



LU THAI TEXTILE CO., LTD.

Report for the Third Quarter of 2015

October 2015

Section I. Important Reminders

The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of Lu Thai Textile Co., Ltd. (hereinafter referred to as “the Company”) warrant that this report is factual, accurate and complete without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.

Liu Shizhen, company principal, Zhang Hongmei, chief of the accounting work, and Zhang Keming, chief of the accounting organ (chief of accounting), hereby confirm that the Financial Report enclosed in this report is factual, accurate and complete.

This report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Section II. Financial Highlights & Change of Shareholders

I. Major accounting data and financial indexes

Does the Company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

☐ Yes ☒ No

	30 Sept. 2015	31 Dec. 2014	Increase/decrease (%)	
Total assets (RMB Yuan)	8,829,506,971.03	8,627,671,393.88	2.34%	
Net assets attributable to shareholders of the Company (RMB Yuan)	6,676,069,664.40	6,588,772,245.55	1.32%	
	Jul.-Sept. 2015	YoY increase/decrease (%)	Jan.-Sept. 2015	YoY increase/decrease (%)
Operating revenues (RMB Yuan)	1,569,500,236.21	7.55%	4,511,336,133.37	-1.36%
Net profit attributable to shareholders of the Company (RMB Yuan)	204,342,167.24	-12.40%	548,863,683.96	-22.71%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	188,913,906.19	-3.37%	497,518,363.60	-25.91%
Net cash flows from operating activities (RMB Yuan)	--	--	833,510,131.79	-1.08%
Basic EPS (RMB Yuan/share)	0.21	-12.50%	0.57	-22.97%
Diluted EPS (RMB Yuan/share)	0.21	-12.50%	0.57	-22.97%
Weighted average ROE (%)	2.89%	-0.56%	7.99%	-3.27%

Items and amounts of extraordinary gains and losses

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Item	Amount as of Jan.-Sept. 2015	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	-2,799,179.00	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	47,595,882.23	
Gains and losses on change in fair value from tradable financial assets and tradable financial liabilities, as well as investment income from disposal of tradable financial assets and tradable financial liabilities and financial assets available for sales, except for effective hedging related with normal businesses of the Company	20,476,085.69	

Non-operating incomes and expenses other than the above	2,602,829.18	
Less: Income tax effects	12,471,948.08	
Minority interests effects (after tax)	4,058,349.66	
Total	51,345,320.36	--

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 ☒ Inapplicable

There was no such situation of the Company during the reporting period.

II. Total number of shareholders and shareholdings of the top ten shareholders at the period-end

1. Total number of common shareholders and shareholdings of the top ten common shareholders at the period-end

Unit: share

Total number of common shareholders at the period-end	74,991					
Shareholdings of the top ten common shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of the shares held	Number of restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
Zibo Lucheng Textile Investment Co., Ltd.	Domestic non-state-owned corporation	14.69%	140,353,583			
Tailun Textile Co., Ltd.	Foreign corporation	12.37%	118,232,400	118,232,400		
Central Huijin Investment Co., Ltd.	State-owned corporation	2.13%	20,315,300			
T.ROWE PRICE INTL DISCOVERY FUND	Foreign corporation	1.99%	18,972,618			
LYNAS ASIA FUND	Foreign corporation	1.72%	16,443,675			
CHINA SECURITIES FINANCE CORPORATION LIMITED	State-owned corporation	1.64%	15,679,091			
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUNDS	Foreign corporation	1.46%	13,923,715			

HUA AN NEW SILK ROAD THEME EQUITY SECURITIES INVESTMENT FUND	Domestic non-state-owned corporation	1.06%	10,110,000			
NATIONAL WESTMINSTER BANK PLC AS DEP OF FS GREATER CHINA GROWTH FUND	Foreign corporation	0.96%	9,211,092			
VALUE PARTNERS CLASSIC FUND	Foreign corporation	0.85%	8,156,383			
Shareholdings of the top ten non-restricted common shareholders						
Name of shareholder	Number of non-restricted common shares held at the period-end	Type of shares				
		Type		Number		
Zibo Lucheng Textile Investment Co., Ltd.	140,353,583	RMB share	ordinary	140,353,583		
Central Huijin Investment Co., Ltd.	20,315,300	RMB share	ordinary	20,315,300		
T.ROWE PRICE INTL DISCOVERY FUND	18,972,618	Domestically listed share	foreign	18,972,618		
LYNAS ASIA FUND	16,443,675	Domestically listed share	foreign	16,443,675		
CHINA SECURITIES FINANCE CORPORATION LIMITED	15,679,091	RMB share	ordinary	15,679,091		
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUNDS	13,923,715	Domestically listed share	foreign	13,923,715		
HUA AN NEW SILK ROAD THEME EQUITY SECURITIES INVESTMENT FUND	10,110,000	RMB share	ordinary	10,110,000		
NATIONAL WESTMINSTER BANK PLC AS DEP OF FS GREATER CHINA GROWTH FUND	9,211,092	Domestically listed share	foreign	9,211,092		
VALUE PARTNERS CLASSIC FUND	8,156,383	Domestically listed share	foreign	8,156,383		
First State China A share fund	8,010,206	RMB share	ordinary	8,010,206		
Explanations about associated relationship or concerted action among the above shareholders	Zibo Lucheng Textile Investment Co., Ltd. is the largest shareholder of the Company and the actual controller. Tailun (Thailand) Textile Co., Ltd. is the second largest					

	shareholder as well as sponsor of foreign capital of the Company. All of other shareholders are people holding circulating A share or circulating B share and the Company is not able to confirm whether there is associated relationship or concerted action among other shareholders.
Top ten non-restricted common shareholders taking part in margin financing and securities lending (if any)	Naught

Did any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company carry out any agreed buy-back in the reporting period?

