



LU THAI TEXTILE CO., LTD.
THIRD QUARTERLY REPORT 2020

October 2020

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. (hereinafter referred to as the “Company”) hereby guarantee that the contents of this Report and its summary are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions, and collectively and individually accept legal responsibility for such contents.

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 truthful, 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 Financial Information

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

Yes No

	30 September 2020	31 December 2019	Change (%)	
Total assets (RMB)	11,886,564,733.71	11,885,431,553.08	0.01%	
Equity attributable to the listed company's shareholders (RMB)	7,743,047,836.86	7,697,135,324.92	0.60%	
	Q3 2020	YoY change (%)	Q1-Q3 2020	YoY change (%)
Operating revenue (RMB)	1,083,514,157.78	-33.37%	3,370,258,238.57	-29.96%
Net profit attributable to the listed company's shareholders (RMB)	-48,455,060.39	-127.46%	95,664,518.83	-83.73%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	-59,285,564.88	-134.38%	48,820,028.29	-91.11%
Net cash generated from/used in operating activities (RMB)	219,056,724.96	-39.50%	428,448,990.65	-11.07%
Basic earnings per share (RMB/share)	-0.06	-130.00%	0.11	-83.82%
Diluted earnings per share (RMB/share)	-0.04	-120.00%	0.12	-82.35%
Weighted average return on equity (%)	-0.61%	-3.05%	1.24%	-6.90%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	Q1-Q3 2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-3,009,110.39	
Government grants through profit or loss (exclusive of government grants given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	52,678,767.97	
Gain or loss on fair-value changes on held-for-trading and derivative financial assets and liabilities & income from disposal of held-for-trading and derivative financial assets and liabilities and other debt investments (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	10,824,073.85	
Non-operating income and expense other than the above	999,157.33	
Less: Income tax effects	10,785,310.28	

Non-controlling interests effects (net of tax)	3,863,087.94	
Total	46,844,490.54	--

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 of Them as at the End of the Reporting Period

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

Unit: share

Number of ordinary shareholders	60,175		Number of preference shareholders with resumed voting rights (if any)	0		
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen	
					Status	Shares
Zibo Lucheng Textile Investment Co., Ltd.	Domestic non-state-owned corporation	16.36%	140,353,583			
Tailun (Thailand) Textile Co., Ltd.	Foreign corporation	13.78%	118,232,400	118,232,400		
Central Huijin Assets Management Co., Ltd.	State-owned corporation	2.00%	20,315,300			
China Securities Finance Corporation Limited	Domestic non-state-owned corporation	2.00%	18,313,391			
Hong Kong Securities Clearing Co. Ltd	Foreign corporation	1.00%	10,492,136			
National Social Security Fund Portfolio 413	Domestic non-state-owned corporation	1.00%	9,360,051			
T.ROWE PRICE INTL DISCOVERY FUND	Foreign corporation	1.00%	8,403,112			
Zhang Ying	Domestic	1.00%	6,112,700			

	individual					
ASSICURAZIONI GENERALI-DIVIDEND 2	Domestic non-state-owned corporation	1.00%	5,385,759			
Fullgoal China Securities Dividend Index Strengthen Securities Investment Fund	Domestic non-state-owned corporation	1.00%	5,270,243			
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted ordinary shares held	Shares by class		Class	Shares	
Zibo Lucheng Textile Investment Co., Ltd.	140,353,583			RMB-denominated ordinary share		
Central Huijin Assets Management Co., Ltd.	20,315,300			RMB-denominated ordinary share		
China Securities Finance Corporation Limited	18,313,391			RMB-denominated ordinary share		
Hong Kong Securities Clearing Co. Ltd	10,492,136			Domestically listed foreign share		
National Social Security Fund Portfolio 413	9,360,051			RMB-denominated ordinary share		
T.ROWE PRICE INTL DISCOVERY FUND	8,403,112			Domestically listed foreign share		
Zhang Ying	6,112,700			RMB-denominated ordinary share		
ASSICURAZIONI GENERALI-DIVIDEND 2	5,385,759			RMB-denominated ordinary share		
Fullgoal China Securities Dividend Index Strengthen Securities Investment Fund	5,270,243			RMB-denominated ordinary share		
Lombarda China China Securities Financial Assets Management Plan	5,235,900			RMB-denominated ordinary share		
Related or acting-in-concert parties among the 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 shareholder holding restricted B-shares in 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 shareholders engaged in securities margin trading (if	Naught					

any)	
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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 Preference 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	Change	Reason for change
Monetary assets	44.07%	Reception of funds from issuing convertible corporate bonds in the Reporting Period
Held-for-trading financial assets	378.74%	Increase in structured deposits
Receivables financing	121.17%	Increase in bank's acceptance bills receivable at the end of the Reporting Period
Other receivables	74.69%	Dividends receivable added in the Reporting Period
Other current assets	31.64%	Increase in excess VAT paid at the end of the Reporting Period
Long-term equity investments	35.32%	Increase in investment (Ningbo Haoying) in the Reporting Period
Other non-current financial assets	-50.20%	Decrease in other non-current financial assets due to the external transfer of shares in Remegen in the Reporting Period
Investment property	-51.00%	Decrease in investment property
Other non-current assets	-88.29%	Arrival of equipment in the Current Period prepaid at the beginning of the Reporting Period
Short-term borrowings	-52.01%	Repayment of short-term borrowings in the Reporting Period
Notes payable	-100.00%	Payment of beginning bank's acceptance bills at maturity
Advances from customers	-100.00%	Adjustment of advances from customers into contract liabilities as required by the new accounting standards governing revenue
Taxes and levies payable	39.87%	Increase in enterprise income tax payable
Other payables	-79.29%	Decrease in other payables
Contract liabilities	100.00%	Adjustment of advances from customers into contract liabilities as required by the new accounting standards governing revenue
Current portion of non-current liabilities	-41.16%	Payment of current portion of long-term borrowings at maturity
Long-term borrowings	571.01%	Increase in long-term borrowings
Bonds payable	100.00%	Issue of convertible corporate bonds in the Reporting Period
Long-term employee benefits payable	-48.39%	Decrease in employee benefits payable over one year
Other non-current liabilities	-100.00%	Decrease in other non-current liabilities
Other equity instruments	100.00%	Increase in equity recognized due to issuing convertible corporate bonds in the Reporting Period
Item	Change	Reason for change
Other income	45.73%	Increase in government grants
Return on investment	781.65%	Investment income from disposal of held-for-trading financial assets in the

