

Stock code: 000045, 200045 Stock Abbreviation: Shen Textile A, Shen Textile B Announcement No.: 2021-51

Shenzhen Textile (Holdings) Co., Ltd.

Summary of the Semi-Annual Report 2021

I. Important notes

The summary is abstract from full-text of summary of the semi-annual report, for more details information, investors should found in the full-text of annual report that published on website of Shenzhen Stock Exchange and other website appointed by CSRC.

Non-standard auditor' s opinion

Applicable Not applicable

Preliminary plan for profit distribution to the common shareholders or turning the capital reserve into the share capital for the reporting period, which has been reviewed and approved at the board meeting

Applicable Not applicable

The Company has no plan of cash dividends carried out, bonus issued and capitalizing of common reserves either.

Preliminary plan for profit distribution to the preference shareholders for the reporting period which has been reviewed and approved at the board meeting

Applicable Not applicable

II. Basic information about the company

1. Company profile

Stock abbreviation	Shen Textile A, Shen Textile B	Stock code	000045,200045
Stock exchange for listing	Shenzhen Stock Exchange		
Contact person and contact manner	Board secretary	Securities affairs Representative	
Name	Jiang Peng	Li Zhenyu	
Office Address	6/F, Shenfang Building, No.3 Huaqiang North Road, Futian District, Shenzhen	6/F, Shenfang Building, No.3 Huaqiang North Road, Futian District, Shenzhen	
Tel	0755-83776043	0755-83776043	
E-mail	jiangp@chinasthc.com	lizy@chinasthc.com	

2. Major accounting data and financial indicators

May the Company make retroactive adjustment or restatement of the accounting data of the previous years

Yes No

	Reporting period	Same period of last year	YoY+/- (%)
Operating income (RMB)	1,101,536,407.38	856,313,348.74	28.64%
Net profit attributable to the shareholders of the listed company (RMB)	76,603,074.39	719,734.74	10,543.24%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of	61,814,528.89	-7,117,945.43	968.43%

listed company (RMB)			
Cash flow generated by business operation, net (RMB)	-52,643,536.25	-135,619,475.23	61.18%
Basic earning per share(RMB/Share)	0.1509	0.0014	10,678.57%
Diluted gains per share(RMB/Share)(RMB/Share)	0.1509	0.0014	10,678.57%
Weighted average ROE(%)	2.74%	0.03%	2.71%
	As at the end of the reporting period	As at the end of last year	YoY+/- (%)
Total assets (RMB)	5,181,566,725.34	4,969,547,552.23	4.27%
Net assets attributable to shareholder of listed company (RMB)	2,822,952,777.84	2,766,234,174.39	2.05%

3.Shareholders and shareholding

In Shares

Total number of common shareholders at the end of the reporting period	27,236	Total number of preferred shareholders that had restored the voting right at the end of the reporting period (if any) (note 8)	0			
Particulars about shares held above 5% by shareholders or top ten shareholders						
Shareholders	Nature of shareholder	Proportion of shares held (%)	Number of shares held at period -end	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	46.21%	234,069,436			
Shenzhen Shenchao Technology Investment Co., Ltd.	State-owned Legal person	3.18%	16,129,032			
Sun Huiming	Domestic Nature person	1.03%	5,201,153			
Shen Zhenxing	Domestic Nature person	0.57%	2,888,400			
Su Weipeng	Domestic Nature person	0.56%	2,823,066		Pledge	2,800,000
Deng Yan	Domestic Nature person	0.51%	2,590,600			
Qi Jianhong	Domestic Nature person	0.43%	2,188,800			
Li Zengmao	Domestic Nature person	0.36%	1,839,097			
Wang Zhongjing	Domestic Nature person	0.34%	1,747,000			
Hou Xiulan	Domestic Nature person	0.34%	1,717,991			
Explanation on shareholders participating in the margin trading business	Among the top 10 shareholders, Shenzhen Investment Holdings Co., Ltd and Shenzhen Shenchao Technology Investment Co., Ltd. do not constitute a concerted person relationship.Except this, the 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)(See Notes 4)	The Company Shareholder Hou Xiulan holds 1,717,991 shares of the Company through stock account with credit transaction.					

4.Changing of controlling shareholder and practical controller of the Company.

Change of holding shareholder

Applicable Not applicable

No change of holding shareholder in the report period.