☐ Yes ☒ No

No shareholder of the Company carried out any agreed buy-back in the reporting period.

2. Total number of preferred share holders and shareholdings of the top ten preferred share holders at the period-end

☐ Applicable ☒ Inapplicable

Section 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 ☐ Inapplicable

- (1) Monetary funds as at 30 Sept. 2015 stood at RMB 956,833,305.54, up 43.61% from the year-beginning amount, mainly because the shares repurchase reserve funds had not paid.
- (2) Notes receivable as at 30 Sept. 2015 stood at RMB 168,400,772.02, up 47.97% from the year-beginning amount, mainly because the corresponding bank acceptance bills receivable and the LC of the operating income increased at the reporting period.
- (3) Interests receivable as at 30 Sept. 2015 stood at RMB 461,711.95, up 100.00% from the year-beginning amount, mainly because the interests receivable increased at the reporting period.
- (4) Other current assets as at 30 Sept. 2015 stood at RMB 24,641,973.01, up 376.88% from the year-beginning amount, mainly because the VAT and the input tax to be deducted and the pre-paid Income tax to be deducted increased.
- (5) Engineering material as at 30 Sept. 2015 stood at RMB 31,577,585.24, up 58.79% from the year-beginning amount, mainly because the equipments to be installed of the Lu Thai (Cambodia) and the Lu Thai (Myanmar) increased.
- (6) Long-term deferred expense as at 30 Sept. 2015 stood at RMB 73,791,208.53, up 160.57% from the year-beginning amount, mainly because the land rentals of the Lu Thai (Vietnam), the Lu Thai (Cambodia) and Lu Thai (Myanmar) newly increased.
- (7) Short-term borrowings as at 30 Sept. 2015 stood at RMB 749,720,308.36, up 44.89% from the year-beginning amount, mainly because the short-term borrowings of the parent company

increased.

(8) Financial liabilities measured at fair value with changes recorded into current gains and losses as at 30 Sept. 2015 stood at RMB 19,444,595.00, up 488.13% from the year-beginning amount, mainly because the losses of the changes of the fair value of the forward foreign exchange settlement at the period-end.

(9) Notes payable as at 30 Sept. 2015 stood at RMB 1,823,163.13, down 75.44% from the year-beginning amount, mainly because the notes payable paid as expired.

(10) Accounts payable as at 30 Sept. 2015 stood at RMB 231,878,445.18, down 32.61% from the year-beginning amount, mainly because the purchase amount of the raw materials payable at the period-begin paid at the reporting period.

(11) Prepayments as at 30 Sept. 2015 stood at RMB 117,594,870.83, up 43.10% from the year-beginning amount, mainly because the customer payment in advance increased.

(12) Interests payable as at 30 Sept. 2015 stood at RMB 1,305,403.16, up 155.27% from the year-beginning amount, mainly because the increase of the borrowings of the parent company due to the increase of the interests payable.

(13) Long-term borrowings as at 30 Sept. 2015 stood at RMB 0.00, down 100.00% from the year-beginning amount, mainly because the transfer from the long-term borrowings at the period-end to the non-current liabilities due within 1 year.

(14) Long-term accounts payable as at 30 Sept. 2015 stood at RMB 0.00, down 100.00% from the year-beginning amount, mainly because the payment of the bond amount of the electric power at the reporting period.

(15) Other comprehensive income as at 30 Sept. 2015 stood at RMB 7,770,092.57, up 192.06% from the year-beginning amount, mainly because the changes of the exchange rate at the period-end due to the increase of the revenue from the foreign currency statement translation.

(16) Financial expenses for Jan.-Sept. 2015 stood at RMB 15,616,968.80, up 48.73% year on year, mainly because the losses of the exchange increased.

(17) Assets impairment losses for Jan.-Sept. 2015 stood at RMB 2,320,358.38, up 141.55% year on year, mainly because the increase of the accounts receivable at the period-end due to the increase of the assets impairment losses.

(18) Revenues from the changes of the fair value for Jan.-Sept. 2015 stood at RMB -16,138,395.00, up 42.31% year on year, mainly because the financial assets delivered as expired which correspondingly carried forward the originally recognized losses of the changes of the fair value and the changes of the fair value of the financial assets at the reporting period.

(19) Investment revenue for Jan.-Sept. 2015 stood at RMB 36,614,480.69, up 47.04% year on year, mainly because the revenue from the derivative investment increased.

II. Progress and influence of significant events, as well as the analysis and explanation on solutions

√ Applicable □ Inapplicable

1. The Company held the 22nd Session of the 7th Board of Directors on 12 Jul., which reviewed and approved the Proposal on Repurchasing Part of the Share A and Share B of the Company and at the same time issued the Preplan on Repurchasing Part of the Share A and Share B of the Company as well as submitted the proposals above to the 1st Extraordinary General Meeting of 2015 held on 5 Aug. 2015, which reviewed and approved the Proposal on Repurchasing Part of the Share A and Share B of the Company. The

Company completed the relevant examination and approval and filing procedures on 10 Oct., and issued the Report about Lu Thai Textile Co., Ltd. Repurchasing Part of the Share A and Share B of the Company. For the details, please refer to the relevant announcements disclosed on the Securities Times, Shanghai Securities News, Ta Kung Pao and the www.cninfo.com.cn respectively on 14 Jul. 2015, 6 Aug. 2015 and 10 Oct. 2015.

