



LU THAI TEXTILE CO., LTD.
THIRD QUARTER REPORT 2019

October 2019

Part I Important Notes

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Lu Thai Textile Co., Ltd. (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

All the Company’s directors have attended the Board meeting for the review of this Report and its summary.

Liu Zibin, the Company’s legal representative, Zhang Hongmei, the Company’s Chief Accountant, and Zhang Keming, the Company’s Financial Manager hereby guarantee that the financial statements carried in this Report are factual, accurate and complete.

This Report and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.

Part II Key Corporate Information

I Key Consolidated Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes No

	30 September 2019	31 December 2018	Change (%)	
Total assets (RMB)	11,348,273,338.95	10,537,759,811.84	7.69%	
Equity attributable to the listed company's shareholders (RMB)	7,351,503,162.46	7,146,548,467.86	2.87%	
	Q3 2019	YoY change (%)	Q1-Q3 2019	YoY change (%)
Operating revenue (RMB)	1,626,165,317.03	-6.71%	4,811,613,661.04	-4.22%
Net profit attributable to the listed company's shareholders (RMB)	176,453,154.53	-15.79%	587,899,371.12	0.17%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	172,442,753.62	-23.06%	549,259,289.55	-6.99%
Net cash generated from/used in operating activities (RMB)	--	--	481,803,616.13	-57.10%
Basic earnings per share (RMB/share)	0.20	-13.04%	0.68	6.25%
Diluted earnings per share (RMB/share)	0.20	-13.04%	0.68	6.25%
Weighted average return on equity (%)	2.44%	-0.51%	8.14%	0.06%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	Q1-Q3 2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-510,901.65	
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per government's uniform standards)	35,960,594.57	
Gain/Loss on changes in fair value arising from holding of trading financial assets and liabilities, derivative financial assets and liabilities and investment income from disposal of trading financial assets and liabilities, derivative financial assets and liabilities and other investments in debt obligation other than effective hedge business related to the Company's normal operating businesses	19,090,653.31	
Non-operating income and expense other than above	-5,090,217.43	
Less: Income tax effects	7,880,401.60	

Non-controlling interests effects (net of tax)	2,929,645.63	
Total	38,640,081.57	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

Applicable Not applicable

No such cases for the Reporting Period.

II Total Number of Shareholders and Holdings of Top 10 Shareholders at 30 September 2019

1. Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders	56,184	Number of preferred shareholders with resumed voting rights (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares	Restricted shares	Shares in pledge or frozen	
					Status	Shares
Zibo Lucheng Textile Investment Co., Ltd.	Domestic non-state-owned legal person	16.36%	140,353,583			
Tailun (Thailand) Textile Co., Ltd.	Foreign legal person	13.78%	118,232,400	118,232,400		
Hong Kong Securities Clearing Co. Ltd	Foreign legal person	3.03%	25,984,811			
Central Huijin Assets Management Co., Ltd.	State-owned legal person	2.37%	20,315,300			
T.ROWE PRICE INTL DISCOVERY FUND	Foreign legal person	2.32%	19,948,219			
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	2.13%	18,313,391			
Hong Kong Monetary Authority-Self-owned Fund	Foreign legal person	2.04%	17,487,884			
National Social Security Fund Portfolio 103	Other	1.40%	11,999,897			
National Social Security Fund Portfolio 413	Other	0.95%	8,190,051			
ASSICURAZIONI	Other	0.76%	6,558,889			

GENERALI-DIVIDEND 2				
Top 10 unrestricted shareholders				
Name of shareholder	Unrestricted shares	Shares by type		
		Type	Shares	
Zibo Lucheng Textile Investment Co., Ltd.	140,353,583	RMB-denominated ordinary stock	140,353,583	
Hong Kong Securities Clearing Co. Ltd	25,984,811	RMB-denominated ordinary stock	25,984,811	
Central Huijin Assets Management Co., Ltd.	20,315,300	RMB-denominated ordinary stock	20,315,300	
T.ROWE PRICE INTL DISCOVERY FUND	19,948,219	Domestically listed foreign stock	19,948,219	
China Securities Finance Corporation Limited	18,313,391	RMB-denominated ordinary stock	18,313,391	
Hong Kong Monetary Authority-Self-owned Fund	17,487,884	RMB-denominated ordinary stock	17,487,884	
National Social Security Fund Portfolio 103	11,999,897	RMB-denominated ordinary stock	11,999,897	
National Social Security Fund Portfolio 413	8,190,051	RMB-denominated ordinary stock	8,190,051	
ASSICURAZIONI GENERALI-DIVIDEND 2	6,558,889	RMB-denominated ordinary stock	6,558,889	
RBC EMERGING MARKETS SMALL CAP EQUITY FUND	6,181,462	Domestically listed foreign stock	6,181,462	
Related or acting-in-concert parties among shareholders above	Zibo Lucheng Textile Investment Co., Ltd. is the largest shareholder and the actual controller of the Company. Tailun (Thailand) Textile Co., Ltd. is the second largest shareholder and the foreign sponsor of the Company. All the other shareholders are holding tradable A-shares or B-shares. And it is unknown whether there is any related party or acting-in-concert party among them.			
Top 10 ordinary shareholders involved in securities margin trading (if any)	Naught			

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes No

No such cases in the Reporting Period.

