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

Applicable Not applicable

V. Investment in securities

Applicable Not applicable

No Securities investment in period

VI. Investment in derivatives

Applicable Not applicable

There is no derivative investment during the report period.

VII. 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. External guarantee get out of line

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

X. Implementation of the social Responsibility of taking targeted measures to alleviate poverty in light of local Conditions.

In The report third quarter, the company neither carried out the work of taking targeted measures to alleviate poverty in light of local conditions nor has such a plan.

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

October 28,2017