2. The major shareholders and the Directors, Supervisors as well as the Senior Executives of the Company had committed on 10 Jul. that not to decrease the shareholding of the stocks of the Company within the future 6 months since 10 Jul., and for the details, please refer to the relevant announcements disclosed on the Securities Times, Shanghai Securities News, Ta Kung Pao and the www.cninfo.com.cn on 10 Jul. 2015.

Overview of the significant event	Date of disclosure	Index to the relevant announcement disclosed on the website
On 12 Jul. 2015, the Company held the 22 nd Session of the 7 th Board of Directors, which reviewed and approved the Proposal on Repurchasing Part of the Share A and Share B of the Company and at the same time issued the Preplan on Repurchasing Part of the Share A and Share B of the Company.	14 Jul. 2015	Relevant announcements on www.cninfo.com.cn
On 5 Aug. 2015, the Company held the 1 st Extraordinary General Meeting of 2015, which reviewed and approved the Proposal on Repurchasing Part of the Share A and Share B of the Company.	6 Aug. 2015	Relevant announcements on www.cninfo.com.cn
On 10 Oct. 2015, the Company completed the relevant examination and approval and filing procedures and issued the Report about Lu Thai Textile Co., Ltd. Repurchasing Part of the Share A and Share B of the Company.	10 Oct. 2015	Relevant announcements on www.cninfo.com.cn

III. Commitments made by the Company or shareholders holding over 5% of the Company's shares in the reporting period or such commitments carried down into the reporting period

√ Applicable □ Inapplicable

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitments made in a share reform					
Commitments made in an acquisition report or a report on equity changes					
Commitments made in asset reorganization					
Commitments made in the first public offering or refinancing.					
Other commitments made to minority shareholders	Zibo Lucheng Textile	The biggest shareholder Zibo Lucheng Textile Investment Co., Ltd. and	10 Jul. 2015	10 Jul. 2015 to 10 Jan. 2016	As the end of the reporting

	Investment Co., Ltd. and the directors, supervisors and senior executives	the directors, supervisors and senior executives committed that the shares of the Company held by them would not be decreased from 10 Jul. 2015 to the future six months			period, decreased its holding of shares of the Company
Executed in time or not?	Yes				

IV. Predict the 2015 annual operating results

Warnings of possible loss or large-margin change of the accumulated net profit made during the period from the beginning of the year to the end of the next reporting period compared with the same period of the last year according to prediction, as well as explanations on the reasons

☐Applicable ☒Inapplicable

V. Securities investment

☐Applicable ☒Inapplicable

The Company was not involved in any securities investment of the reporting period.

VI. Shareholdings in other listed companies

☐Applicable ☒Inapplicable

There was no shareholding in other listed companies during the reporting period.

VII. Derivative investment

☒Applicable ☐Inapplicable

Unit: RMB Ten Thousand Yuan

Operator	Relation	Related-party transaction or not	Type of derivative investment	Initial investment amount	Beginning date	Ending date	Opening investment amount	Impairment provision (if any)	Closing investment amount	Proportion of the closing investment amount in the Company's closing net assets (%)	Actual gain/loss in reporting period
Commercial bank	Non-related	No	Forward exchange settlement	236,368.66	14 Nov. 2014	28 Jun. 2016	21,213.88		109,253.37	15.38%	2,411.32
Comm	Non-re	No	Foreign	7,065.35	11 Feb.	28 Sep. 2015	0		0		10.18

ercial bank	lated		exchange trading		2015						
Comm ercial bank	Non-re lated	No	Option portfolio	228,752.31	21 Oct. 2015	10 Jul. 2016	31,835		145,982.05	20.55%	1,239.95
Total				472,186.32	--	--	53,048.88		255,235.42	35.93%	3,661.45
Capital source for derivative investment				Self-owned funds							
Cases involving lawsuit (if applicable)				No							
Disclosure date of the board announcement approving the derivative investment (if any)				25 Apr. 2015							
Disclosure date of the general meeting announcement approving the derivative investment (if any)											
Analysis on risks and control measures of derivative products held in the reporting period (including but not limited to market risk, liquidity risk, credit risk, operation risk, law risk, etc.)				<p>The Company conducted derivatives products transaction in order for hedging. And the forward settlement hedging was operated by installments, with the relevant amount not more than the planned derivatives products transactions. And all derivatives products transaction was zero-deposit. Meanwhile, the Company had a complete risk control system for sufficient analysis and prevention of possible risks such as risk of laws and regulations, credit risk, operation risk and market risk.</p> <p>1. Risk of laws and regulations:</p> <p>The Company conducted derivatives products transaction in strict accordance with relevant laws and rules as well as regulatory policies from government securities regulatory authorities, if there were no standard operation procedures and strict approval procedures, it was easy to cause compliant and regulatory risks existing in the validity and feasibility of contract, commitments and other legal documents signed.</p> <p>Precautionary measures: The Company carefully studied and mastered laws, regulations and policies relevant to derivative products transaction, formulated internal control rules for the forward settlement hedging business, standardized the operation procedures. And strengthened the compliant examination on derivative products investment business, and strictly abided by relevant laws, regulations and the Company's internal management rules.</p> <p>2. Credit risk and liquidity risk:</p> <p>When the contract matures, the Company couldn't deliver as scheduled due to insufficient liquidity, and the counterparty or the Company couldn't fulfill the contract due to other aspects except the liquidity, which would cause credit risk and further economic losses for the Company.</p> <p>Precaution measure: the Company chose the powerful financial institutions with good reputation as the counterparty, and signed standard derivative products transaction contract, as well as strictly controlled the credit risk of counterparty. The Company conducted derivative investment transactions according to the relevant approval procedure, which was in line with relevant laws,</p>							