Change of substantial controller

Applicable Not applicable

No change of substantial controller in the report period.

5.Number of preference shareholders and shareholdings of top 10 of them

Applicable Not applicable

No preference shareholders in the reporting period

6 The status of bonds remaining on the date of approval of the semiannual report

Applicable Not applicable

III. significant events

1.Progress of polarizer industrialization project for ultra-large TV (Line 7)

During the reporting period, the company strengthened the staffing and resource guarantee to overcome the adverse effects caused by the epidemic situation. The chemical test run of the main product performance indicators of Line 7 project has been completed, reaching the acceptance standard, Line 7 project was officially put into production in July. As of the disclosure date of this report, the project of Line 7 has been consolidated and entered the mass production stage.

On March 16, 2021, all the funds raised from the special account for raising funds of Line 7 project have been used up according to regulations, and the company has canceled the special account for raising funds. For details, please refer to Announcement No.2021-30 of cninfo (<http://www.cninfo.com.cn>).

As of June 30, 2021, the accumulated signed contract amount of Line 7 project was RMB 1,956,556,800, and the actual payment was RMB 1,724,201,600 (with raised funds of RMB 409,953,500, and its own funds and government funds of RMB 1,314,248,100).

2. Regarding the investment in the construction of the RTS rear cutting production line

During the reporting period, the company added investment in the construction of a cutting production line for the rear end of the RTS after careful evaluation. The total investment was controlled at 30 million yuan, and the source of funds was its own funds and bank loans. The main reasons for this investment: First, to meet the needs of downstream panel customers, increase the depth of customer cooperation, and seize the market share of high-margin large-size products; second, to improve the overall cutting capacity of the back end; third, to simplify the production process and improve production efficiency. reduce manufacturing cost.

As of the disclosure date of this report, the company has been building 2 RTP production lines, and the RTP equipment production and other work are proceeding in an orderly manner, and mass production is expected to be realized by the end of 2021; 2 RTS production lines have been built, and 1 RTS production line is under construction. It is expected to achieve mass production before the first quarter of 2022

3.The disposal of assets of the joint venture company Xieli Automobile Co., Ltd.

Shenzhen Xieli Automobile Enterprise Co., LTD. (hereinafter referred to as "Shenzhen Xieli") is a sino-foreign joint venture invested by the company and Hong Kong Xieli Maintenance Company in 1981. The registered capital is 3.12 million yuan, and the company holds 50% of the equity. The company's operating term ended in 2008 and its business license was revoked in 2014. The company's main assets are real estate. The company has received a payment of 25.76 million yuan in 2016, which has no impact on the company's profits

and losses. At present, the company is negotiating with other shareholders to deal with the real estate under The name of Shenzhen Xili, and entrusts lawyers to conduct legal analysis of the dispute facts, issue legal opinions on the design of rights protection scheme, and actively promote the solution of related problems. The Company shall fulfill the information disclosure obligation in a timely manner according to the subsequent progress..

4.Matters concerning the company's compensation for arbitration and its subsidiaries' annual performance commitments in 2019

On March 9, 2020, the company received the Notice of Arbitration (No.452 -2) from Shenzhen International Arbitration Court and the Application for Arbitration submitted by Hangzhou Jinjiang Group Co., Ltd., which is the applicant of this arbitration while the company is the respondent. Hangzhou Jinjiang Group Co., Ltd. submitted the following arbitration requests: 1. The ruling made the following changes to the Cooperation Agreement: (1) Delete the original Article 3.1 of the Cooperation Agreement and the relevant unfulfilled rights and obligations will no longer be fulfilled (2) Delete the original Article 6.4 of the Cooperation Agreement, and the relevant unfulfilled rights and obligations will no longer be fulfilled; 2. The respondent shall bear the arbitration fee of the 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 of 2020-07 on the website of <http://www.cninfo.com.cn>.