2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

Part III Significant Events

I Changes in Key Financial Statement Line Items and Explanation of why

√ Applicable □ Not applicable

Item	30 September 2019	31 December 2018	Change	Reason for change
Prepayments	196,906,160.26	149,582,616.21	31.64%	Increase in prepayments for agricultural means of production in the Reporting Period
Current portion of non-current assets	52,256,130.79	-	100.00%	Purchase of trust financial products in the Reporting Period
Investment property	38,266,359.35	22,880,242.95	67.25%	Transfer of operating leased houses into investment property in the Reporting Period
Construction in progress	502,791,371.42	337,230,646.42	49.09%	Increase in inputs in Yarn Dye II Project of Lu Thai (Vietnam) and equipment
Short-term borrowings	2,117,741,665.40	1,325,273,780.05	59.80%	Increase in borrowings from banks in the Reporting Period
Notes payable	22,125,109.37	502,347.05	4304.35%	Increase in bank's acceptance bills opened for payments of materials in the Reporting Period
Accounts payable	229,909,541.78	353,186,163.90	-34.90%	Payments for raw materials and equipment in the Reporting Period
Current portion of non-current liabilities	111,331,864.72	-	100.00%	Increase in current portion of long-term borrowings
Long-term borrowings	18,961,030.32	170,019,083.89	-88.85%	Reclassification of current portion of long-term borrowings into current portion of non-current liabilities
Capital reserve	256,632,428.28	699,493,647.48	-63.31%	Capital stock premium from repurchased B-shares cancelled in the Reporting Period
Treasury stock	-	486,922,944.94	-100.00%	Cancellation of repurchased B-shares in the Reporting Period
Other comprehensive income	111,894,866.80	61,157,013.37	82.96%	Increase in differences arising from the translation of foreign currency-denominated financial statements in the Reporting Period
Item	Q1~Q3 2019	Q1~Q3 2018	Change	Reason for change
Finance cost	61,156,464.30	37,733,821.10	62.07%	Increase in interest expense in the Reporting Period
Investment income	16,777,341.81	-18,388,041.25	191.24%	Increase in income from investments in

				derivative financial instruments and associated enterprises in the Reporting Period
Gain on changes in fair value	5,638,067.04	-44,112,150.00	112.78%	Losses on changes in fair value of fails-to-delivery derivative financial instruments of the same period of last year
Asset disposal income	162,416.20	23,233,253.44	-99.30%	Recognition of disposal income from demolition by Xinjiang Lu Thai in the same period of last year
Non-operating expense	9,785,667.21	3,623,862.73	170.03%	Payments for relief donations in the Reporting Period
Net cash generated from/used in operating activities	481,803,616.13	1,123,152,616.75	-57.10%	Increase in net cash outflow in relation to operating activities: 1. YoY increase of RMB331 million in cash paid for purchase of commodities and acceptance of labor services, which driven by increase in payments for cotton; 2. YoY decrease of RMB222 million in cash received from sales of commodities and providing of labor services, which driven by decline in sales of products
Net cash generated from/used in financing activities	212,302,378.28	-288,801,161.03	173.51%	YoY decrease in payments for B-share repurchase and YoY increase in cash received from obtaining borrowings in the Reporting Period

II Progress, Influence and Solutions with regard to Significant Events

√ Applicable □ Not applicable

The 28th Meeting of the 8th Board of Directors reviewed and approved ten proposals on 23 May 2019, including the Proposal of Meeting the Conditions for Public Issuance of A-share Convertible Corporate Bonds, the Proposal of Plan on Public Issuance of A-share Convertible Corporate Bonds and the Proposal of Preplan on Public Issuance of A-share Convertible Corporate Bonds. For details, please refer to the announcement (announcement No.: 2019-039) disclosed on www.cninfo.com.cn on 24 May 2019. The 3rd Extraordinary General Meeting of 2019 reviewed and approved ten proposals on 16 September 2019, including the Proposal of Meeting the Conditions for Public Issuance of A-share Convertible Corporate Bonds, the Proposal of Plan on Public Issuance of A-share Convertible Corporate Bonds, the Proposal of Preplan on Public Issuance of A-share Convertible Corporate Bonds and the Proposal of Change in Audit Institution. For details, please refer to the announcement (announcement No.: 2019-059) disclosed on www.cninfo.com.cn on 17 September 2019. The Company received the Acceptance Form on Application for CSRC Administrative License issued by CSRC (No. 192620) on 15 October 2019. For details, please refer to the relevant announcement (announcement No.: 2019-064) disclosed on www.cninfo.com.cn on 16 October 2019.

Overview of significant events	Disclosure date	Announcement index
The progress of relevant matters for public issuance of A-share Convertible Corporate	24 May 2019	Announcements on www.cninfo.com.cn
	17 September 2019	Announcements on www.cninfo.com.cn

Bonds	15 October 2019	Announcements on www.cninfo.com.cn
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Progress of any share repurchase:

Applicable Not applicable

Progress of any reduction of the repurchased shares through centralized bidding:

Applicable Not applicable

III Commitments that the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company Itself or Other Parties, Failed to Fulfill on Time during the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

IV Securities Investments

Applicable Not applicable

No such cases in the Reporting Period.

V Wealth Management Entrustment

Applicable Not applicable

Unit: RMB'0,000

Type of wealth management	Funding source	Principal	Outstanding amount before maturity	Overdue amount
Other	Self-funded	0	3,000	0
Trust finance products	Self-funded	5,000	5,000	0
Total		5,000	8,000	0

High-risk wealth management entrustments with amounts that are individually significant, or with low security, low liquidity, or no protection of the principal:

Applicable Not applicable

Unit: RMB'0,000

Trustee	Type of trustee	Type of wealth management product	Principal	Funding source	Start date	End date	Investment with principal	Way of payback	Reference annualized return (%)	Expected return (if any)	Actual gain/loss in Reporting Period	Collection/payment of gain/loss in Reporting Period	Impairment allowance (if any)	Through prescribed procedure or not	Any plan for further entrustment	Overview and index to more information (if any)
Gopher Asset Management	Fund corporation	Fixed-income	3,000	Self-funded	22 December	26 December	Granting of trust	Annual payment of	8.50%	255	250.32	N/A		Yes	Temporarily no	

t Co., Ltd					2017	2019	loans to HOM E CREDIT	interests and payment of principal upon maturity								
Avic trust co. LTD	Trust company	Fixed-income	5,000	Self-funded	7 March 2019	9 March 2020	Investment trust assets	Payment of principal and interest upon maturity	8.00%	400	0	N/A		Yes	Temporarily no	
Total			8,000	--	--	--	--	--	--	655	250.32	--		--	--	--

Wealth management entrustments with possible impairments including an expectedly unrecoverable principal:

Applicable Not applicable

VI Investments in Derivative Financial Instruments

Applicable Not applicable

Unit: RMB'0,000

Counterparty	Relationship with the Company	Related-party transaction or not	Type of derivative	Initial investment amount	Start date	End date	Beginning investment	Purchased in Reporting Period	Sold in Reporting Period	Impairment allowance (if any)	Ending investment	Ending investment as % of the Company's ending net assets	Actual gain/loss in Reporting Period
Commercial bank	Non-connected	No	Forward exchange settlement	98,187.76	19 June 2018	11 November 2019	6,512.05	91,675.71	93,944.02		4,243.74	0.53%	776.34
Commercial bank	Non-connected	No	Foreign exchange option	16,018.76	23 March 2018	30 August 2019	1,909.89	14,108.87	16,018.76		0		40.15
Commercial bank	Non-connected	No	Forward	3,049.7	28 Septemb	10 May 2019	1,610.11	1,439.59	3,049.7		0		50.04

			exchange transactions		er 2018								
Total				117,256.22	--	--	10,032.05	107,224.17	113,012.48		4,243.74	0.53%	866.53
Funding source	Self-funded												
Legal matters involved (if applicable)	N/A												
Disclosure date of board of directors announcement on approval of derivative investment (if any)	27 April 2018												
	30 April 2019												
Disclosure date of general meeting of shareholders announcement on approval of derivative investment (if any)													
Analysis of risks and control measures associated with derivative investments held in Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal 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 market risk, liquidity risk and credit risk, operation risk and risk of laws and regulation.</p> <p>1. Market risk: when the international and domestic economic situations change, the corresponding changes in exchange rates and interest rates may have an adverse impact on the financial derivatives transactions of the Company. Precautionary measures to be taken include: the Company chooses risk-controlled financial derivative tools with simple structure and good liquidity to carry out the hedging business, strictly controls the scale of financial derivatives trading by staged operations, and adjusts the strategy according to market changes in a timely manner.</p> <p>2. Liquidity risk and credit risk: a credit risk arising from failure of the contractually due Company or counterparty in performing the contract due to liquidity or factors other than liquidity. Precautionary measures to be taken include: the Company determines the upper limit of derivatives transaction amounts according to production and operation scale as well as foreign exchange income, and conducts operations by stage according to the budget of future collections and disbursement. The derivative trades are free of guarantee deposit and can still be guaranteed in performance after the contract expires by means of extension and balance settlement etc. to prevent the Company from credit damages due to lack of liquidity. The Company selects financial institutions with strong capability and good reputation as a counterparty and signs standard derivative trading contracts to strictly control credit risk of the counterparty.</p> <p>3. Operation risk:</p> <p>The derivatives had high specialty and complexity, so imperfect internal operation procedures, staffs and external events would make the Company to undertake risks during the transaction. Risk control measures: The Company promulgated strict authorization and approval system and perfect regulatory mechanism, fixed the operation procedures and approval procedures system to conduct derivative products transaction, implemented strict authorization and post checks and balances system, meanwhile, it improved the overall quality of relevant personnel through strengthening the</p>												

	<p>professional ethics education and business training for them. Besides, it established the System of Reporting the Abnormal Situation Timely so as to ensure to lower the operation risks to the maximum.</p> <p>4. Risk of laws and regulation:</p> <p>The Company conducted derivatives products transaction in strict accordance with relevant laws and rules. 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. Risk control 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 transaction business. The Company conducted derivative transaction business 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 Transaction of Lu Thai Textile Co., Ltd., and the Proposal on the Plan of Lu Thai Textile Co., Ltd. for Derivative Transactions approved at the 17th Meeting of the 8th Board of Directors on 25 April 2018 and the 26th Meeting of the 8th Board of Directors on 29 April 2019, and performed relevant information disclosure responsibilities.</p>
Changes in market prices or fair value of derivative investments in Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)	<p>1. As of 30 September 2019, the Company held financial derivative worth USD6 million in totals, which was forward settlement of exchange executed in accordance with the contracts. The latest contract expiration date was 11 November 2019. Financial derivatives occupied 0.53 % of the net assets as at the period end.</p> <p>2. In Q1~Q3 2019, the amount of maturing financial derivatives of the Company amounted to USD165.0969 million which was executed as per the contract in full, which generated an income of RMB8.6653 million. The delivery amount of forward settlement of exchange amounted to USD137.1132 million which generated an income of RMB7.7634 million; the delivery amount of foreign exchange options was USD23.5 million which generated an income of RMB0.4015 million. The delivery amount of foreign exchange transaction amounted to USD4.4837 million which generated an income of RMB0.5004 million.</p>
Major changes in accounting policies and specific accounting principles adopted for derivative investments in Reporting Period compared to last reporting period	No significant changes
Opinion of independent directors on derivative investments and risk control	<p>The Company's independent directors Zhou Zhiji, Bi Xiuli, Pan Ailing, Wang Xinyu and Qu Dongmei concerning conducting derivatives business, have issued the following professional advice: We are of the opinion that it will 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. In conducting derivative transactions with focus on forward settlement and purchase, the Company follows a legal approval procedure, has sound relevant institutions and keeps the risks relatively controllable. No harm has been done to the interests of the Company's shareholders.</p>

VII Communications with the Investment Community such as Researches, Inquiries and Interviews during the Reporting Period

Applicable Not applicable

Date	Way of communication	Type of communication party	Index to main information communicated
29 March 2019	By phone	Individual	Basic information of the Company

VIII Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

IX Occupation of the Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes

Applicable Not applicable

No such cases in the Reporting Period.

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by Lu Thai Textile Co., Ltd.

30 September 2019

Unit: RMB

Item	30 September 2019	31 December 2018
Current assets:		
Monetary capital	683,353,628.74	545,502,709.36
Trading financial assets	31,501,467.04	
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	129,159,118.93	174,657,918.26
Accounts receivable	379,514,852.15	374,607,116.55
Accounts receivable financing		
Prepayments	196,906,160.26	149,582,616.21
Other receivables	73,542,617.81	63,012,001.10
Including: Interest receivable	2,365,415.76	
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	2,449,924,067.98	2,093,366,992.30
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets	52,256,130.79	
Other current assets	72,598,373.59	86,366,454.56
Total current assets	4,068,756,417.29	3,487,095,808.34
Non-current assets:		
Investments in debt obligations		
Available-for-sale financial assets		85,112,000.00
Investments in other debt obligations		
Held-to-maturity investments		