	<p>regulations, the Company's Articles of Association, the Management Rules for Derivative Investment of Lu Thai Textile Co., Ltd., the Proposal on the Plan of Lu Thai Textile Co., Ltd. for Derivative Transactions in 2014 approved at the 7th Session of the 7th Board of Directors on 25 Mar. 2014, and performed relevant information disclosure responsibilities. The Company decided the up limit for the amount of derivative products transaction according to the production and operation scale and the progress of foreign exchange income for the Company, and delivered by phases. It was also possible to use extension of term and other ways to ensure the fulfillment of contract as schedules upon the mature of contract, and wouldn't cause any loss of credit risk for the Company due to insufficient liquidity or other reasons.</p> <p>3. Operation risk:</p> <p>The derivative financial transactions had high specialty and complexity, so imperfect internal operation procedures, staffs and external events would make the Company to undertake risks during the transaction.</p> <p>Precaution measure: The Company promulgated strict authorization and approval system and perfect regulatory mechanism, fixed the departments, operation procedures and approval procedures system to conduct derivative products transaction, established special risk control positions, implemented strict authorization and post checks and balances system, meanwhile, it improved the overall quality of relevant personnel through strengthening the business training and professional ethics education for them. Besides, it established the System of Reporting the Abnormal Situation Timely, formed an efficient risk management procedures, so as to ensure to lower the operation risks to the maximum.</p> <p>4. Market risk:</p> <p>The forward settlement of exchange is an important derivative products transaction, which was significantly affected by the exchange rate fluctuation due to its large amount. The Central Bank decided to expand the inter-bank spot RMB-dollar trading band from 1% to 2% since 17 Mar. 2014, which would increase the difficulty in the operation of forward settlement of exchange. Besides, if the RMB is devalued by a large margin on the basis of the current situation before the contract is due, so then, the larger losses shall incur in the contract on forward settlement of exchange signed by the Company.</p> <p>Risk analysis and precaution measure: Renminbi appreciated significantly compared with that before the exchange rate reform, but Renminbi internationalization would be a long-term goal, which decided that Renminbi would not depreciated significantly. Although the increased fluctuation range added the operation difficulty, it provided a certain opportunity, which required relevant personnel of the Company actively master the market trend, carefully operate and hold positive opportunity, so as to try the best to reduce the market risks under the condition of increased market difficulty.</p>
Changes of market prices or fair values in the reporting period of the invested derivatives. And the analysis on the fair value of the derivatives should include the specific use methods and the relevant assumptions and	<p>1. Up to 30 Sep. 2015, the Company held 76 undue financial derivative product contracts, totaling US\$441.5 million, including 35 forward settlement contracts worth US\$172 million and 41 foreign exchange option contracts worth US\$ 269.5 million (the latest expiration before Jul 2016). The financial derivative products above accounted for 35.93% of the closing net assets.</p> <p>2. From Jan. 2015 to Sep. 2015, the due financial derivative products of the Company totally equaled to US\$ 347.5862 million, all delivered on time, and the gain generated was RMB36.6145 million. To be specific, the due forward settlement was US\$203.127million, generating gain of</p>

parameters.	RMB24.1132 million; the due forward foreign exchange trading amount equaled to US\$ 11.4592 million, which generated gain of RMB101800; and the due foreign exchange options equaled to US\$133 million, which RMB123million timely delivered due to the arrival of delivery conditions, generated a gain of RMB12.3995 million, US\$10 million had not been delivered due to not arrive the delivery conditions.
Whether significant changes occurred to the Company's accounting policy and specific accounting principles of derivatives in the reporting period compared to the previous reporting period	Unchanged
Specific opinion from independent directors on the Company's derivatives investment and risk control	The Company's independent directors Zhou Zhiji, Zhang Chengzhu, Wang Lei, Xu Jianjun and Zhao Yao, concerning conducting derivatives business, have issued the following professional advice: we were of the opinion that it would strengthen the Company's competitiveness to use derivative transactions with focus on forward settlement and purchase as an effective tool to avoid foreign exchange risks, to strengthen the relevant internal control and to carry out the loss and risk prevention measures so as to improve the operation and management. It was considered feasible for the Company to conduct derivative transactions with focus on forward settlement and purchase, and no harm was done to interests of the Company's shareholders.

VIII. Researches, visits and interviews received in the reporting period

√Applicable □Inapplicable

Time	Place	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company
8 Sep. 2015	Conference room	Field research	Institution	RBC Global Asset Management Richard Farrell, Christoffer Enemaerke	The Company's current situation
22 Sep. 2015	Office of the chairman secretary	Other	Institution	Journalist Lihua of Da Zhihui News Agency and investor	The Company's current situation
25 Sep. 2015	Conference room	Field research	Institution	Credit Suisse (Hong Kong) Co., Ltd. Wang Yifu	The Company's current situation
25 Sep. 2015	Conference room	Field research	Institution	Zhizhu Investment Liu Ren	The Company's current situation

Section IV. Financial Statements

I. Financial statements

1. Consolidated balance sheet

Prepared by Lu Thai Textile Co., Ltd.

