



Lu Thai Textile Co., Ltd.

Report for the First Quarter of 2015

Apr. 2015

Section I. Important Reminders

The Board of Directors, the Supervisory Committee, directors, supervisors and senior management staff of Lu Thai Textile Co., Ltd. (hereinafter referred to as “the Company”) warrant that the information carried in 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.

All directors have attended the board session for reviewing this report.

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 statements enclosed in this report are 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. Main accounting data and financial indicators

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

	Jan.-Mar. 2015	Jan.-Mar. 2014	+/- (%)
Operating revenues (RMB Yuan)	1,428,557,406.74	1,524,854,012.98	-6.32%
Net profit attributable to shareholders of the Company (RMB Yuan)	152,714,080.35	213,792,166.20	-28.57%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	131,929,166.88	227,859,696.84	-42.10%
Net cash flows from operating activities (RMB Yuan)	-97,329,127.52	55,775,238.83	-274.50%
Basic EPS (RMB Yuan/share)	0.16	0.22	-27.27%
Diluted EPS (RMB Yuan/share)	0.16	0.22	-27.27%
Weighted average ROE (%)	2.29%	3.51%	-1.22%
	31 Mar. 2015	31 Dec. 2014	+/- (%)
Total assets (RMB Yuan)	8,698,973,617.97	8,627,671,393.88	0.83%
Net assets attributable to shareholders of the Company (RMB Yuan)	6,741,743,242.88	6,588,772,245.55	2.32%

Items and amounts of extraordinary gains and losses

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Item	Jan.-Mar. 2015	Explanation
Gains/losses on the disposal of non-current assets (including the offset part of the asset impairment provisions)	357,152.45	
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 government's unified standards	3,086,413.47	
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	19,330,543.33	
Non-operating income and expense other than the above	961,226.39	
Income tax effects	2,701,309.01	
Minority interests effects (after tax)	249,113.16	

Total	20,784,913.47	--
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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

No such cases in the reporting period.

II. Total number of shareholders at the period-end and shareholdings of top 10 shareholders

1. Total number of common shareholders at the period-end and shareholdings of top 10 common shareholders

Unit: share

Total number of shareholders at the period-end	75,039					
Shareholdings of top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of 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		Pledged	26,000,000
Tailun (Thailand) Textile Co., Ltd.	Foreign corporation	12.37%	118,232,400	118,232,400		
DBS VICKERS (HONG KONG) LTD A/C CLIENTS	Foreign corporation	2.74%	26,213,346			
LYNAS ASIA FUND	Foreign corporation	1.82%	17,364,475			
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUNDS	Foreign corporation	1.72%	16,411,865			
UBS AG	Foreign corporation	1.38%	13,173,194			
T.ROWE PRICE INTL DISCOVERY FUND	Foreign corporation	0.91%	8,704,074			
First State Investment Management UK Limited—First State China A Share Fund	Foreign corporation	0.90%	8,597,472			
VALUE PARTNERS CLASSIC FUND	Foreign corporation	0.85%	8,156,383			
NATIONAL WESTMINSTER BANK PLC AS DEP OF FS GREATER CHINA GROWTH FUND	Foreign corporation	0.82%	7,858,094			
Shareholdings of top 10 non-restricted common shareholders						
Name of shareholder		Number of	Variety of shares			