		Reporting Period
Gain on changes in fair value	-2640.00%	Recognizing the reversal of disposed held-for-trading financial assets as gain on changes in fair value in the Reporting Period
Credit impairment loss	-241.30%	Decrease in expected credit impairment loss due to the decline of the closing balance of accounts receivable
Asset impairment loss	547.77%	Increase in inventory impairment loss in the Reporting Period
Asset disposal income	-336.79%	Decrease in income from disposal of fixed assets
Non-operating expense	-65.64%	Decrease of donation expense in the Reporting Period
Income tax expense	-72.85%	Decrease in income tax payable caused by decline of gross profit in the Reporting Period
Net cash generated from/used in financing activities	172.13%	Increase in cash received from borrowings received due to issue of convertible corporate bonds in the Reporting Period
Net increase in cash and cash equivalents	372.48%	Increase in cash and cash equivalents, end of the period, due to issue of convertible corporate bonds in the Reporting Period

II Progress, Influence and Solutions with regard to Significant Events

Applicable Not applicable

On 13 August 2020, the Company signed the *Transfer Agreement of Equity in Xinjiang Luthai Fengshou Cotton Industry Co., Ltd.* with Mr. Li Jingquan to sell all equity in Xinjiang Luthai Fengshou Cotton Industry Co., Ltd. (hereinafter referred to as “Xinjiang Luthai”) held by it. Upon the transfer, the Company will no longer hold the equity of Xinjiang Luthai. As of the end of August 2020, the acquiring party had paid the first and second transfer amount and completed the registration changing procedures. Thus, Xinjiang Luthai will no longer be incorporated into the consolidated financial statements of the Company since September 2020.

Overview of significant events	Disclosure date	Announcement index
On 13 August 2020, the Company signed the <i>Transfer Agreement of Equity in Xinjiang Luthai Fengshou Cotton Industry Co., Ltd.</i> with Mr. Li Jingquan to sell all equity in Xinjiang Luthai Fengshou Cotton Industry Co., Ltd. (hereinafter referred to as “Xinjiang Luthai”) held by it. Upon the transfer, the Company will no longer hold the equity of Xinjiang Luthai. The said issue has been reviewed and approved by the 16 th Meeting of the 9 th Board of Directors and related announcements have been disclosed.	14 August 2020	Announcement (No.: 2020-058) on www.cninfo.com.cn
	15 August 2020	Announcement (No.: 2020-060) on www.cninfo.com.cn

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 Relevant Parties, Failed to Fulfill on Time during the Reporting Period

√ Applicable □ Not applicable

Commitment	Promisor	Type of commitment	Details of commitment	Date of commitment making	Term of commitment	Fulfillment
Commitments made in share reform						
Commitments made in acquisition documents or shareholding alteration documents						
Commitments made in time of asset restructuring						
Commitments made in time of IPO or refinancing	Controlling shareholder, actual controller	Dilution of at sight returns on public offering A-share convertible corporate bonds	1. Not intervene the Company's operation and management beyond the authority and not occupy the Company's interests. 2. From the issuance date of this commitment to the completion of the implementation of the Company's public offering of A-share convertible corporate bonds, if the CSRC makes other new regulatory provisions on remedial measures for returns and the commitment, and the above commitment fails to meet the requirements of the CSRC, the company / I promise to issue supplementary commitment then in accordance with the latest regulations of CSRC. 3. Commitment is made to fulfill the Company's relevant remedial measures for returns and any commitment made herein by the company / me. If the company / I violate(s) such commitment and cause(s) losses to the Company or investors, the company / I will bear the compensation responsibility to the Company or investors in accordance with the law.	23 May 2019	From 23 May 2019 to 8 April 2026	On-going

			<p>1. Commitment is made not to transfer benefits to other units or individuals free of charge or under unfair conditions, and no other ways damaging the interests of the Company will be taken. 2. I will strictly abide by the budget management of the Company, and accept the strict supervision and management of the Company to avoid waste or excessive consumption. Any position-related consumption behaviors of myself will occur within the scope necessary for the performance of my duties. 3. Commitment is made not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of duties. 4. Commitment is made that the remuneration system developed by the Board of Directors or the Remuneration Committee is linked to the implementation of the Company's remedial measures for returns. 5. Commitment is made that the conditions for exercising the Equity Incentive Plan to be issued in the future will be linked to the implementation of the Company's remedial measures for returns. 6. From the issuance date of this commitment to the completion of the implementation of the Company's public offering of A-share convertible corporate bonds, if the CSRC makes other new regulatory provisions on remedial measures for returns and the commitment, and the above commitment fails to meet the requirements of the CSRC, I promise to issue supplementary commitment then in accordance with the latest regulations of CSRC. 7. Commitment is made to fulfill the Company's relevant remedial measures for returns and any commitment made herein by me. If I violate such commitment and causes losses to the</p>	23 May 2019	From 23 May 2019 to 8 April 2026	On-going
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			Company or investors, I will bear the compensation responsibility to the Company or investors in accordance with the law.			
Equity incentive commitments						
Other commitments made to minority interests						
Executed on time or not	Yes					

IV Financial Investments

1. Securities Investments

Applicable Not applicable

No such cases in the Reporting Period.