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	956,833,305.54	666,293,798.30
Financial assets measured at fair value of which changes are recorded in current profits and losses		
Derivative financial assets		
Notes receivable	168,400,772.02	113,804,477.43
Accounts receivable	266,014,761.63	211,970,554.10
Accounts paid in advance	145,668,088.10	174,865,932.88
Interests receivable	461,711.95	
Dividend receivable		
Other accounts receivable	49,452,677.54	63,378,909.28
Financial assets purchased under agreements to resell		
Inventories	1,574,079,743.23	1,752,570,382.21
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	24,641,973.01	5,167,324.98
Total current assets	3,185,553,033.02	2,988,051,379.18
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	67,442,600.00	67,442,600.00
Held-to-maturity investments		
Long-term accounts receivable	5,280,998.00	6,980,998.00
Long-term equity investment		
Investing real estate	4,874,905,537.11	4,930,848,056.04
Fixed assets	138,598,587.06	123,585,226.80

Construction in progress	31,577,585.24	19,885,765.41
Engineering materials		
Disposal of fixed assets	1,000,136.01	1,310,500.00
Production biological assets	366,217,416.47	373,760,347.71
Oil-gas assets		
Intangible assets	20,613,803.29	20,613,803.29
R&D expense	73,791,208.53	28,319,033.27
Goodwill	51,744,783.30	49,963,446.84
Long-term deferred expenses	12,781,283.00	16,910,237.34
Deferred income tax assets	5,643,953,938.01	5,639,620,014.70
Other non-current assets	8,829,506,971.03	8,627,671,393.88
Total of non-current assets		
Total assets	749,720,308.36	517,452,946.24
Current liabilities:	19,444,595.00	3,306,200.00
Short-term borrowings		
Financial liabilities measured at fair value of which changes are recorded in current profits and losses	1,823,163.13	7,421,979.09
Derivative financial liabilities	231,878,445.18	344,082,239.16
Notes payable	117,594,870.83	82,176,191.45
Accounts payable	236,326,185.73	261,539,206.93
Accounts received in advance	56,883,256.04	74,052,405.97
Financial assets sold for repurchase	1,305,403.16	511,373.44
Handling charges and commissions payable	441,113.64	441,456.54
Payroll payable	65,412,413.07	58,075,873.18
Tax payable		
Interest payable	89,058,200.00	100,733,898.72
Dividend payable		
Liabilities divided as held for sale	1,569,887,954.14	1,449,793,770.72
Non-current liabilities due within 1 year		
Other current liabilities		9,904,645.59
Total current liabilities		220,000.00
Non-current liabilities:	86,564,776.96	80,360,457.97
Long-term borrowings		
Long-term payables		

Long-term payroll payables	64,891,997.89	67,057,221.40
Specific payables	2,148,201.86	2,064,713.02
Estimated liabilities	1,840,000.00	1,840,000.00
Deferred income	155,444,976.71	161,447,037.98
Deferred income tax liabilities	1,725,332,930.85	1,611,240,808.70
Other non-current liabilities		
Total non-current liabilities	955,758,496.00	955,758,496.00
Total liabilities	1,007,142,273.08	1,007,039,561.13
Owners' equity:		
Share capital	7,770,092.57	-8,440,178.37
Capital reserves		
Less: Treasury stock	742,347,832.47	742,347,832.47
Other comprehensive income		
Specific reserves	3,963,050,970.28	3,892,066,534.32
Surplus reserves	6,676,069,664.40	6,588,772,245.55
Provisions for general risks	428,104,375.78	427,658,339.63
Retained profits	7,104,174,040.18	7,016,430,585.18
Total equity attributable to owners of the Company	8,829,506,971.03	8,627,671,393.88

Legal representative: Liu Shizhen

Person-in-charge of the accounting work: Zhang Hongmei

Chief of the accounting division: Zhang Keming

2. Balance sheet of the Company

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	463,633,217.19	250,409,717.93
Financial assets measured at fair value of which changes are recorded in current profits and losses		
Derivative financial assets		
Notes receivable	125,792,223.71	87,341,876.69
Accounts receivable	310,241,737.50	321,897,074.61
Accounts paid in advance	164,730,252.17	193,383,406.51
Interest receivable		

Dividend receivable		
Other accounts receivable	14,337,059.31	28,049,517.79
Inventories	1,137,616,372.52	1,206,795,514.65
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	6,994,884.74	1,017,648.28
Total current assets	2,223,345,747.14	2,088,894,756.46
Non-current assets:		
Available-for-sale financial assets	55,282,600.00	55,282,600.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	1,528,282,915.48	1,170,861,572.56
Investing real estate		
Fixed assets	3,079,981,260.57	3,115,567,670.72
Construction in progress	76,942,012.49	77,701,863.38
Engineering materials	3,030,253.44	18,626,397.04
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	233,676,213.62	239,561,216.15
R&D expense		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	32,256,443.13	31,683,250.78
Other non-current assets	5,406,401.00	5,406,401.00
Total of non-current assets	5,014,858,099.73	4,714,690,971.63
Total assets	7,238,203,846.87	6,803,585,728.09
Current liabilities:		
Short-term borrowings	539,827,578.80	109,116,402.18
Financial liabilities measured at fair value of which changes are recorded in current profits and losses	16,760,890.00	3,075,000.00
Derivative financial liabilities		
Notes payable	807,271.80	4,126,949.64
Accounts payable	160,857,593.47	370,179,503.31