Long-term receivables	8,818,242.91	10,693,844.75
Long-term equity investments	98,925,703.04	96,018,463.65
Investments in other equity instruments	12,000,000.00	
Other non-current financial assets	31,018,515.95	
Investment property	38,266,359.35	22,880,242.95
Fixed assets	5,771,423,930.07	5,748,562,385.35
Construction in progress	502,791,371.42	337,230,646.42
Intangible assets	528,724,915.77	478,689,064.45
Goodwill	20,563,803.29	20,613,803.29
Long-term prepaid expense	150,370,671.30	119,126,407.71
Deferred income tax assets	80,480,242.51	88,636,929.06
Other non-current assets	36,133,166.05	43,100,215.87
Total non-current assets	7,279,516,921.66	7,050,664,003.50
Total assets	11,348,273,338.95	10,537,759,811.84
Current liabilities:		
Short-term borrowings	2,117,741,665.40	1,325,273,780.05
Trading financial liabilities		
Financial liabilities at fair value through profit or loss		4,877,600.00
Derivative financial liabilities		
Notes payable	22,125,109.37	502,347.05
Accounts payable	229,909,541.78	353,186,163.90
Advances from customers	104,448,976.14	105,562,378.66
Contractual liabilities		
Payroll payable	298,573,258.40	325,998,210.17
Taxes payable	38,820,588.53	43,556,823.75
Other payables	216,327,314.09	215,946,987.68
Including: Interest payable	7,318,446.67	3,068,841.54
Dividends payable	441,113.64	441,113.64
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities	111,331,864.72	
Other current liabilities		
Total current liabilities	3,139,278,318.43	2,374,904,291.26
Non-current liabilities:		
Long-term borrowings	18,961,030.32	170,019,083.89

Long-term payables		
Long-term payroll payable	86,420,799.53	96,958,178.53
Provisions		
Deferred income	139,134,413.73	140,183,446.39
Deferred income tax liabilities	27,874,484.06	28,030,096.38
Other non-current liabilities	1,840,000.00	1,840,000.00
Total non-current liabilities	274,230,727.64	437,030,805.19
Total liabilities	3,413,509,046.07	2,811,935,096.45
Owners' equity:		
Share capital	858,121,541.00	922,602,311.00
Capital reserve	256,632,428.28	699,493,647.48
Less: Treasury stock		486,922,944.94
Other comprehensive income	111,894,866.80	61,157,013.37
Surplus reserves	1,022,717,451.40	1,022,717,451.40
Retained earnings	5,102,136,874.98	4,927,500,989.55
Total equity attributable to owners of the Company as the parent	7,351,503,162.46	7,146,548,467.86
Non-controlling interests	583,261,130.42	579,276,247.53
Total owners' equity	7,934,764,292.88	7,725,824,715.39
Total liabilities and owners' equity	11,348,273,338.95	10,537,759,811.84

Legal representative: Liu Zibin

The Company's chief accountant: Zhang Hongmei

The Company's financial manager: Zhang Keming

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 September 2019	31 December 2018
Current assets:		
Monetary capital	146,337,238.24	191,305,104.80
Trading financial assets	31,350,000.00	
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable	47,978,730.62	91,555,248.34
Accounts receivable	350,747,701.24	316,225,973.28
Accounts receivable financing		

Prepayments	108,525,969.43	115,020,260.51
Other receivables	613,846,460.12	395,847,213.77
Including: Interest receivable		
Dividends receivable		
Inventories	1,432,477,318.67	1,040,433,078.53
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets	52,256,130.79	
Other current assets	848,975.15	12,671,631.64
Total current assets	2,784,368,524.26	2,163,058,510.87
Non-current assets:		
Investments in debt obligations		
Available-for-sale financial assets		73,112,000.00
Investments in other debt obligations		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	2,521,541,019.08	2,165,711,579.69
Investments in other equity instruments		
Other non-current financial assets	31,018,515.95	
Investment property	31,428,015.67	14,804,592.72
Fixed assets	2,668,052,628.86	2,731,726,695.28
Construction in progress	59,479,055.48	61,182,771.86
Intangible assets	237,399,361.88	242,204,032.54
Goodwill		
Long-term prepaid expense		
Deferred income tax assets	46,274,665.49	52,758,961.05
Other non-current assets	2,819,450.02	6,047,443.10
Total non-current assets	5,598,012,712.43	5,347,548,076.24
Total assets	8,382,381,236.69	7,510,606,587.11
Current liabilities:		
Short-term borrowings	928,629,284.35	622,604,447.52
Trading financial liabilities		
Financial liabilities at fair value through profit or loss		4,877,600.00
Derivative financial liabilities		

Notes payable	420,035,914.66	120,000.00
Accounts payable	158,548,287.20	120,021,727.66
Advances from customers	60,609,258.23	49,798,551.14
Contractual liabilities		
Payroll payable	222,245,639.71	240,090,943.88
Taxes payable	28,318,102.82	30,914,089.32
Other payables	280,561,093.63	303,672,590.72
Including: Interest payable	6,170,923.39	2,475,549.88
Dividends payable	441,113.64	441,113.64
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	2,098,947,580.60	1,372,099,950.24
Non-current liabilities:		
Long-term borrowings		
Long-term payables		
Long-term payroll payable	86,420,799.53	96,958,178.53
Provisions		
Deferred income	93,190,373.91	94,390,844.09
Deferred income tax liabilities	16,810,230.43	16,699,530.43
Other non-current liabilities		
Total non-current liabilities	196,421,403.87	208,048,553.05
Total liabilities	2,295,368,984.47	1,580,148,503.29
Owners' equity:		
Share capital	858,121,541.00	922,602,311.00
Capital reserves	317,206,232.47	759,836,756.57
Less: Treasury stock		486,922,944.94
Other comprehensive income		520,200.00
Surplus reserves	1,019,608,711.76	1,019,608,711.76
Retained earnings	3,892,075,766.99	3,714,813,049.43
Total owners' equity	6,087,012,252.22	5,930,458,083.82
Total liabilities and owners' equity	8,382,381,236.69	7,510,606,587.11