2. Investments in Derivative Financial Instruments

Applicable Not applicable

Unit: RMB'0,000

Operator	Relationship with the Company	Related-party transaction	Type of derivative	Initial investment amount	Starting date	Ending date	Beginning investment amount	Purchased in the Reporting Period	Sold in the Reporting Period	Impairment provision (if any)	Ending investment amount	Proportion of ending investment amount in the Company's ending net assets	Actual gain/loss in the Reporting Period
Commercial bank	Non-related	No	Forward exchange settlement	39,398.69	21 January 2020	31 March 2020	0	39,398.69	39,398.69	0	0		228.05
Commercial	Non-related	No	Foreign	68,951.65	19 March 2020	25 December	0	68,951.65	41,951.65	0	27,000	3.31%	598.57

ial bank	ted		exchan ge option			2020							
Com merc ial bank	Non -rela ted	No	Forwa rd exchan ge transac tions	15,471.23	9 March 2020	17 September 2020	0	15,471.23	15,471.23	0	0		-143.94
Total				123,821.57	--	--	0	123,821.57	96,821.57		27,000	3.31%	682.68
Funding source				Self-funded									
Legal matters involved (if applicable)				N/A									
Disclosure date of the announcement on the Board's approval of investments in derivative financial instruments (if any)				30 April 2019 30 April 2020									
Disclosure date of the announcement on the general meeting's approval of investments in derivative financial instruments (if any)													
Risk analysis and control measures in respect of derivative investments held in the 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</p>									

	<p>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: 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 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: 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 26th Meeting of the 8th Board of Directors on 29 April 2019 and at the 13th Meeting of the 9th Supervisory Committee held on 28 April 2020, and performed relevant information disclosure responsibilities.</p>
Changes in market prices or fair value of derivative investments in the Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)	<p>1. As of 30 September 2020, the Company held 6 undue financial derivatives contracts, totaling US\$45 million, all of which were forward exchange option portfolio.</p> <p>2. In January-September 2020, the amount of maturing financial derivatives of the Company amounted to US\$139.6616 million which were executed as per the contracts in full and generated gains of RMB6.8268 million. Among which, the amount of delivered settlements of forward exchange was US\$56.5 million, which generated gains of RMB2.2805; the amount of delivered foreign exchange options was US\$61 million, which generated gains of RMB5.9857 million; the amount of delivered foreign exchange transactions was US\$22.1616 million, which generated gains of RMB-1.4394 million.</p>
Significant changes in accounting policies and specific accounting principles adopted for derivative investments in the Reporting Period compared to the last	No significant changes

reporting period	
Opinion of independent directors on derivative investments and risk control	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.

V Progress of Projects Financed with Raised Funds

Applicable Not applicable

Approved by the CSRC in the *Reply on Approving the Public Issue of Convertible Corporate Bonds by Lu Thai Textile Co., Ltd.* (ZJXX[2020]No.299), the Company publicly offered the convertible corporate bonds with the total par value of RMB1.4 billion on 9 April 2020. The net amount of funds raised through this public offering after deducting related issue expenses is RMB1,385,460,000. As for projects financed with the raised funds, apart from the project of supplementing the current capital, both the project of Functional Fabric Intelligent Ecological Park (I) and the project of High-grade Printing and Dyeing Fabric Production Line are carried out as planned.

VI 2020 Annual Operating Performance Forecast

Warning of a forecast loss on or a forecast significant year-on-year change in the 2020 annual net profit, as well as explanation of why:

Applicable Not applicable

Performance forecast: Decrease in net profit

Type of forecast data: Interval data

	January-December 2020			January-December 2019	Change (%)			
	3,500	--	5,000	98,932.67	Down	96.46%	--	94.95%
Predicted annual net profit (RMB'0,000)								
Basic earnings per share (RMB /share)	0.04	--	0.06	1.11	Down	96.40%	--	96.59%
Note	During the Reporting Period, influenced by the COVID-19 epidemic in and outside China, orders of the Company decreased and the sales volume of the Company's products declined, which caused a remarkable YoY decline in the net profit of the Company for 2020.							

VII Significant Contracts Arising from the Company's Ordinary Course of Business

Applicable Not applicable

VIII Cash Entrusted for Wealth Management

√ Applicable □ Not applicable

Unit: RMB'0,000

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount
Trust financial products	Self-funded	5,000	0	0
Bank's wealth management product	Idle raised funds	30,000	30,000	0
Bank's wealth management product	Idle raised funds	8,000	8,000	0
Total		43,000	38,000	0

High-risk wealth management transactions with a significant single amount, or with low security, low liquidity or no principal protection:

√ 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 rate of return	Expected return (if any)	Actual gain/loss in the Reporting Period	Recovery of the gain/loss in the Reporting Period	Impairment allowance (if any)	Through prescribed procedures or not	Any plan for further transactions	Summary and index to more information (if any)
Avic Trust Co., Ltd.	Trust company	Fixed-income	5,000	Self-funded	7 March 2019	9 March 2020	No fixed destination	Payback of principal with annual interest	8.00%	400	402.19	Recovery on schedule	0	Yes	No	Announcement No. 2020-059 dated 14 August 2020 on www.cninfo.com.cn
Agricultural Bank of China	Bank	Principal-protected	10,000	Raised fund	1 July 2020	25 September 2020	Bank financing	Payback of principal with interest upon maturity	3.50%	81.51	81.51	Recovery on schedule	0	Yes	No	Announcement No. 2020-051 dated 23 May 2020 on www.cninfo.com.cn

								ty								
Agricultural Bank of China	Bank	Principal-protected	10,000	Raised fund	1 July 2020	8 January 2021	Bank financing	Payback of principal with interest upon maturity	3.50%	183.15	-	0	Yes	No	Announcement No. 2020-051 dated 23 May 2020 on www.cninfo.com.cn	
China Construction Bank	Bank	Principal-protected	5,000	Raised fund	3 July 2020	11 October 2020	Bank financing	Payback of principal with interest upon maturity	2.05%	28.09	-	0	Yes	No	Announcement No. 2020-051 dated 23 May 2020 on www.cninfo.com.cn	
Qishang Bank	Bank	Principal-protected	5,000	Raised fund	13 August 2020	12 November 2020	Bank financing	Payback of principal with interest upon maturity	3.50%	43.63	-	0	Yes	No	Announcement No. 2020-051 dated 23 May 2020 on www.cninfo.com.cn	
Agricultural Bank of China	Bank	Principal-protected	10,000	Raised fund	28 September 2020	25 December 2020	Bank financing	Payback of principal with interest upon maturity	3.50%	83.42	-	0	Yes	No	Announcement No. 2020-051 dated 23 May 2020 on www.cninfo.com.cn	
Qishang Bank	Bank	Principal-protected	4,000	Self-funded	2 September 2020	2 December 2020	Bank financing	Payback of principal with interest	3.50%	34.9	-	0	Yes	No	Announcement No. 2020-059 dated 14 August 2020 on	

								t upon maturi ty								www.cninfo.com.cn
Qishang Bank	Bank	Princip al-prot ected	1,000	Self-fu nded	2 Septem ber 2020	2 Dece mber 2020	Bank financi ng	Payba ck of princi pal with interes t upon maturi ty	3.50%	8.73	-	0	Yes	No	Announcem ent No. 2020-059 dated 14 August 2020 on www.cninfo.com.cn	
Qishang Bank	Bank	Princip al-prot ected	3,000	Self-fu nded	2 Septem ber 2020	2 Dece mber 2020	Bank financi ng	Payba ck of princi pal with interes t upon maturi ty	3.50%	26.18	-	0	Yes	No	Announcem ent No. 2020-059 dated 14 August 2020 on www.cninfo.com.cn	
Total			53,000	--	--	--	--	--	--	889.61	483.7	--	0	--	--	--

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

Applicable Not applicable

IX Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

Date	Place	Way of communi	Type of communic	Communicatio n party	Major discussion content and information	Index to main information communicated
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		ation	ation party		provided	
8 July 2020	Meeting room of the Company	By phone	Institution	Institutional investors	Basic information of the Company	Refer to Announcement on Record of Investor Relations Activities on 8 July 2020 dated 8 July 2020 on www.cninfo.com.cn
31 August 2020	Meeting room of the Company	By phone	Institution	Institutional investors	Basic information of the Company	Refer to Announcement on Record of Investor Relations Activities on 31 August 2020 (I) dated 8 July 2020 on www.cninfo.com.cn
31 August 2020	Meeting room of the Company	By phone	Institution	Institutional investors	Basic information of the Company	Refer to Announcement on Record of Investor Relations Activities on 31 August 2020 (II) dated 8 July 2020 on www.cninfo.com.cn

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by Lu Thai Textile Co., Ltd.

30 September 2020

Unit: RMB

Item	30 September 2020	31 December 2019
Current assets:		
Monetary assets	1,331,653,046.87	924,322,008.17
Held-for-trading financial assets	250,647,835.61	52,356,098.85
Derivative financial assets		
Notes receivable	75,592,638.69	104,737,949.91
Accounts receivable	433,522,014.11	515,306,599.62
Receivables financing	59,637,145.03	26,963,818.87
Prepayments	42,289,621.02	56,828,987.59
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	104,368,403.67	59,743,471.84
Including: Interest receivable		
Dividends receivable	79,461,739.46	
Financial assets purchased under resale agreements		
Inventories	2,262,384,920.87	2,421,500,259.30
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	90,554,308.62	68,788,674.10
Total current assets	4,650,649,934.49	4,230,547,868.25
Non-current assets:		
Debt investments	130,419,746.70	
Other debt investments		

Long-term receivables	90,493,460.60	7,058,233.71
Long-term equity investments	139,684,311.24	103,226,300.00
Investments in other equity instruments		
Other non-current financial assets	138,519,880.41	278,149,500.00
Investment property	22,489,010.56	45,896,747.87
Fixed assets	5,592,779,775.05	6,012,094,104.67
Construction in progress	505,796,466.32	400,235,070.01
Intangible assets	379,306,465.96	516,479,519.15
Development costs		
Goodwill	20,563,803.29	20,563,803.29
Long-term prepaid expense	127,213,599.85	153,031,253.79
Deferred income tax assets	86,441,842.86	99,307,233.72
Other non-current assets	2,206,436.38	18,841,918.62
Total non-current assets	7,235,914,799.22	7,654,883,684.83
Total assets	11,886,564,733.71	11,885,431,553.08
Current liabilities:		
Short-term borrowings	1,017,453,702.01	2,120,154,330.61
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		85,219,724.63
Accounts payable	293,221,997.20	305,346,284.94
Advances from customers		108,783,148.03
Contract liabilities	115,751,952.29	
Employee benefits payable	271,862,148.70	335,576,560.36
Taxes and levies payable	35,040,457.31	25,051,630.06
Other payables	21,743,792.04	104,982,189.40
Including: Interest payable		
Dividends payable	441,113.64	441,113.64
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	59,494,498.63	101,111,297.49
Other current liabilities		
Total current liabilities	1,814,568,548.18	3,186,225,165.52
Non-current liabilities:		
Insurance contract reserve		