	non-restricted common shares held	Variety	Number
Zibo Lucheng Textile Investment Co., Ltd.	140,353,583	RMB ordinary shares	140,353,583
DBS VICKERS (HONG KONG) LTD A/C CLIENTS	26,213,346	Domestically listed foreign shares	26,213,346
LYNAS ASIA FUND	17,364,475	Domestically listed foreign shares	17,364,475
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUNDS	16,411,865	Domestically listed foreign shares	16,411,865
UBS AG	13,173,194	RMB ordinary shares	13,173,194
T.ROWE PRICE INTL DISCOVERY FUND	8,704,074	Domestically listed foreign shares	8,704,074
First State Investment Management UK Limited—First State China A Share Fund	8,597,472	RMB ordinary shares	8,597,472
VALUE PARTNERS CLASSIC FUND	8,156,383	Domestically listed foreign shares	8,156,383
NATIONAL WESTMINSTER BANK PLC AS DEP OF FS GREATER CHINA GROWTH FUND	7,858,094	Domestically listed foreign shares	7,858,094
Nan Shan Life Insurance Company, Ltd.	6,872,500	RMB ordinary shares	6,872,500
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	Zibo Lucheng Textile Investment Co., Ltd. is the first largest shareholder of the Company and also is the actual controlling shareholder. Tailun (Thailand) Textile Co., Ltd. is the foreign sponsor shareholder and is also the second largest shareholder 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 10 common shareholders taking part in securities margin trading (if any)	N/A		

Did any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conduct any promissory repo during the reporting period?

☐ Yea ☒ No

No such cases in the reporting period.

Section III. Significant Events

I. Significant changes of the major accounting statement items and financial indicators for the reporting period, as well as the reasons for these changes

☒ Applicable ☐ Inapplicable

1. Financial assets measured at fair value with changes recorded into current gains and losses as at 31 Mar. 2015 stood at RMB 2,399,200.00, up 100% from the opening amount, mainly because of changes in the fair value of these financial assets.

2. Prepayments as at 31 Mar. 2015 stood at RMB 262,841,192.20, up 50.31% from the opening amount, mainly because prepayments for raw materials increased.
3. Other current assets as at 31 Mar. 2015 stood at RMB 39,572,694.94, up 665.83% from the opening amount, mainly because the input VAT and the prepaid income tax to be deducted both increased.
4. Long-term deferred expenses as at 31 Mar. 2015 stood at RMB 42,350,433.78, up 49.55% from the opening amount, mainly because the land rental expenses by Lu Thai Cambodia increased.
5. Financial liabilities measured at fair value with changes recorded into current gains and losses as at 31 Mar. 2015 stood at RMB 0.00, down 100% from the opening amount, mainly because the financial liabilities were settled and transferred into the gains on fair value changes.
6. Payroll payable as at 31 Mar. 2015 stood at RMB 172,099,833.99, down 34.20% from the opening amount, mainly because the year-end bonuses for employees for 2014 were paid in the current period.
7. Taxes and fares payable as at 31 Mar. 2015 stood at RMB 48,499,480.61, down 34.51% from the opening amount, mainly because the taxes and fares payable decreased.
8. Interest payable as at 31 Mar. 2015 stood at RMB 872,891.23, up 70.70% from the opening amount, mainly because short-term borrowings increased.
9. Long-term payables as at 31 Mar. 2015 stood at RMB 0.00, down 100% from the opening amount, mainly because of the payments for electricity and bonds.
10. Business tax and surtaxes for Jan.-Mar. 2015 stood at RMB 13,321,763.49, up 64.21% year on year, mainly because the city construction & maintenance tax, the educational surcharges, etc. increased.
11. Financial expenses for Jan.-Mar. 2015 stood at RMB 2,905,274.94, down 64.20% year on year, mainly because the exchange gains increased.
12. Asset impairment losses for Jan.-Mar. 2015 stood at RMB 1,158,851.88, up 123.31% year on year, mainly because accounts receivable increased.
13. Gains on fair value changes for Jan.-Mar. 2015 stood at RMB 5,705,400.00, up 119.81% year on year, mainly because due financial assets were delivered, resulting in the carryover of the previously recognized gain/loss on fair value changes, and the fair value of financial assets changed.
14. Non-operating incomes for Jan.-Mar. 2015 stood at RMB 4,816,916.15, up 71.23% year on year, mainly because governmental subsidies increased.
15. Non-operating expense for Jan.-Mar. 2015 stood at RMB 412,123.84, down 59.58% year on year, mainly because the losses on disposal of non-current assets decreased.
16. Net cash flows from operating activities for Jan.-Mar. 2015 stood at RMB -97,329,127.52, down 274.50% year on year, mainly because the cash received from sale of goods and rendering of services decreased.