3. Consolidated Income Statement for Q3

Unit: RMB

Item	Q3 2019	Q3 2018
1. Revenue	1,626,165,317.03	1,743,184,011.30
Including: Operating revenue	1,626,165,317.03	1,743,184,011.30
Interest income		
2. Costs and expenses	1,409,327,905.19	1,441,771,123.15
Including: Cost of sales	1,134,881,337.85	1,202,063,269.94
Interest expense		
Taxes and surcharges	19,277,202.31	25,517,190.09
Selling expense	39,940,915.79	36,889,477.84
Administrative expense	132,610,760.47	117,159,789.88
R&D expense	74,015,794.52	52,932,799.61
Finance costs	8,601,894.25	7,208,595.79
Including: Interest expense	19,779,508.78	16,558,359.20
Interest income	2,710,018.22	5,662,375.52
Add: Other income	3,734,368.66	9,124,879.25
Return on investment (“-” for loss)	6,359,866.40	-23,034,065.03
Including: Share of profit or loss of joint ventures and associates	-1,712,208.40	-1,055,310.06
Derecognition income of financial assets measured at amortized cost		
Foreign exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	355,467.04	-15,631,140.00
Credit impairment loss (“-” for loss)	-486,217.28	
Asset impairment loss (“-” for loss)	-6,458,082.21	-2,893,902.64
Asset disposal income (“-” for loss)	-351,073.80	23,755,540.09
3. Operating profit (“-” for loss)	219,991,740.65	292,734,199.82
Add: Non-operating income	971,245.09	2,673,434.80
Less: Non-operating expense	7,571,310.67	1,628,939.02
4. Profit before tax (“-” for loss)	213,391,675.07	293,778,695.60
Less: Income tax expense	29,571,059.77	44,321,359.81
5. Net profit (“-” for net loss)	183,820,615.30	249,457,335.79

5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	183,820,615.30	249,457,335.79
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	176,453,154.53	209,540,056.51
5.2.2 Net profit attributable to non-controlling interests	7,367,460.77	39,917,279.28
6. Other comprehensive income, net of tax	39,451,542.18	24,566,771.97
Attributable to owners of the Company as the parent	39,451,542.18	24,566,771.97
6.2 Items that will be reclassified to profit or loss	39,451,542.18	24,566,771.97
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		-344,250.00
6.2.4 Other comprehensive income arising from the reclassification of financial assets		
6.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.6 Allowance for credit impairments in investments in other debt obligations		
6.2.7 Reserve for cash flow hedges		
6.2.8 Differences arising from the translation of foreign currency-denominated financial statements	39,451,542.18	24,911,021.97
6.2.9 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	223,272,157.48	274,024,107.76
Attributable to owners of the Company as the parent	215,904,696.71	234,106,828.48
Attributable to non-controlling interests	7,367,460.77	39,917,279.28
8. Earnings per share		
8.1 Basic earnings per share	0.20	0.23
8.2 Diluted earnings per share	0.20	0.23

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Liu Zibin

The Company’s chief accountant: Zhang Hongmei

The Company’s financial manager: Zhang Keming

4. Income Statement of the Company as the Parent for Q3

Unit: RMB

Item	Q3 2019	Q3 2018
1. Operating revenue	1,228,054,030.71	1,311,467,279.35
Less: Cost of sales	915,369,284.69	969,922,821.85
Taxes and surcharges	12,937,532.49	17,215,045.88
Selling expense	22,518,421.20	20,317,829.54
Administrative expense	78,566,335.27	75,809,175.22
R&D expense	52,844,715.85	37,589,240.19
Finance costs	6,719,151.21	4,383,922.13
Including: Interest expense	7,263,684.00	5,775,599.84
Interest income	741,357.06	418,784.42
Add: Other income	4,331,634.30	4,231,549.46
Return on investment (“-” for loss)	23,766,350.02	-1,036,006.41
Including: Share of profit or loss of joint ventures and associates	-1,712,208.40	-1,055,310.06
Derecognition income of financial assets measured at amortized cost		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	204,000.00	-11,551,800.00
Credit impairment loss (“-” for loss)	-59,892.99	
Asset impairment loss (“-” for loss)		-2,207,675.19
Asset disposal income (“-” for loss)	-287,498.05	-60,714.02
2. Operating profit (“-” for loss)	167,053,183.28	175,604,598.38
Add: Non-operating income	767,005.32	2,629,812.70
Less: Non-operating expense	5,622,462.22	1,220,654.32
3. Profit before tax (“-” for loss)	162,197,726.38	177,013,756.76
Less: Income tax expense	22,824,927.87	24,375,571.27
4. Net profit (“-” for net loss)	139,372,798.51	152,638,185.49
4.1 Net profit from continuing operations (“-” for net loss)	139,372,798.51	152,638,185.49
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		-344,250.00
5.2 Items that will be reclassified to profit or loss		-344,250.00
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		

5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		-344,250.00
5.2.4 Other comprehensive income arising from the reclassification of financial assets		
5.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.6 Allowance for credit impairments in investments in other debt obligations		
5.2.7 Reserve for cash flow hedges		
5.2.8 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.9 Other		
6. Total comprehensive income	139,372,798.51	152,293,935.49
7. Earnings per share		
7.1 Basic earnings per share	0.16	0.16
7.2 Diluted earnings per share	0.16	0.16

5. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Revenue	4,811,613,661.04	5,023,591,787.12
Including: Operating revenue	4,811,613,661.04	5,023,591,787.12
Interest income		
2. Operating costs and expenses	4,146,487,815.45	4,280,415,032.81
Including: Cost of sales	3,345,768,293.38	3,562,899,701.35
Interest income		
Taxes and surcharges	62,014,007.08	79,987,597.97
Selling expense	117,777,858.73	103,830,566.40
Administrative expense	323,816,358.21	280,434,300.58
R&D expense	235,954,833.75	215,529,045.41
Finance costs	61,156,464.30	37,733,821.10
Including: Interest expense	67,095,974.54	39,093,671.25
Interest income	7,048,783.32	13,065,868.54
Add: Other income	35,960,594.57	46,267,401.20
Investment income (“-” for loss)	16,777,341.81	-18,388,041.25

Including: Share of profit or loss of joint ventures and associates	3,370,893.14	-2,785,907.65
Derecognition income of financial assets measured at amortized cost		
Foreign exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	5,638,067.04	-44,112,150.00
Credit impairment loss (“-” for loss)	-1,017,168.59	
Asset impairment loss (“-” for loss)	-8,001,281.59	-5,015,397.48
Asset disposal income (“-” for loss)	162,416.20	23,233,253.44
3. Operating profit (“-” for loss)	714,645,815.03	745,161,820.22
Add: Non-operating income	4,068,269.53	5,680,589.63
Less: Non-operating expense	9,785,667.21	3,623,862.73
4. Profit before tax (“-” for loss)	708,928,417.35	747,218,547.12
Less: Income tax expense	104,410,292.06	107,596,874.38
5. Net profit (“-” for net loss)	604,518,125.29	639,621,672.74
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	604,518,125.29	639,621,672.74
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	587,899,371.12	586,896,015.53
5.2.2 Net profit attributable to non-controlling interests	16,618,754.17	52,725,657.21
6. Other comprehensive income, net of tax	51,258,053.43	52,126,425.89
Attributable to owners of the Company as the parent	51,258,053.43	52,126,425.89
6.2 Items that will be reclassified to profit or loss	51,258,053.43	52,126,425.89
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		675,750.00
6.2.4 Other comprehensive income arising from the reclassification of financial assets		
6.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.6 Allowance for credit impairments in investments in other debt obligations		