Long-term borrowings	284,266,927.78	42,364,019.74
Bonds payable	1,336,061,934.50	
Lease liabilities		
Long-term payables		
Long-term employee benefits payable	54,498,101.31	105,589,249.56
Provisions		
Deferred income	176,360,324.31	157,668,211.41
Deferred income tax liabilities	69,176,727.98	92,440,358.41
Other non-current liabilities		1,840,000.00
Total non-current liabilities	1,920,364,015.88	399,901,839.12
Total liabilities	3,734,932,564.06	3,586,127,004.64
Owners' equity:		
Share capital	858,121,541.00	858,121,541.00
Other equity instruments	71,391,357.42	
Capital reserves	255,826,253.52	258,046,245.42
Less: Treasury stock		
Other comprehensive income	58,515,353.44	91,626,571.75
Specific reserve		
Surplus reserves	1,117,267,351.63	1,117,267,351.63
General reserve		
Retained earnings	5,381,925,979.85	5,372,073,615.12
Total equity attributable to owners of the Company as the parent	7,743,047,836.86	7,697,135,324.92
Non-controlling interests	408,584,332.79	602,169,223.52
Total owners' equity	8,151,632,169.65	8,299,304,548.44
Total liabilities and owners' equity	11,886,564,733.71	11,885,431,553.08

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 2020	31 December 2019
Current assets:		

Monetary assets	816,489,090.04	259,320,863.08
Held-for-trading financial assets	250,647,835.61	52,356,098.85
Derivative financial assets		
Notes receivable	41,464,777.41	67,898,885.35
Accounts receivable	370,658,282.87	417,599,518.08
Receivables financing	26,180,834.01	2,675,090.00
Prepayments	14,210,626.46	10,178,452.88
Other receivables	968,906,428.27	838,523,449.52
Including: Interest receivable		
Dividends receivable	79,461,739.46	
Inventories	1,275,536,403.11	1,280,620,296.02
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	1,715,037.11	5,780,635.28
Total current assets	3,765,809,314.89	2,934,953,289.06
Non-current assets:		
Debt investments	100,343,758.07	
Other debt investments		
Long-term receivables	90,493,460.60	
Long-term equity investments	2,560,473,581.92	2,510,868,604.84
Investments in other equity instruments		
Other non-current financial assets	126,519,880.41	266,149,500.00
Investment property	30,072,994.51	31,089,260.38
Fixed assets	2,501,965,505.25	2,603,258,003.94
Construction in progress	40,329,804.23	53,443,768.04
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	229,973,618.48	235,277,114.25
Development costs		
Goodwill		
Long-term prepaid expense		
Deferred income tax assets	61,741,349.95	60,974,304.57

Other non-current assets	1,533,682.67	
Total non-current assets	5,743,447,636.09	5,761,060,556.02
Total assets	9,509,256,950.98	8,696,013,845.08
Current liabilities:		
Short-term borrowings	459,320,094.06	816,301,973.60
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		602,741,973.76
Accounts payable	118,008,619.17	105,588,631.54
Advances from customers		53,418,950.04
Contract liabilities	56,291,876.50	
Employee benefits payable	214,047,187.83	242,300,723.41
Taxes and levies payable	26,760,447.50	11,995,830.49
Other payables	17,005,530.95	149,255,207.79
Including: Interest payable		
Dividends payable	441,113.64	441,113.64
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities	5,013,698.63	
Other current liabilities		
Total current liabilities	896,447,454.64	1,981,603,290.63
Non-current liabilities:		
Long-term borrowings	284,266,927.78	
Bonds payable	1,336,061,934.50	
Long-term payables		
Long-term employee benefits payable	54,498,101.31	105,589,249.56
Provisions		
Deferred income	131,899,161.13	112,187,678.66
Deferred income tax liabilities	48,867,677.05	70,445,859.76
Other non-current liabilities		
Total non-current liabilities	1,855,593,801.77	288,222,787.98
Total liabilities	2,752,041,256.41	2,269,826,078.61
Owners' equity:		
Share capital	858,121,541.00	858,121,541.00
Other equity instruments	71,391,357.42	

Capital reserves	317,206,287.77	317,206,232.47
Less: Treasury stock		
Other comprehensive income		
Specific reserve		
Surplus reserves	1,114,158,611.99	1,114,158,611.99
Retained earnings	4,396,337,896.39	4,136,701,381.01
Total owners' equity	6,757,215,694.57	6,426,187,766.47
Total liabilities and owners' equity	9,509,256,950.98	8,696,013,845.08

3. Consolidated Income Statement for Q3

Unit: RMB

Item	Q3 2020	Q3 2019
1. Revenues	1,083,514,157.78	1,626,165,317.03
Including: Operating revenue	1,083,514,157.78	1,626,165,317.03
2. Costs and expenses	1,129,513,945.57	1,409,327,905.19
Including: Cost of sales	877,905,169.21	1,134,881,337.85
Interest expense		
Taxes and levies	17,759,594.81	19,277,202.31
Selling expense	41,216,125.06	39,940,915.79
Administrative expense	94,719,931.72	132,610,760.47
Development costs	51,993,471.70	74,015,794.52
Finance costs	45,919,653.07	8,601,894.25
Including: Interest expense	17,326,074.90	19,779,508.78
Interest income	7,718,332.35	2,710,018.22
Add: Other income	15,554,862.15	3,734,368.66
Return on investment ("-" for loss)	-2,812,732.38	6,359,866.40
Including: Share of profit or loss of joint ventures and associates	37,519.61	-1,712,208.40
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Exchange gain ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	1,489,238.39	355,467.04
Credit impairment loss ("-" for loss)	2,991,021.97	-486,217.28
Asset impairment loss ("-" for loss)	-27,216,934.84	-6,458,082.21