Accounts received in advance	80,092,867.72	42,230,252.30
Payroll payable	180,458,742.95	201,779,896.86
Tax payable	36,616,744.96	38,755,976.56
Interest payable	699,480.68	401,695.08
Dividend payable	441,113.64	441,456.54
Other accounts payable	25,364,828.60	22,996,300.29
Liabilities held for sale		
Non-current liabilities due within 1 year	89,058,200.00	100,733,898.72
Other current liabilities		
Total current liabilities	1,130,985,312.62	893,837,331.48
Non-current liabilities:		
Long-term borrowings		9,904,645.59
Long-term payables		
Long-term payroll payables	86,564,776.96	80,360,457.97
Specific payables		
Estimated liabilities		
Deferred income	29,963,126.44	
Deferred income tax liabilities		
Other non-current liabilities		30,469,481.47
Total non-current liabilities	116,527,903.40	120,734,585.03
Total liabilities	1,247,513,216.02	1,014,571,916.51
Owners' equity:		
Share capital	955,758,496.00	955,758,496.00
Capital reserves	1,013,494,181.86	1,013,392,242.22
Less: Treasury stock		
Other comprehensive income		
Specific reserves		
Surplus reserves	742,347,832.47	742,347,832.47
Retained profits	3,279,090,120.52	3,077,515,240.89
Total owners' equity	5,990,690,630.85	5,789,013,811.58
Total liabilities and owners' equity	7,238,203,846.87	6,803,585,728.09

3. Consolidated income statement

Unit: RMB Yuan

Item	Jul.-Sept. 2015	Jul.-Sept. 2014
I. Total operating revenues	1,569,500,236.21	1,459,299,125.04
Including: Sales income	1,569,500,236.21	1,459,299,125.04
II. Total operating costs	1,341,971,914.13	1,229,616,946.53
Including: Cost of sales	1,114,701,276.77	1,016,099,059.98
Taxes and associate charges	14,608,146.65	11,637,382.05
Selling and distribution expenses	44,750,892.55	38,911,228.21
Administrative expenses	159,277,381.50	160,259,173.42
Financial expenses	6,595,261.92	3,058,935.04
Asset impairment loss	2,038,954.74	-348,832.17
Add: Gain/(loss) from change in fair value (“-” means loss)	-28,385,095.00	3,023,830.00
Gain/(loss) from investment (“-” means loss)	7,753,914.81	3,622,872.65
Including: share of profits in associates and joint ventures		
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	206,897,141.89	236,328,881.16
Add: non-operating income	42,515,503.14	38,684,003.14
Including: Gains on disposal of non-current assets	148,208.96	2,655,811.63
Less: non-operating expense	991,351.38	1,003,631.25
Including: Losses on disposal of non-current assets	248,952.00	823,879.58
IV. Total profit (“-” means loss)	248,421,293.65	274,009,253.05
Less: Income tax expense	32,998,250.07	39,474,507.51
V. Net profit (“-” means loss)	215,423,043.58	234,534,745.54
Net profit attributable to owners of the Company	204,342,167.24	233,259,629.65
Minority shareholders’ income	11,080,876.34	1,275,115.89
VI. After-tax net amount of other comprehensive incomes	15,635,393.71	474,152.61
After-tax net amount of other comprehensive incomes attributable to owners of the Company	15,635,393.71	474,152.61
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses	15,635,393.71	474,152.61

1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference	15,635,393.71	474,152.61
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders		
VII. Total comprehensive incomes	231,058,437.29	235,008,898.15
Attributable to owners of the Company	219,977,560.95	233,733,782.26
Attributable to minority shareholders	11,080,876.34	1,275,115.89
VIII. Earnings per share		
(I) Basic earnings per share	0.21	0.24
(II) Diluted earnings per share	0.21	0.24

Where business mergers under the same control occurred in this reporting period, the net profit achieved by the merged parties before the business mergers was RMB 0.00, with the corresponding amount for the last period being RMB 0.00.

Legal representative: Liu Shizhen

Person-in-charge of the accounting work: Zhang Hongmei

Chief of the accounting division: Zhang Keming

4. Income statement of the Company

Unit: RMB Yuan

Item	Jul.-Sept. 2015	Jul.-Sept. 2014
I. Total sales	1,278,909,332.19	1,146,630,743.95
Less: cost of sales	948,733,206.69	806,314,524.45
Business taxes and surcharges	12,428,849.05	7,586,122.90
Distribution expenses	22,526,384.35	17,703,097.47
Administrative expenses	112,608,039.08	114,683,553.89
Financial costs	5,553,363.77	31,161.80
Impairment loss	-588,263.79	1,537,244.61
Add: gain/(loss) from change in fair value ("-" means loss)	-25,523,190.00	2,722,930.00