6.2.7 Reserve for cash flow hedges		
6.2.8 Differences arising from the translation of foreign currency-denominated financial statements	51,258,053.43	51,450,675.89
6.2.9 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	655,776,178.72	691,748,098.63
Attributable to owners of the Company as the parent	639,157,424.55	639,022,441.42
Attributable to non-controlling interests	16,618,754.17	52,725,657.21
8. Earnings per share		
8.1 Basic earnings per share	0.68	0.64
8.2 Diluted earnings per share	0.68	0.64

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB0.00, with the amount for the same period of last year being RMB0.00.

Legal representative: Liu Zibin

The Company's chief accountant: Zhang Hongmei

The Company's financial manager: Zhang Keming

6. Income Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Operating revenue	3,716,383,597.08	3,815,256,129.99
Less: Cost of sales	2,763,237,736.46	2,831,327,287.54
Taxes and surcharges	41,622,943.89	57,522,630.63
Selling expense	68,978,522.39	58,633,294.63
Administrative expense	193,912,329.35	175,674,751.06
R&D expense	163,862,447.14	152,490,515.84
Finance costs	19,312,970.11	15,775,202.00
Including: Interest expense	22,211,902.54	11,499,059.62
Interest income	2,448,462.24	3,615,417.12
Add: Other income	24,502,578.64	32,824,295.66
Investment income ("-" for loss)	180,695,074.92	881,396.52
Including: Share of profit or loss of joint ventures and associates	3,370,893.14	-2,785,907.65
Derecognition income of financial assets measured at amortized cost		
Net gain on exposure hedges ("-" for loss)		

Gain on changes in fair value (“-” for loss)	5,486,600.00	-30,399,300.00
Credit impairment loss (“-” for loss)	-2,593,516.95	
Asset impairment loss (“-” for loss)		-1,025,520.28
Asset disposal income (“-” for loss)	306,167.84	-9,093,464.10
2. Operating profit (“-” for loss)	673,853,552.19	517,019,856.09
Add: Non-operating income	3,077,515.36	4,494,842.92
Less: Non-operating expense	6,646,250.89	2,339,681.53
3. Profit before tax (“-” for loss)	670,284,816.66	519,175,017.48
Less: Income tax expense	79,758,613.41	81,334,892.78
4. Net profit (“-” for net loss)	590,526,203.25	437,840,124.70
4.1 Net profit from continuing operations (“-” for net loss)	590,526,203.25	437,840,124.70
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		675,750.00
5.2 Items that will be reclassified to profit or loss		675,750.00
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		675,750.00
5.2.4 Other comprehensive income arising from the reclassification of financial assets		
5.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.6 Allowance for credit impairments in investments in other debt obligations		
5.2.7 Reserve for cash flow hedges		
5.2.8 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.9 Other		
6. Total comprehensive income	590,526,203.25	438,515,874.70
7. Earnings per share		
7.1 Basic earnings per share	0.69	0.47
7.2 Diluted earnings per share	0.69	0.47

7. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	4,697,089,850.71	4,919,565,086.62
Tax rebates	161,177,878.89	163,977,565.90
Cash generated from other operating activities	91,028,581.53	72,652,513.56
Subtotal of cash generated from operating activities	4,949,296,311.13	5,156,195,166.08
Payments for commodities and services	2,761,552,075.30	2,430,285,387.35
Cash paid to and for employees	1,266,692,936.92	1,234,503,411.97
Taxes paid	232,669,382.58	195,779,524.72
Cash used in other operating activities	206,578,300.20	172,474,225.29
Subtotal of cash used in operating activities	4,467,492,695.00	4,033,042,549.33
Net cash generated from/used in operating activities	481,803,616.13	1,123,152,616.75
2. Cash flows from investing activities:		
Proceeds from disinvestment	30,000,000.00	
Return on investment	2,402,138.74	
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	2,662,361.66	32,556,953.49
Cash generated from other investing activities	18,383,297.66	76,342,399.31
Subtotal of cash generated from investing activities	53,447,798.06	108,899,352.80
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	611,715,722.57	806,532,720.12
Payments for investments	50,000,000.00	
Cash used in other investing activities	4,874,724.40	27,629,580.00
Subtotal of cash used in investing activities	666,590,446.97	834,162,300.12
Net cash generated from/used in investing activities	-613,142,648.91	-725,262,947.32
3. Cash flows from financing activities:		
Capital contributions received	50,000,000.00	500,000.00
Including: Capital contributions by non-controlling interests to subsidiaries	50,000,000.00	500,000.00
Borrowings obtained	3,108,669,601.05	2,376,163,674.80
Cash generated from other financing activities	110,000,000.00	85,500,000.00
Subtotal of cash generated from financing activities	3,268,669,601.05	2,462,163,674.80
Repayments of borrowings	2,398,405,094.49	1,842,546,176.23
Payments for interest and dividends	545,798,024.25	496,450,783.83
Including: Dividends paid by subsidiaries to non-controlling interests	62,023,566.38	12,023,566.38

Cash used in other financing activities	112,164,104.03	411,967,875.77
Subtotal of cash used in financing activities	3,056,367,222.77	2,750,964,835.83
Net cash generated from/used in financing activities	212,302,378.28	-288,801,161.03
4. Effect of foreign exchange rate changes on cash and cash equivalents	14,142,881.59	17,794,234.31
5. Net increase in cash and cash equivalents	95,106,227.09	126,882,742.71
Add: Cash and cash equivalents, beginning of the period	535,134,772.90	676,639,212.86
6. Cash and cash equivalents, end of the period	630,240,999.99	803,521,955.57