Asset disposal income (“-” for loss)	-30,717.63	-351,073.80
3. Operating profit (“-” for loss)	-56,025,050.13	219,991,740.65
Add: Non-operating income	2,182,713.13	971,245.09
Less: Non-operating expense	978,473.52	7,571,310.67
4. Gross profit (“-” for loss)	-54,820,810.52	213,391,675.07
Less: Income tax expense	1,280,740.75	29,571,059.77
5. Net profit (“-” for net loss)	-56,101,551.27	183,820,615.30
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	-56,101,551.27	183,820,615.30
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	-48,455,060.39	176,453,154.53
5.2.2 Net profit attributable to non-controlling interests	-7,646,490.88	7,367,460.77
6. Other comprehensive income, net of tax	-54,406,529.07	39,451,542.18
Attributable to owners of the Company as the parent	-54,406,529.07	39,451,542.18
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-54,406,529.07	39,451,542.18
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 other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		

6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-54,406,529.07	39,451,542.18
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	-110,508,080.34	223,272,157.48
Attributable to owners of the Company as the parent	-102,861,589.46	215,904,696.71
Attributable to non-controlling interests	-7,646,490.88	7,367,460.77
8. Earnings per share		
8.1 Basic earnings per share	-0.06	0.20
8.2 Diluted earnings per share	-0.04	0.20

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 2020	Q3 2019
1. Operating revenue	801,725,709.79	1,228,054,030.71
Less: Cost of sales	646,286,747.41	915,369,284.69
Taxes and levies	12,012,833.81	12,937,532.49
Selling expense	27,098,573.94	22,518,421.20
Administrative expense	56,608,479.12	78,566,335.27
Development costs	35,445,264.04	52,844,715.85
Finance costs	28,042,377.81	6,719,151.21
Including: Interest expense	9,699,777.76	7,263,684.00
Interest income	3,842,967.75	741,357.06
Add: Other income	8,666,958.91	4,331,634.30
Return on investment ("-" for loss)	141,486,032.94	23,766,350.02
Including: Share of profit or loss of joint ventures and associates	37,519.61	-1,712,208.40
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	647,835.61	204,000.00

Credit impairment loss (“-” for loss)	-3,571,870.01	-59,892.99
Asset impairment loss (“-” for loss)	-16,789,374.31	
Asset disposal income (“-” for loss)	23,581.75	-287,498.05
2. Operating profit (“-” for loss)	126,694,598.55	167,053,183.28
Add: Non-operating income	1,921,199.39	767,005.32
Less: Non-operating expense	-64,194.50	5,622,462.22
3. Gross profit (“-” for loss)	128,679,992.44	162,197,726.38
Less: Income tax expense	5,307,313.57	22,824,927.87
4. Net profit (“-” for net loss)	123,372,678.87	139,372,798.51
4.1 Net profit from continuing operations (“-” for net loss)	123,372,678.87	139,372,798.51
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
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 other debt investments		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for other debt investments		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	123,372,678.87	139,372,798.51

7. Earnings per share		
7.1 Basic earnings per share	0.14	0.16
7.2 Diluted earnings per share	0.15	0.16

5. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2020	Q1~Q3 2019
1. Revenues	3,370,258,238.57	4,811,613,661.04
Including: Operating revenue	3,370,258,238.57	4,811,613,661.04
2. Costs and expenses	3,257,315,070.05	4,146,487,815.45
Including: Cost of sales	2,561,657,500.48	3,345,768,293.38
Interest expense		
Taxes and levies	53,525,850.22	62,014,007.08
Selling expense	122,956,030.65	117,777,858.73
Administrative expense	272,613,531.19	323,816,358.21
Development costs	175,435,194.76	235,954,833.75
Finance costs	71,126,962.75	61,156,464.30
Including: Interest expense	55,985,780.35	67,095,974.54
Interest income	21,224,691.86	7,048,783.32
Add: Other income	52,405,567.97	35,960,594.57
Return on investment (“-” for loss)	147,917,281.51	16,777,341.81
Including: Share of profit or loss of joint ventures and associates	-3,542,003.74	3,370,893.14
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-143,206,715.77	5,638,067.04
Credit impairment loss (“-” for loss)	1,437,305.49	-1,017,168.59
Asset impairment loss (“-” for loss)	-51,830,014.22	-8,001,281.59
Asset disposal income (“-” for loss)	-384,580.81	162,416.20
3. Operating profit (“-” for loss)	119,282,012.69	714,645,815.03
Add: Non-operating income	4,308,532.54	4,068,269.53
Less: Non-operating expense	3,362,400.42	9,785,667.21
4. Gross profit (“-” for loss)	120,228,144.81	708,928,417.35

Less: Income tax expense	28,348,574.44	104,410,292.06
5. Net profit (“-” for net loss)	91,879,570.37	604,518,125.29
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	91,879,570.37	604,518,125.29
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	95,664,518.83	587,899,371.12
5.2.1 Net profit attributable to non-controlling interests	-3,784,948.46	16,618,754.17
6. Other comprehensive income, net of tax	-33,111,218.31	51,258,053.43
Attributable to owners of the Company as the parent	-33,111,218.31	51,258,053.43
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-33,111,218.31	51,258,053.43
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 other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-33,111,218.31	51,258,053.43
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	58,768,352.06	655,776,178.72
Attributable to owners of the Company as the parent	62,553,300.52	639,157,424.55