On March 26, 2020, the company received the Notice on Extending the Time Limit Appointed by Arbitrators (2020 SGZS No.452 -3) delivered by Shenzhen International Arbitration Court. Due to the complexity of the dispute and the special epidemic background, the applicant needs extra time to negotiate and communicate the procedural matters of the case with the respondent, so it applies to Shenzhen International Arbitration Court to extend the time limit for appointing arbitrators in this case. Shenzhen International Arbitration Court believes that the applicant's request is reasonable, and both parties are requested to notify Shenzhen International Arbitration Court in writing of the arbitrator's appointment result before March 30, 2020. Therefore, the company shall appoint an arbitrator before March 30, 2020 instead of within 15 days after receiving the arbitration notice on March 9, 2020, and notify the Shenzhen International Arbitration Court of the results in writing. For details, please refer to the Announcement of 2020-21 on the website of <http://www.cninfo.com.cn>.

On April 17, 2020, the company received the Notice of Arbitral Tribunal Composition (2020 SGZS No.452-4) from Shenzhen International Arbitration Court. Both parties to the arbitration informed Shenzhen International Arbitration Court in writing of the results of arbitrator selection according to the arbitration procedure before March 30, 2020, and appointed 1 arbitrator respectively and 1 chief arbitrator together. On April 16, 2020, the arbitration tribunal was formed to hear the case.

On December 1, 2020, the arbitration case was heard in the Seventh Arbitration Tribunal of the Court of Arbitration located at the Shenzhen Stock Exchange.

On March 25, 2021, the company received the Award (2020 SGZC No.452) delivered by the arbitral tribunal, and made a ruling on this case: 1. The applicant was exempted from fulfilling the 2019 annual performance compensation obligation stipulated in Article 3.1 of the Cooperation Agreement, and does not need to pay SAPO Photoelectric the compensation for the difference in performance in 2019 of RMB 244,783,800; 2. The arbitration fee of RMB 2,682,011 and the actual expenses of the arbitrator of RMB 8,000 shall be borne by the applicant; 3. The applicant's other arbitration requests are not supported. This award is final and shall come into force as of the date of its making. This arbitration is the final award, and the award result will not affect the company's profit and loss, nor will it affect the production and operation of SAPO Photoelectric. The company and Jinjiang Group will continue to actively perform their shareholders' duties based on the principle of mutual benefit and win-win, and effectively improve the production technology, management level and profitability of SAPO Photoelectric. For details, please refer to the Announcement on Arbitration Results of the Company on Juchao Information Network (<http://www.cninfo.com.cn>) (No.2021-29).

5.Progress in subsidiaries participating in the establishment of industrial funds

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

co-sponsored the establishment of an industrial fund, focusing on the optical film industry chain related projects related to the company's main business, with a fund size of 50 million yuan. SAPO Photoelectric, as one of the limited partners of the industrial fund, subscribed for a capital contribution of 28.5 million yuan.

For details Juchao Website: (<http://www.cninfo.com.cn>. (Announcement No.2017--55).

On February 10, 2018, Changxing Junying Equity Investment Partnership completed the industrial and commercial registration and completed the private equity investment fund registration on February 8, 2018. For details Juchao Website: (<http://www.cninfo.com.cn>. (Announcement No.2018--05).

As of December 31, 2019, Changxing Junying had accumulated 3 investment projects with a total investment of 42 million yuan.

No	Name	Investment	Fund contribution (RMB 10,000)
1	Shenzhen Kaichuang Shijia Technology Co., Ltd.	Optical Film	1,400
2	Shenzhen Shenfuyu Electronic Technology Co., Ltd.	Optical Film	1,300
3	Shenzhen Hengbaoshun Technology Development Co., Ltd.	Optical Film	1,500

6. Matters on the listing and leasing of some properties in Block C of Shenzhen Textile Building

On July 13, 2021, the company held the fifth meeting of the eighth board of directors to review and approve the Proposal on Listing and Leasing Some Properties in Block C of Shenzhen Textile Building, and agreed that the company will publicly list and lease 6,100 square meters of properties of the 8F-10F and 1F lobby of Block C of Shenzhen Textile Building through Shenzhen United Property and Share Rights Co., Ltd., with a lease term of 10 years (including a rent-free period of 6 months), and the rental price is not lower than 85 yuan/m²/month (including property management fee). The rent will increase by 5% every three years from the date of contract conclusion, and the final transaction price will be determined according to the listing result. The listing and leasing of some properties in Block C of Shenzhen Textile Building has shifted the market risk from self-operated hotels to brand hotel operators through overall external leasing, which is conducive to improving the overall operational efficiency of the company's assets, reducing operational risks, bringing stable rental income to the company and helping to realize the preservation and appreciation of state-owned assets. For details, please refer to the Announcement of Resolutions of the Fifth Meeting of the Eighth Board of Directors of the company (No.2021-44) on Juchao Information Network (<http://www.cninfo.com.cn>).