8. Cash Flow Statement of the Company as the Parent Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	3,614,205,464.15	3,785,633,830.30
Tax rebates	117,003,748.15	106,532,179.75
Cash generated from other operating activities	28,034,497.06	43,398,321.95
Subtotal of cash generated from operating activities	3,759,243,709.36	3,935,564,332.00
Payments for commodities and services	2,030,728,889.86	2,128,325,245.47
Cash paid to and for employees	833,777,571.31	892,249,851.42
Taxes paid	132,287,115.34	126,464,943.27
Cash used in other operating activities	103,194,693.82	101,507,637.23
Subtotal of cash used in operating activities	3,099,988,270.33	3,248,547,677.39
Net cash generated from/used in operating activities	659,255,439.03	687,016,654.61
2. Cash flows from investing activities:		
Proceeds from disinvestment	30,000,000.00	
Return on investment	170,378,572.36	17,976,433.62
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	2,670,316.61	91,081,938.50
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	102,390,079.19	489,871,987.82
Subtotal of cash generated from investing activities	305,438,968.16	598,930,359.94
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	154,894,842.57	164,450,789.04
Payments for investments	402,922,200.00	350,352,500.00
Net payments for the acquisition of subsidiaries and other business		

units		
Cash used in other investing activities	247,450,344.40	382,356,069.93
Subtotal of cash used in investing activities	805,267,386.97	897,159,358.97
Net cash generated from/used in investing activities	-499,828,418.81	-298,228,999.03
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings obtained	1,743,028,577.13	1,414,730,254.38
Cash generated from other financing activities	317,313,300.00	241,357,600.00
Subtotal of cash generated from financing activities	2,060,341,877.13	1,656,087,854.38
Repayments of borrowings	1,463,702,550.96	1,189,079,694.80
Payments for interest and dividends	444,520,651.34	458,408,100.12
Cash used in other financing activities	359,508,204.03	411,967,875.77
Subtotal of cash used in financing activities	2,267,731,406.33	2,059,455,670.69
Net cash generated from/used in financing activities	-207,389,529.20	-403,367,816.31
4. Effect of foreign exchange rate changes on cash and cash equivalents	2,994,642.42	-3,518,381.48
5. Net increase in cash and cash equivalents	-44,967,866.56	-18,098,542.21
Add: Cash and cash equivalents, beginning of the period	191,305,104.80	267,809,829.78
6. Cash and cash equivalents, end of the period	146,337,238.24	249,711,287.57

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the Execution of any New Standards Governing Financial Instruments, Revenue or Leases from 2019

Applicable Not applicable

Consolidated Balance Sheet

Unit: RMB

Item	31 December 2018	1 January 2019	Adjusted
Current assets:			
Monetary capital	545,502,709.36	545,502,709.36	
Trading financial assets		60,612,000.00	60,612,000.00
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	174,657,918.26	174,657,918.26	
Accounts receivable	374,607,116.55	374,607,116.55	
Prepayments	149,582,616.21	149,582,616.21	

Other receivables	63,012,001.10	63,012,001.10	
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories	2,093,366,992.30	2,093,366,992.30	
Contractual assets			
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets	86,366,454.56	86,366,454.56	
Total current assets	3,487,095,808.34	3,547,707,808.34	60,612,000.00
Non-current assets:			
Investments in debt obligations			
Available-for-sale financial assets	85,112,000.00		-85,112,000.00
Investments in other debt obligations			
Held-to-maturity investments			
Long-term receivables	10,693,844.75	10,693,844.75	
Long-term equity investments	96,018,463.65	95,554,809.90	-463,653.75
Investments in other equity instruments		12,000,000.00	12,000,000.00
Other non-current financial assets		31,018,515.95	31,018,515.95
Investment property	22,880,242.95	22,880,242.95	
Fixed assets	5,748,562,385.35	5,748,562,385.35	
Construction in progress	337,230,646.42	337,230,646.42	
Intangible assets	478,689,064.45	478,689,064.45	
R&D expense			
Goodwill	20,613,803.29	20,613,803.29	
Long-term prepaid expense	119,126,407.71	119,126,407.71	
Deferred income tax assets	88,636,929.06	85,859,151.67	-2,777,777.39
Other non-current assets	43,100,215.87	43,100,215.87	
Total non-current assets	7,050,664,003.50	7,005,329,088.31	-45,334,915.19
Total assets	10,537,759,811.84	10,553,036,896.65	15,277,084.81
Current liabilities:			
Short-term borrowings	1,325,273,780.05	1,325,273,780.05	
Trading financial liabilities			
Financial liabilities at fair value through profit or loss	4,877,600.00		-4,877,600.00

Derivative financial liabilities		4,877,600.00	4,877,600.00
Notes payable	502,347.05	502,347.05	
Accounts payable	353,186,163.90	353,186,163.90	
Advances from customers	105,562,378.66	105,562,378.66	
Contractual liabilities			
Payroll payable	325,998,210.17	325,998,210.17	
Taxes payable	43,556,823.75	43,556,823.75	
Other payables	215,946,987.68	215,946,987.68	
Including: Interest payable	3,068,841.54	3,068,841.54	
Dividends payable	441,113.64	441,113.64	
Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total current liabilities	2,374,904,291.26	2,374,904,291.26	
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	170,019,083.89	170,019,083.89	
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Long-term payables			
Long-term payroll payable	96,958,178.53	96,958,178.53	
Provisions			
Deferred income	140,183,446.39	140,183,446.39	
Deferred income tax liabilities	28,030,096.38	28,030,096.38	
Other non-current liabilities	1,840,000.00	1,840,000.00	
Total non-current liabilities	437,030,805.19	437,030,805.19	
Total liabilities	2,811,935,096.45	2,811,935,096.45	
Owners' equity:			
Share capital	922,602,311.00	922,602,311.00	
Capital reserves	699,493,647.48	699,493,647.48	
Less: Treasury stock	486,922,944.94	486,922,944.94	
Other comprehensive income	61,157,013.37	60,636,813.37	-520,200.00
Specific reserve			

Surplus reserves	1,022,717,451.40	1,022,717,451.40	
General reserve			
Retained earnings	4,927,500,989.55	4,943,298,274.36	15,797,284.81
Total equity attributable to owners of the Company as the parent	7,146,548,467.86	7,161,825,552.67	15,277,084.81
Non-controlling interests	579,276,247.53	579,276,247.53	
Total owners' equity	7,725,824,715.39	7,741,101,800.20	15,277,084.81
Total liabilities and owners' equity	10,537,759,811.84	10,553,036,896.65	15,277,084.81

Note for adjustment:

In 2017, Ministry of Finance respectively revised and issued the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets, the Accounting Standards for Business Enterprises No. 24 – Hedging Accounting, and the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments (hereinafter jointly referred to as “new standards governing financial instruments”), which required that enterprises listed domestically shall implement it from 1 January 2019. According to the standards, enterprises shall, on implementation date of the standards, classify and measure financial instruments according to regulations, and adjustment is not needed if the involved previous comparative data of financial statements is different from the data under the “new standards governing financial instruments. For the balance between the original carrying value of financial instruments and the new carrying value on implementation date of the standards, the amount of the items on 1 January 2019 in financial statements shall be adjusted, such as earned earnings, other comprehensive income.