Attributable to non-controlling interests	-3,784,948.46	16,618,754.17
8. Earnings per share		
8.1 Basic earnings per share	0.11	0.68
8.2 Diluted earnings per share	0.12	0.68

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 2020	Q1~Q3 2019
1. Operating revenue	2,326,212,038.77	3,716,383,597.08
Less: Cost of sales	1,827,651,304.62	2,763,237,736.46
Taxes and levies	35,743,175.75	41,622,943.89
Selling expense	74,086,757.85	68,978,522.39
Administrative expense	167,947,098.96	193,912,329.35
Development costs	118,044,553.48	163,862,447.14
Finance costs	33,706,626.23	19,312,970.11
Including: Interest expense	20,120,614.69	22,211,902.54
Interest income	7,722,719.33	2,448,462.24
Add: Other income	35,517,378.65	24,502,578.64
Return on investment ("-" for loss)	438,846,096.83	180,695,074.92
Including: Share of profit or loss of joint ventures and associates	-3,542,003.74	3,370,893.14
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	-143,206,715.77	5,486,600.00
Credit impairment loss ("-" for loss)	-2,461,857.97	-2,593,516.95
Asset impairment loss ("-" for loss)	-36,890,295.48	
Asset disposal income ("-" for loss)	-390,704.12	306,167.84
2. Operating profit ("-" for loss)	360,446,424.02	673,853,552.19
Add: Non-operating income	3,903,923.74	3,077,515.36

Less: Non-operating expense	1,441,083.16	6,646,250.89
3. Gross profit (“-” for loss)	362,909,264.60	670,284,816.66
Less: Income tax expense	17,460,595.12	79,758,613.41
4. Net profit (“-” for net loss)	345,448,669.48	590,526,203.25
4.1 Net profit from continuing operations (“-” for net loss)	345,448,669.48	590,526,203.25
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
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 other debt investments		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for other debt investments		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	345,448,669.48	590,526,203.25
7. Earnings per share		
7.1 Basic earnings per share	0.40	0.69
7.2 Diluted earnings per share	0.41	0.69

7. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2020	Q1~Q3 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	3,384,654,490.80	4,697,089,850.71
Tax and levy rebates	97,256,293.02	161,177,878.89
Cash generated from other operating activities	109,313,561.84	91,028,581.53
Subtotal of cash generated from operating activities	3,591,224,345.66	4,949,296,311.13
Payments for commodities and services	1,739,170,271.74	2,761,552,075.30
Cash paid to and for employees	1,136,433,434.17	1,266,692,936.92
Taxes and levies paid	130,625,192.23	232,669,382.58
Cash used in other operating activities	156,546,456.87	206,578,300.20
Subtotal of cash used in operating activities	3,162,775,355.01	4,467,492,695.00
Net cash generated from/used in operating activities	428,448,990.65	481,803,616.13
2. Cash flows from investing activities:		
Proceeds from disinvestment	160,131,152.08	30,000,000.00
Return on investment	146,015,342.75	2,402,138.74
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	2,525,374.62	2,662,361.66
Net proceeds from the disposal of subsidiaries and other business units	76,625,459.68	
Cash generated from other investing activities	58,738,249.12	18,383,297.66
Subtotal of cash generated from investing activities	444,035,578.25	53,447,798.06
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	439,532,093.09	611,715,722.57
Payments for investments	402,215,000.00	50,000,000.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	131,357,405.75	4,874,724.40
Subtotal of cash used in investing activities	973,104,498.84	666,590,446.97
Net cash generated from/used in investing activities	-529,068,920.59	-613,142,648.91
3. Cash flows from financing activities:		
Capital contributions received	50,000,000.00	50,000,000.00
Including: Capital contributions by non-controlling interests to subsidiaries	50,000,000.00	50,000,000.00
Borrowings received	2,791,995,350.02	3,108,669,601.05
Cash generated from other financing activities	174,000,000.00	110,000,000.00

Subtotal of cash generated from financing activities	3,015,995,350.02	3,268,669,601.05
Repayment of borrowings	2,092,750,426.79	2,398,405,094.49
Interest and dividends paid	185,516,027.59	545,798,024.25
Including: Dividends paid by subsidiaries to non-controlling interests	62,023,566.38	62,023,566.38
Cash used in other financing activities	160,000,000.00	112,164,104.03
Subtotal of cash used in financing activities	2,438,266,454.38	3,056,367,222.77
Net cash generated from/used in financing activities	577,728,895.64	212,302,378.28
4. Effect of foreign exchange rates changes on cash and cash equivalents	-27,748,594.23	14,142,881.59
5. Net increase in cash and cash equivalents	449,360,371.47	95,106,227.09
Add: Cash and cash equivalents, beginning of the period	878,559,018.92	535,134,772.90
6. Cash and cash equivalents, end of the period	1,327,919,390.39	630,240,999.99

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

Unit: RMB

Item	Q1~Q3 2020	Q1~Q3 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	2,280,927,202.14	3,614,205,464.15
Tax and levy rebates	36,161,757.59	117,003,748.15
Cash generated from other operating activities	65,020,438.86	28,034,497.06
Subtotal of cash generated from operating activities	2,382,109,398.59	3,759,243,709.36
Payments for commodities and services	1,869,878,907.48	2,030,728,889.86
Cash paid to and for employees	697,877,660.03	833,777,571.31
Taxes and levies paid	65,611,861.50	132,287,115.34
Cash used in other operating activities	113,577,947.13	103,194,693.82
Subtotal of cash used in operating activities	2,746,946,376.14	3,099,988,270.33
Net cash generated from/used in operating activities	-364,836,977.55	659,255,439.03
2. Cash flows from investing activities:		
Proceeds from disinvestment	260,131,152.08	30,000,000.00
Return on investment	313,991,776.37	170,378,572.36
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	12,615,646.54	2,670,316.61
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	932,755,621.58	102,390,079.19