7. Matters on liquidation and cancellation of Shenzhen Shenzhen Textile Import & Export Co., Ltd.

On July 13, 2021, the company held the fifth meeting of the eighth board of directors to review and approve the Proposal on Liquidation and Cancellation of Shenzhen Shenzhen Textile Import & Export Co., Ltd., and agreed on the Liquidation Report of Shenzhen Shenzhen Textile Import & Export Co., Ltd.. completed by the liquidation group, and liquidated and distributed its assets in accordance with legal procedures, and completed formalities such as industrial and commercial cancellation. The liquidation and cancellation of Shenzhen Shenzhen Textile Import & Export Co., Ltd. (hereinafter referred to as "Shenzhen Textile Import & Export") will change the scope of the company's consolidated financial statements, facilitate the disposal of inefficient assets, reduce management costs, and will not affect the company's production and operation. The impact of the cancellation of Shenzhen Textile Import & Export in this liquidation on the current profits and losses is estimated to be RMB 7.64 million, and the actual amount is subject to the results confirmed by the annual audit of the audit institution. For details, please refer to the Announcement on Liquidation and Cancellation of Shenzhen Textile Import & Export. (No.2021-45) issued by Juchao Information Network (<http://www.cninfo.com.cn>).

8. Matters on waiver of preemption right and equity transfer of holding subsidiaries

On November 27, 2020, the company received the "Letter" sent by Jinjiang Group, informing the company in writing that it intends to acquire the 40% equity of SAPO Photoelectric held by Hangzhou Jinhang Equity

Investment Fund Partnership (Limited Partnership) (hereinafter referred to as "Jinhang Investment"); On December 21, 2020, the company received the Notice of Equity Transfer from Jinhang Investment, informing the company in writing that Jinhang Investment intends to transfer its 40% equity of SAPO Photoelectric, and according to the Company Law of the People's Republic of China and the Articles of Association of Shenzhen SAPO Photoelectric Technology Co., Ltd., it specially sought the company's opinions on the transfer matters.

On December 25, 2020, after research and decision-making, the company formally replied to Jinhang Investment, and the company gave up the preemptive right to exercise the 40% equity of SAPO Photoelectric, the holding subsidiary of the company held by Jinhang Investment. For details, please refer to the Announcement on Waiver of Preemptive Rights of Holding Subsidiaries (No.2020-57) on Juchao Information Network (<http://www.cninfo.com.cn>) on December 26, 2020.

In July 2021, the company received the Letter from Jinjiang Group, informing the company about the progress of the above-mentioned equity transfer: Jinhang Investment and the intended transferee Suzhou Advantage Ford Investment Center (Limited Partnership) (hereinafter referred to as "Advantage Ford") have completed their internal decision-making examination and approval, and the delivery conditions for Advantage Ford to accept 100% of the partnership share of Jinhang Investment have been met, and both parties will promote the transfer of the partnership share. After the completion of the transfer procedure, Advantage Ford will directly hold 99.93333% of the partnership share of Jinhang Investment; Meanwhile, Zhejiang Hengjie Industrial Co., Ltd. indirectly holds a partnership share of 0.06667% of Jinhang Investment. As of July 28, 2021, for the above equity transfer, the industrial and commercial change registration procedures have been completed. After the completion of this equity transfer, the shareholders and equity ratio of SAPO Photoelectric, the holding subsidiary of the company, remain unchanged, and the scope of the consolidated statements of the company has not changed. Advantage Ford holds 40% equity of SAPO Photoelectrics through Jinhang Investment, and the strategic investor of SAPO Photoelectric will be changed from Jinjiang Group to Advantage Ford. Advantage Ford has rich industrial resources, industrial investment and management experience, and both parties will give full play to their respective advantages to further improve and strengthen the main business of polarizer. For details, please refer to the Progress Announcement on Waiver of Preemptive Rights and Equity Transfer of Holding Subsidiaries (No.2021-47) on Juchao Information Network (<http://www.cninfo.com.cn>).

The Board of Directors of Shenzhen Textile (Holdings) Co., Ltd.
August 28, 2021