II. Progress of significant events and analysis & explanations on their influence and solutions

☐ Applicable ☒ Inapplicable

III. Commitments made by the Company or any shareholder with a shareholding over 5% in the reporting period or such commitments made in previous period and carried down into the reporting period

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

IV. Predict the operating results of Jan.-Jun. 2015

Warning of possible loss or considerable YoY change of the accumulated net profit made during the period-begin to the end of the next reporting period according to prediction, as well as explanations on the reasons:

☐ Applicable ☒ Inapplicable

V. Securities investments

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

VI. Shareholdings in other listed companies

☐ Applicable ☒ Inapplicable

No such cases in the reporting period.

VII. Investments in derivatives

☒ 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-associate	No	The forward foreign exchange settlement	94,519.94	14 Nov. 2014	28 Jan. 2015	21,213.88		28,813.35	4.02%	1,246.64
commercial	non-associate	No	Foreign	347.96	11 Feb.	30 Mar.	0		0		9.02

al bank	ssociate		exchange trading		2015	2015					
commercial bank	non-associate	No	Share option group	94,930	21 Oct. 2014	26 Mar. 2016	31,835		91,747.5	12.80%	106.85
Total				189,797.9	--	--	53,048.88		120,560.85	16.82%	1,362.51
Capital source for derivative investment				Self-owned funds							
Cases involving lawsuit (if applicable)				No							
Disclosure date of the board announcement approving the wealth management entrustment (if any)				27 Mar. 2014							
Disclosure date of the general meeting announcement approving the wealth management entrustment (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. Precaution measure: the Company chose the powerful financial institutions with good reputation as the counterparty, and signed standard derivative products transaction</p>							

	<p>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, regulations, the Company's Articles of Association, the Management Rules for Derivative Investment of Lu Thai Textile Co., Ltd. and the Proposal on the Plan of Lu Thai Textile Co., Ltd. for Derivative Transactions and the relevant regulations of the Proposal on the 2014 Derivative Transactions Plan of Luthai Textile Co., Ltd. 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. 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	<p>1. Up to 31 Mar. 2015, the Company held 31 undue financial derivative product contracts, totaling US\$ 203 million, of which there were about 7 forward foreign exchange settlements with the total amount of US\$ 45 million as well as there were about 24 foreign currency options with the total amount of US\$ 158 million (the latest expiration before Feb. 2016). The above financial derivative products accounted for 16.82% of the closing net assets.</p>

specific use methods and the relevant assumptions and parameters.	2. From Jan. 2015 to Mar. 2015, the due financial derivative products of the Company totally equaled to US\$ 110.5662 million, which generated a gain of RMB 13.6251 million. The due forward settlement was US\$ 105 million, which generated a gain of RMB 12.4664 million; the due forward foreign exchange trading amount equaled to US\$ 0.5662 million, which generated a gain of RMB 90,200; the due foreign currency options was US\$ 5 million, which generated a gain of RMB 1.0685 million.
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, Wanglei, 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 of reception	Place of reception	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company
31 Mar. 2015		Telephone Communication	Institution	EVERBRIGHT SECURITIES Li Jie, Tang Shuangshuang	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Qilu Securities Han Liping	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Natural arch assets Hu Xin	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Sheng Wan Spiritual Co., Ltd. Liu Zongxun	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	JiangHai Securities Self-operation Liuhua	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Hongdao Investment Ji Wei	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Chang Xin Assets Huang Wei	The Company's current situation