Gain/(loss) from investment (“-” means loss)	206,830,114.81	63,208,307.08
Including: income from investment on associates and joint ventures		
II. Business profit (“-” means loss)	358,954,677.85	264,706,275.91
Add: non-operating income	31,432,158.72	37,341,244.12
Including: Gains on disposal of non-current assets	148,208.96	2,628,743.00
Less: non-operating expense	306,073.71	388,059.63
Including: Losses on disposal of non-current assets	214,190.34	301,200.85
III. Total profit (“-” means loss)	390,080,762.86	301,659,460.40
Less: Income tax expense	22,267,924.25	29,849,705.15
IV. Net profit (“-” means loss)	367,812,838.61	271,809,755.25
V. After-tax net amount of other comprehensive incomes		
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses		
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
6. Other		
VI. Total comprehensive incomes	367,812,838.61	271,809,755.25
VII. Earnings per share		
(I) Basic earnings per share	0.38	0.28
(II) Diluted earnings per share	0.38	0.28

5. Consolidated cash flow statement

Unit: RMB Yuan

Item	Jan.-Sept. 2015	Jan.-Sept. 2014
I. Operating revenues	4,511,336,133.37	4,573,525,706.66
Including: Sales income	4,511,336,133.37	4,573,525,706.66
II. Operating costs	3,917,910,680.54	3,781,257,471.20
Including: Cost of sales	3,247,723,477.84	3,153,949,353.35
Business tax and surcharges	39,252,858.89	35,180,972.00
Sales expense	142,396,301.55	132,019,374.03
Administration expense	470,600,715.08	455,191,848.05
Financial expense	15,616,968.80	10,500,242.50
Impairment loss	2,320,358.38	-5,584,318.73
Add: gain/(loss) from change in fair value ("-" means loss)	-16,138,395.00	-27,975,320.00
Gain/(loss) from investment ("-" means loss)	36,614,480.69	24,901,821.73
Including: income from investment on associates and joint ventures		
Exchange gain ("-" means loss)		
III. Business profit ("-" means loss)	613,901,538.52	789,194,737.19
Add: non-operating income	52,636,297.85	58,510,771.38
Including: Gains on disposal of non-current assets	958,145.92	2,706,768.68
Less: non-operating expense	5,236,765.44	4,098,753.25
Including: Losses on disposal of non-current assets	3,757,324.92	2,878,470.70
IV. Total profit ("-" means loss)	661,301,070.93	843,606,755.32
Less: Income tax expense	100,467,780.03	127,534,886.46
V. Net profit ("-" means loss)	560,833,290.90	716,071,868.86
Net profit attributable to owners of the Company	548,863,683.96	710,139,886.58
Minority shareholders' income	11,969,606.94	5,931,982.28
VI. After-tax net amount of other comprehensive incomes	16,210,270.94	470,790.84
After-tax net amount of other comprehensive incomes attributable to owners of the Company	16,210,270.94	470,790.84
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in		

investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses	16,210,270.94	470,790.84
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference	16,210,270.94	470,790.84
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders		
VII. Total comprehensive incomes	577,043,561.84	716,542,659.70
Attributable to owners of the Company	565,073,954.90	710,610,677.42
Attributable to minority shareholders	11,969,606.94	5,931,982.28
VIII. Earnings per share		
(I) Basic earnings per share	0.57	0.74
(II) Diluted earnings per share	0.57	0.74

Where business mergers under the same control occurred in this period, the net profit achieved by the merged parties before the business mergers was RMB 0.00, with the corresponding amount for the same period of last year being RMB 0.00.

6. Income statement of the Company for Jan.-Sept. 2015

Unit: RMB Yuan

Item	Jan.-Sept. 2015	Jan.-Sept. 2014
I. Total sales	3,628,521,750.08	3,464,830,268.05
Less: cost of sales	2,707,477,419.03	2,403,442,311.30
Business taxes and surcharges	31,909,658.05	25,674,053.53
Distribution expenses	67,900,356.82	59,880,409.40
Administrative expenses	332,216,122.64	322,513,995.73
Financial costs	8,928,427.29	-4,693,539.59
Impairment loss	-722,593.45	387,972.56

Add: gain/(loss) from change in fair value ("-" means loss)	-13,685,890.00	-23,083,400.00
Gain/(loss) from investment ("-" means loss)	251,346,259.90	81,329,816.12
Including: income from investment on associates and joint ventures		
II. Business profit ("-" means loss)	718,472,729.60	715,871,481.24
Add: non-operating income	36,977,224.96	53,629,451.00
Including: Gains on disposal of non-current assets	535,631.91	2,643,079.05
Less: non-operating expense	3,984,982.02	3,083,309.92
Including: Losses on disposal of non-current assets	3,630,036.75	2,354,115.36
III. Total profit ("-" means loss)	751,464,972.54	766,417,622.32
Less: Income tax expense	72,010,844.91	96,158,238.39
IV. Net profit ("-" means loss)	679,454,127.63	670,259,383.93
V. After-tax net amount of other comprehensive incomes		
(I) Other comprehensive incomes that will not be reclassified into gains and losses		
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
2. Enjoyable shares in other comprehensive incomes in investees that cannot be reclassified into gains and losses under the equity method		
(II) Other comprehensive incomes that will be reclassified into gains and losses		
1. Enjoyable shares in other comprehensive incomes in investees that will be reclassified into gains and losses under the equity method		
2. Gains and losses on fair value changes of available-for-sale financial assets		
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets		
4. Effective hedging gains and losses on cash flows		
5. Foreign-currency financial statement translation difference		
6. Other		
VI. Total comprehensive incomes	679,454,127.63	670,259,383.93