The Company began to implement the new standards governing financial instruments from 1 January 2019. According to Notes of Revising and Printing the Format of 2018 General Enterprises Financial Statement issued by the Ministry of Finance, the Company shall reclassify the original financial assets (liabilities) into trading financial assets, investments in other equity instruments, other non-current financial assets, and derivative financial liabilities. For details about the influenced items and amounts, see the above adjusted financial statements.

Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2018	1 January 2019	Adjusted
Current assets:			
Monetary capital	191,305,104.80	191,305,104.80	
Trading financial assets		60,612,000.00	60,612,000.00
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	91,555,248.34	91,555,248.34	
Accounts receivable	316,225,973.28	316,225,973.28	
Accounts receivable financing			
Prepayments	115,020,260.51	115,020,260.51	
Other receivables	395,847,213.77	395,847,213.77	

Including: Interest receivable			
Dividends receivable			
Inventories	1,040,433,078.53	1,040,433,078.53	
Contractual assets			
Assets classified as held for sale			
Current portion of non-current assets			
Other current assets	12,671,631.64	12,671,631.64	
Total current assets	2,163,058,510.87	2,223,670,510.87	60,612,000.00
Non-current assets:			
Investments in debt obligations			
Available-for-sale financial assets	73,112,000.00		-73,112,000.00
Investments in other debt obligations			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	2,165,711,579.69	2,165,247,925.94	-463,653.75
Investments in other equity instruments			
Other non-current financial assets		31,018,515.95	31,018,515.95
Investment property	14,804,592.72	14,804,592.72	
Fixed assets	2,731,726,695.28	2,731,726,695.28	
Construction in progress	61,182,771.86	61,182,771.86	
Intangible assets	242,204,032.54	242,204,032.54	
Goodwill			
Long-term prepaid expense			
Deferred income tax assets	52,758,961.05	49,981,183.66	-2,777,777.39
Other non-current assets	6,047,443.10	6,047,443.10	
Total non-current assets	5,347,548,076.24	5,302,213,161.05	-45,334,915.19
Total assets	7,510,606,587.11	7,525,883,671.92	15,277,084.81
Current liabilities:			
Short-term borrowings	622,604,447.52	622,604,447.52	
Trading financial liabilities			
Financial liabilities at fair value through profit or loss	4,877,600.00		-4,877,600.00
Derivative financial liabilities		4,877,600.00	4,877,600.00
Notes payable	120,000.00	120,000.00	
Accounts payable	120,021,727.66	120,021,727.66	

Advances from customers	49,798,551.14	49,798,551.14	
Contractual liabilities			
Payroll payable	240,090,943.88	240,090,943.88	
Taxes payable	30,914,089.32	30,914,089.32	
Other payables	303,672,590.72	303,672,590.72	
Including: Interest payable	2,475,549.88	2,475,549.88	
Dividends payable	441,113.64	441,113.64	
Liabilities directly associated with assets classified as held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total current liabilities	1,372,099,950.24	1,372,099,950.24	
Non-current liabilities:			
Long-term borrowings			
Long-term payables			
Long-term payroll payable	96,958,178.53	96,958,178.53	
Provisions			
Deferred income	94,390,844.09	94,390,844.09	
Deferred income tax liabilities	16,699,530.43	16,699,530.43	
Non-current liabilities			
Total non-current liabilities	208,048,553.05	208,048,553.05	
Total liabilities	1,580,148,503.29	1,580,148,503.29	
Owners' equity:			
Share capital	922,602,311.00	922,602,311.00	
Capital reserves	759,836,756.57	759,836,756.57	
Less: Treasury stock	486,922,944.94	486,922,944.94	
Other comprehensive income	520,200.00		-520,200.00
Specific reserves			
Surplus reserves	1,019,608,711.76	1,019,608,711.76	
Retained earnings	3,714,813,049.43	3,730,610,334.24	15,797,284.81
Total owners' equity	5,930,458,083.82	5,945,735,168.63	15,277,084.81
Total liabilities and owners' equity	7,510,606,587.11	7,525,883,671.92	15,277,084.81

Note for adjustment:

In 2017, Ministry of Finance respectively revised and issued the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets,

the Accounting Standards for Business Enterprises No. 24 – Hedging Accounting, and the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments (hereinafter jointly referred to as “new standards governing financial instruments”), which required that enterprises listed domestically shall implement it from 1 January 2019. According to the standards, enterprises shall, on implementation date of the standards, classify and measure financial instruments according to regulations, and adjustment is not needed if the involved previous comparative data of financial statements is different from the data under the “new standards governing financial instruments. For the balance between the original carrying value of financial instruments and the new carrying value on implementation date of the standards, the amount of the items on 1 January 2019 in financial statements shall be adjusted, such as earned earnings, other comprehensive income.

The Company began to implement the new standards governing financial instruments from 1 January 2019. According to Notes of Revising and Printing the Format of 2018 General Enterprises Financial Statement issued by the Ministry of Finance, the Company shall reclassify the original financial assets (liabilities) into trading financial assets, investments in other equity instruments, other non-current financial assets, and derivative financial liabilities. For details about the influenced items and amounts, see the above adjusted financial statements.

2. Retrospective Restatement of Previous Comparative Data due to the Execution of any New Standards Governing Financial Instruments or Leases from 2019

Applicable Not applicable

III Independent Auditor’s Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

Yes No

These financial statements have not been audited by such an auditor.

Signature of the Chairman of the Board: Liu Zibin

Lu Thai Textile Co., Ltd.

30 October 2019