31 Mar. 2015		Telephone Communication	Institution	Hui Jie investment Xie Rui	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	JD Capital Chen Tao	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Jiangsu Xinye Shao Lei	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Yuan Cheng Investment Zeng Shang	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Minsheng Tonghui Assets Management Bai Fan	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Yin Tai Securities Zeng Liang	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Shanghai Right Share Xu Wenguang Han Ying	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Li Cheng Assets Weng Di	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Zong Yi Run Bang Liang Liang	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Tianfeng Securities Ding Ling Xiao	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Zhong Ou Fund Zhang Bo	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Bank of China International Information Technology Department Yao Yonghua	The Company's current situation
31 Mar. 2015		Telephone Communication	Institution	Ping An Life Insurance Sui Haiqi	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	581,633,140.07	666,293,798.30

Financial assets measured at fair value of which changes are recorded in current profits and losses	2,399,200.00	
Derivative financial assets		
Notes receivable	102,405,366.01	113,804,477.43
Accounts receivable	239,235,352.68	211,970,554.10
Accounts paid in advance	262,841,192.20	174,865,932.88
Dividend receivable		
Other accounts receivable	55,533,008.39	63,378,909.28
Financial assets purchased under agreements to resell		
Inventories	1,807,120,959.61	1,752,570,382.21
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	39,572,694.94	5,167,324.98
Total current assets	3,090,740,913.90	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	6,980,998.00	6,980,998.00
Long-term equity investment		
Investing real estate		
Fixed assets	4,888,413,338.86	4,930,848,056.04
Construction in progress	135,835,075.46	123,585,226.80
Engineering materials	13,952,157.15	19,885,765.41
Disposal of fixed assets		
Production biological assets	1,248,251.26	1,310,500.00
Oil-gas assets		
Intangible assets	372,338,014.57	373,760,347.71
R&D expense		
Goodwill	20,613,803.29	20,613,803.29
Long-term deferred expenses	42,350,433.78	28,319,033.27
Deferred income tax assets	46,276,748.70	49,963,446.84
Other non-current assets	12,781,283.00	16,910,237.34
Total of non-current assets	5,608,232,704.07	5,639,620,014.70

Total assets	8,698,973,617.97	8,627,671,393.88
Current liabilities:		
Short-term borrowings	598,046,187.34	517,452,946.24
Financial liabilities measured at fair value of which changes are recorded in current profits and losses		3,306,200.00
Derivative financial liabilities		
Notes payable	5,926,012.85	7,421,979.09
Accounts payable	276,717,096.22	344,082,239.16
Accounts received in advance	94,064,453.40	82,176,191.45
Payroll payable	172,099,833.99	261,539,206.93
Tax payable	48,499,480.61	74,052,405.97
Interest payable	872,891.23	511,373.44
Dividend payable	441,456.54	441,456.54
Other accounts payable	71,640,383.15	58,075,873.18
Non-current liabilities due within 1 year	101,115,828.19	100,733,898.72
Other current liabilities		
Total current liabilities	1,369,423,623.52	1,449,793,770.72
Non-current liabilities:		
Long-term borrowings	9,987,158.75	9,904,645.59
Long-term payables		220,000.00
Long-term payroll payables	80,360,457.97	80,360,457.97
Specific payables		
Estimated liabilities		
Deferred income	66,237,376.21	67,057,221.40
Deferred income tax liabilities	2,432,968.08	2,064,713.02
Other non-current liabilities	1,840,000.00	1,840,000.00
Total non-current liabilities	160,857,961.01	161,447,037.98
Total liabilities	1,530,281,584.53	1,611,240,808.70
Owners' equity:		
Share capital	955,758,496.00	955,758,496.00
Capital reserves	1,007,079,868.23	1,007,039,561.13
Less: Treasury stock		
Other comprehensive income	-8,223,568.49	-8,440,178.37
Specific reserves		

Surplus reserves	742,347,832.47	742,347,832.47
Provisions for general risks		
Retained profits	4,044,780,614.67	3,892,066,534.32
Total equity attributable to owners of the Company	6,741,743,242.88	6,588,772,245.55
Minority interests	426,948,790.56	427,658,339.63
Total owners' equity	7,168,692,033.44	7,016,430,585.18
Total liabilities and owners' equity	8,698,973,617.97	8,627,671,393.88