VII. Earnings per share		
(I) Basic earnings per share	0.71	0.70
(II) Diluted earnings per share	0.71	0.70

7. Consolidated cash flow statement for Jan.-Sept. 2015

Unit: RMB Yuan

Item	Jan.-Sept. 2015	Jan.-Sept. 2014
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	4,664,920,573.83	4,739,038,472.26
Tax refunds received	148,262,497.13	147,836,635.52
Other cash received relating to operating activities	70,996,236.91	77,348,657.08
Subtotal of cash inflows from operating activities	4,884,179,307.87	4,964,223,764.86
Cash paid for goods and services	2,501,134,045.38	2,615,548,578.31
Cash paid to and for employees	1,067,413,577.72	1,019,650,627.92
Various taxes paid	289,646,768.69	285,300,761.33
Other cash payment relating to operating activities	192,474,784.29	201,143,159.99
Subtotal of cash outflows from operating activities	4,050,669,176.08	4,121,643,127.55
Net cash flows from operating activities	833,510,131.79	842,580,637.31
II. Cash flows from investing activities:		
Cash received from retraction of investments		
Cash received from return on investments		120,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,105,031.35	10,003,767.30
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	39,921,863.49	30,237,990.10
Subtotal of cash inflows from investing activities	42,026,894.84	40,361,757.40
Cash paid to acquire fixed assets, intangible assets and other long-term assets	251,589,688.97	617,521,092.48
Cash paid for investment		
Net increase of pledge loan		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	251,589,688.97	617,521,092.48
Net cash flows from investing activities	-209,562,794.13	-577,159,335.08

III. Cash Flows from Financing Activities:		
Cash received from capital contributions	500,000.00	500,000.00
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings	1,269,421,740.31	875,003,762.86
Cash received from issuance of bonds		
Other cash received relating to financing activities	139,444,128.91	12,000,000.00
Subtotal of cash inflows from financing activities	1,409,365,869.22	887,503,762.86
Repayment of borrowings	1,075,891,350.84	1,071,424,640.49
Cash paid for interest expenses and distribution of dividends or profit	497,621,895.25	408,680,695.24
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities	89,026,946.69	37,633,916.36
Sub-total of cash outflows from financing activities	1,662,540,192.78	1,517,739,252.09
Net cash flows from financing activities	-253,174,323.56	-630,235,489.23
IV. Effect of foreign exchange rate changes on cash and cash equivalents	9,752,853.01	4,837,492.36
V. Net increase in cash and cash equivalents	380,525,867.11	-359,976,694.64
Add: Opening balance of cash and cash equivalents	649,393,798.30	869,909,505.89
VI. Closing balance of cash and cash equivalents	1,029,919,665.41	509,932,811.25

8. Cash flow statement of the Company for Jan.-Sept. 2015

Unit: RMB Yuan

Item	Jan.-Sept. 2015	Jan.-Sept. 2014
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	3,590,700,117.90	3,510,456,395.45
Tax refunds received	110,604,855.86	116,413,226.57
Other cash received relating to operating activities	35,871,142.11	51,225,907.26
Subtotal of cash inflows from operating activities	3,737,176,115.87	3,678,095,529.28
Cash paid for goods and services	1,957,819,052.08	2,009,520,631.31
Cash paid to and for employees	811,587,279.87	770,902,054.08
Various taxes paid	130,598,955.75	175,084,074.85
Other cash payment relating to operating activities	121,812,679.96	114,263,823.31
Subtotal of cash outflows from operating activities	3,021,817,967.66	3,069,770,583.55
Net cash flows from operating activities	715,358,148.21	608,324,945.73

II. Cash flows from investing activities:		
Cash received from withdrawal of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,623,821.35	9,663,804.30
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	35,312,645.63	25,833,632.06
Subtotal of cash inflows from investing activities	36,936,466.98	35,497,436.36
Cash paid to acquire fixed assets, intangible assets and other long-term assets	112,186,277.99	477,924,701.00
Cash paid for investment	352,757,288.38	87,406,362.39
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	464,943,566.37	565,331,063.39
Net cash flows from investing activities	-428,007,099.39	-529,833,627.03
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings	752,717,733.96	308,716,019.09
Cash received from issuance of bonds		
Other cash received relating to financing activities	61,013,728.00	
Subtotal of cash inflows from financing activities	813,731,461.96	308,716,019.09
Repayment of borrowings	347,320,254.96	158,232,764.78
Cash paid for interest expenses and distribution of dividends or profit	479,370,646.28	378,078,667.88
Other cash payments relating to financing activities	61,013,728.00	25,633,916.36
Sub-total of cash outflows from financing activities	887,704,629.24	561,945,349.02
Net cash flows from financing activities	-73,973,167.28	-253,229,329.93
IV. Effect of foreign exchange rate changes on cash and cash equivalents	745,617.72	4,824,462.32
V. Net increase in cash and cash equivalents	214,123,499.26	-169,913,548.91
Add: Opening balance of cash and cash equivalents	249,509,717.93	503,157,687.92
VI. Closing balance of cash and cash equivalents	463,633,217.19	333,244,139.01

II. Auditor's report

Is this report audited?

☐ Yes ☒ No

This report is not audited.

Lu Thai Textile Co., Ltd.
Board Chairman: Liu Shizhen
29 Oct. 2015