Legal representative: Liu Shizhen Chief of the accounting work: Zhang Hongmei Chief of the accounting organ: Zhang Keming

2. Balance sheet of the Company

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	280,268,937.68	250,409,717.93
Financial assets measured at fair value of which changes are recorded in current profits and losses	2,399,200.00	
Derivative financial assets		
Notes receivable	85,889,905.77	87,341,876.69
Accounts receivable	259,155,421.87	321,897,074.61
Accounts paid in advance	328,775,876.60	193,383,406.51
Interest receivable		
Dividend receivable		
Other accounts receivable	73,350,063.39	28,049,517.79
Inventories	1,239,453,582.16	1,206,795,514.65
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	12,271,565.13	1,017,648.28
Total current assets	2,281,564,552.60	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	1,208,549,817.36	1,170,861,572.56
Investing real estate		

Fixed assets	3,087,578,503.55	3,115,567,670.72
Construction in progress	91,193,418.73	77,701,863.38
Engineering materials	9,650,599.43	18,626,397.04
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	237,599,548.64	239,561,216.15
R&D expense		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	30,605,177.48	31,683,250.78
Other non-current assets	5,406,401.00	5,406,401.00
Total of non-current assets	4,725,866,066.19	4,714,690,971.63
Total assets	7,007,430,618.79	6,803,585,728.09
Current liabilities:		
Short-term borrowings	268,789,601.05	109,116,402.18
Financial liabilities measured at fair value of which changes are recorded in current profits and losses		3,075,000.00
Derivative financial liabilities		
Notes payable	1,140,002.40	4,126,949.64
Accounts payable	369,395,558.41	370,179,503.31
Accounts received in advance	58,317,071.02	42,230,252.30
Payroll payable	133,671,721.17	201,779,896.86
Tax payable	24,261,331.68	38,755,976.56
Interest payable	628,292.61	401,695.08
Dividend payable	441,456.54	441,456.54
Other accounts payable	28,229,237.15	22,996,300.29
Liabilities held for sale		
Non-current liabilities due within 1 year	101,115,828.19	100,733,898.72
Other current liabilities		
Total current liabilities	985,990,100.22	893,837,331.48
Non-current liabilities:		
Long-term borrowings	9,942,198.75	9,904,645.59
Long-term payables		

Long-term payroll payables	80,360,457.97	80,360,457.97
Specific payables		
Estimated liabilities		
Deferred income	30,300,696.46	
Deferred income tax liabilities	359,880.00	
Other non-current liabilities		30,469,481.47
Total non-current liabilities	120,963,233.18	120,734,585.03
Total liabilities	1,106,953,333.40	1,014,571,916.51
Owners' equity:		
Share capital	955,758,496.00	955,758,496.00
Capital reserves	1,013,432,549.32	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	3,188,938,407.60	3,077,515,240.89
Total owners' equity	5,900,477,285.39	5,789,013,811.58
Total liabilities and owners' equity	7,007,430,618.79	6,803,585,728.09

3. Consolidated income statement

Unit: RMB Yuan

Item	Jan.-Mar. 2015	Jan.-Mar. 2014
I. Total operating revenues	1,428,557,406.74	1,524,854,012.98
Including: Sales income	1,428,557,406.74	1,524,854,012.98
II. Total operating costs	1,265,704,564.06	1,255,227,267.11
Including: Cost of sales	1,044,182,982.58	1,059,292,161.99
Taxes and associate charges	13,321,763.49	8,112,449.96
Selling and distribution expenses	51,797,009.15	45,674,167.84
Administrative expenses	152,338,682.02	139,004,880.22
Financial expenses	2,905,274.94	8,115,706.19
Asset impairment loss	1,158,851.88	-4,972,099.09
Add: Gain/(loss) from change in fair value ("-" means loss)	5,705,400.00	-28,794,020.00
Gain/(loss) from investment ("-" means loss)	13,625,143.33	15,059,650.31
Including: share of profits in associates and joint ventures		

Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	182,183,386.01	255,892,376.18
Add: non-operating income	4,816,916.15	2,813,117.81
Including: Gains on disposal of non-current assets	367,515.59	50,957.05
Less: non-operating expense	412,123.84	1,019,563.59
Including: Losses on disposal of non-current assets	10,363.14	676,552.87
IV. Total profit (“-” means loss)	186,588,178.32	257,685,930.40
Less: Income tax expense	34,583,647.04	37,984,156.38
V. Net profit (“-” means loss)	152,004,531.28	219,701,774.02
Net profit attributable to owners of the Company	152,714,080.35	213,792,166.20
Minority shareholders’ income	-709,549.07	5,909,607.82
VI. After-tax net amount of other comprehensive incomes	215,117.44	502,851.87
After-tax net amount of other comprehensive incomes attributable to owners of the Company	215,117.44	502,851.87
(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	215,117.44	502,851.87
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	215,117.44	502,851.87
6. Other		
After-tax net amount of other comprehensive incomes attributable to minority shareholders		
VII. Total comprehensive incomes	152,219,648.72	220,204,625.89

Attributable to owners of the Company	152,929,197.79	214,295,018.07
Attributable to minority shareholders	-709,549.07	5,909,607.82
VIII. Earnings per share		
(I) Basic earnings per share	0.16	0.22
(II) Diluted earnings per share	0.16	0.22

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 , with the corresponding amount for the same period of last year being RMB .

Legal representative: Liu Shizhen Chief of the accounting work: Zhang Hongmei Chief of the accounting organ: Zhang Keming

4. Income statement of the Company

Unit: RMB Yuan

Item	Jan.-Mar. 2015	Jan.-Mar. 2014
I. Total sales	1,092,837,005.97	1,027,387,778.45
Less: cost of sales	842,767,486.89	708,449,373.42
Business taxes and surcharges	10,401,216.67	5,172,792.21
Distribution expenses	23,672,458.92	20,428,081.26
Administrative expenses	107,394,185.74	97,433,212.33
Financial costs	-582,535.37	-1,286,965.86
Impairment loss	-965,962.31	-3,046,160.73
Add: gain/(loss) from change in fair value ("-" means loss)	5,474,200.00	-23,720,300.00
Gain/(loss) from investment ("-" means loss)	12,628,943.33	12,022,210.27
Including: income from investment on associates and joint ventures		
II. Business profit ("-" means loss)	128,253,298.76	188,539,356.09
Add: non-operating income	4,528,078.79	2,090,225.37
Including: Gains on disposal of non-current assets	367,515.59	14336.05
Less: non-operating expense	172,420.29	866,262.37
Including: Losses on disposal of non-current assets	10,363.14	674876.26
III. Total profit ("-" means loss)	132,608,957.26	189,763,319.09
Less: Income tax expense	21,185,790.55	25,553,980.21
IV. Net profit ("-" means loss)	111,423,166.71	164,209,338.88
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	111,423,166.71	164,209,338.88
VII. Earnings per share		
(I) Basic earnings per share	0.12	0.17
(II) Diluted earnings per share	0.12	0.17

5. Consolidated cash flow statement

Unit: RMB Yuan

Item	Jan.-Mar. 2015	Jan.-Mar. 2014
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,409,322,323.45	1,687,365,414.77
Tax refunds received	36,086,459.45	44,724,303.43
Other cash received relating to operating activities	12,607,023.84	21,602,693.31
Subtotal of cash inflows from operating activities	1,458,015,806.74	1,753,692,411.51
Cash paid for goods and services	925,879,104.51	1,069,481,319.44
Cash paid to and for employees	434,927,450.28	430,633,920.43
Various taxes paid	119,315,613.30	120,108,409.19
Other cash payment relating to operating activities	75,222,766.17	77,693,523.62
Subtotal of cash outflows from operating activities	1,555,344,934.26	1,697,917,172.68
Net cash flows from operating activities	-97,329,127.52	55,775,238.83
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	1,209,136.18	1,564,743.67
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	14,349,088.60	16,628,598.97
Subtotal of cash inflows from investing activities	15,558,224.78	18,193,342.64
Cash paid to acquire fixed assets, intangible assets and other long-term assets	77,688,786.57	122,361,158.19
Cash paid for investment		
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	77,688,786.57	122,361,158.19
Net cash flows from investing activities	-62,130,561.79	-104,167,815.55
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings	499,500,745.26	178,448,809.09
Cash received from issuance of bonds		
Other cash received relating to financing activities	16,000,000.00	12,000,000.00
Subtotal of cash inflows from financing activities	515,500,745.26	190,448,809.09
Repayment of borrowings	420,419,094.09	322,265,867.92
Cash paid for interest expenses and distribution of dividends or profit	6,336,269.66	7,025,184.46
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities	61,299,156.00	12,000,000.00
Sub-total of cash outflows from financing activities	488,054,519.75	341,291,052.38
Net cash flows from financing activities	27,446,225.51	-150,842,243.29
IV. Effect of foreign exchange rate changes on cash and cash equivalents	2,953,649.57	-592,871.45
V. Net increase in cash and cash equivalents	-129,059,814.23	-199,827,691.46
Add: Opening balance of cash and cash equivalents	649,393,798.30	869,909,505.89
VI. Closing balance of cash and cash equivalents	520,333,984.07	670,081,814.43

6. Cash flow statement of the Company

Unit: RMB Yuan

Item	Jan.-Mar. 2015	Jan.-Mar. 2014
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,157,272,756.12	1,135,988,900.43
Tax refunds received	32,062,208.83	28,058,174.14
Other cash received relating to operating activities	3,218,883.40	1,457,351.16
Subtotal of cash inflows from operating activities	1,192,553,848.35	1,165,504,425.73
Cash paid for goods and services	779,155,896.02	733,603,575.84
Cash paid to and for employees	327,538,401.62	323,138,484.20
Various taxes paid	45,531,121.17	70,900,289.12
Other cash payment relating to operating activities	100,393,923.38	36,859,914.06
Subtotal of cash outflows from operating activities	1,252,619,342.19	1,164,502,263.22
Net cash flows from operating activities	-60,065,493.84	1,002,162.51
II. Cash flows from investing activities:		
Cash received from retraction of investments		
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,209,136.18	1,563,943.67
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	12,999,351.78	13,772,550.56
Subtotal of cash inflows from investing activities	14,208,487.96	15,336,494.23
Cash paid to acquire fixed assets, intangible assets and other long-term assets	44,996,274.50	85,844,328.08
Cash paid for investment	36,160,983.67	19,343,283.56
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	81,157,258.17	105,187,611.64
Net cash flows from investing activities	-66,948,770.21	-89,851,117.41
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings	256,245,018.34	26,096,206.39
Cash received from issuance of bonds		
Other cash received relating to financing activities		

Subtotal of cash inflows from financing activities	256,245,018.34	26,096,206.39
Repayment of borrowings	98,059,135.07	26,529,242.39
Cash paid for interest expenses and distribution of dividends or profit	1,369,866.44	1,806,334.37
Other cash payments relating to financing activities	61,299,156.00	
Sub-total of cash outflows from financing activities	160,728,157.51	28,335,576.76
Net cash flows from financing activities	95,516,860.83	-2,239,370.37
IV. Effect of foreign exchange rate changes on cash and cash equivalents	957,466.97	-168,440.09
V. Net increase in cash and cash equivalents	-30,539,936.25	-91,256,765.36
Add: Opening balance of cash and cash equivalents	249,509,717.93	503,157,687.92
VI. Closing balance of cash and cash equivalents	218,969,781.68	411,900,922.56

II. Audit report

Is this report audited?

☐ Yes ☒ No

This report is not audited.

Chairman of the Board: Liu Shizhen

Lu Thai Textile Co., Ltd.

25 Apr. 2015