Subtotal of cash generated from investing activities	1,519,494,196.57	305,438,968.16
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	48,716,259.48	154,894,842.57
Payments for investments	562,665,000.00	402,922,200.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	1,078,093,516.63	247,450,344.40
Subtotal of cash used in investing activities	1,689,474,776.11	805,267,386.97
Net cash generated from/used in investing activities	-169,980,579.54	-499,828,418.81
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings received	1,871,861,148.38	1,743,028,577.13
Cash generated from other financing activities	58,280,000.00	317,313,300.00
Subtotal of cash generated from financing activities	1,930,141,148.38	2,060,341,877.13
Repayment of borrowings	537,012,601.56	1,463,702,550.96
Interest and dividends paid	101,422,438.30	444,520,651.34
Cash used in other financing activities	191,640,100.00	359,508,204.03
Subtotal of cash used in financing activities	830,075,139.86	2,267,731,406.33
Net cash generated from/used in financing activities	1,100,066,008.52	-207,389,529.20
4. Effect of foreign exchange rates changes on cash and cash equivalents	-8,206,037.63	2,994,642.42
5. Net increase in cash and cash equivalents	557,042,413.80	-44,967,866.56
Add: Cash and cash equivalents, beginning of the period	259,320,863.08	191,305,104.80
6. Cash and cash equivalents, end of the period	816,363,276.88	146,337,238.24

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the First Execution Year (2020) of the New Accounting Standards Governing Revenue and Leases

Applicable Not applicable

Whether the Company needs to adjust the items in the balance sheet at the beginning of the year

Yes No

Consolidated Balance Sheet

Unit: RMB

Item	31 December 2019	1 January 2020	Adjusted
Current assets:			

Monetary assets	924,322,008.17	924,322,008.17	
Held-for-trading financial assets	52,356,098.85	52,356,098.85	
Derivative financial assets			
Notes receivable	104,737,949.91	104,737,949.91	
Accounts receivable	515,306,599.62	515,306,599.62	
Receivables financing	26,963,818.87	26,963,818.87	
Prepayments	56,828,987.59	56,828,987.59	
Other receivables	59,743,471.84	59,743,471.84	
Including: Interest receivable			
Dividends receivable			
Inventories	2,421,500,259.30	2,421,500,259.30	
Contract assets			
Assets held for sale			
Current portion of non-current assets			
Other current assets	68,788,674.10	68,788,674.10	
Total current assets	4,230,547,868.25	4,230,547,868.25	
Non-current assets:			
Long-term receivables	7,058,233.71	7,058,233.71	
Long-term equity investments	103,226,300.00	103,226,300.00	
Investments in other equity instruments			
Other non-current financial assets	278,149,500.00	278,149,500.00	
Investment property	45,896,747.87	45,896,747.87	
Fixed assets	6,012,094,104.67	6,012,094,104.67	
Construction in progress	400,235,070.01	400,235,070.01	
Intangible assets	516,479,519.15	516,479,519.15	
Development costs			
Goodwill	20,563,803.29	20,563,803.29	
Long-term prepaid expense	153,031,253.79	153,031,253.79	
Deferred income tax assets	99,307,233.72	99,307,233.72	
Other non-current assets	18,841,918.62	18,841,918.62	
Total non-current assets	7,654,883,684.83	7,654,883,684.83	
Total assets	11,885,431,553.08	11,885,431,553.08	
Current liabilities:			
Short-term borrowings	2,120,154,330.61	2,120,154,330.61	

Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	85,219,724.63	85,219,724.63	
Accounts payable	305,346,284.94	305,346,284.94	
Advances from customers	108,783,148.03		-108,783,148.03
Contract liabilities		108,783,148.03	108,783,148.03
Employee benefits payable	335,576,560.36	335,576,560.36	
Taxes and levies payable	25,051,630.06	25,051,630.06	
Other payables	104,982,189.40	104,982,189.40	
Including: Interest payable			
Dividends payable	441,113.64	441,113.64	
Current portion of non-current liabilities	101,111,297.49	101,111,297.49	
Other current liabilities			
Total current liabilities	3,186,225,165.52	3,186,225,165.52	
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	42,364,019.74	42,364,019.74	
Bonds payable			
Long-term payables			
Long-term employee benefits payable	105,589,249.56	105,589,249.56	
Provisions			
Deferred income	157,668,211.41	157,668,211.41	
Deferred income tax liabilities	92,440,358.41	92,440,358.41	
Other non-current liabilities	1,840,000.00	1,840,000.00	
Total non-current liabilities	399,901,839.12	399,901,839.12	
Total liabilities	3,586,127,004.64	3,586,127,004.64	
Owners' equity:			
Share capital	858,121,541.00	858,121,541.00	
Other equity instruments			
Capital reserves	258,046,245.42	258,046,245.42	
Less: Treasury stock			
Other comprehensive income	91,626,571.75	91,626,571.75	
Specific reserve			
Surplus reserves	1,117,267,351.63	1,117,267,351.63	

General reserve			
Retained earnings	5,372,073,615.12	5,372,073,615.12	
Total equity attributable to owners of the Company as the parent	7,697,135,324.92	7,697,135,324.92	
Non-controlling interests	602,169,223.52	602,169,223.52	
Total owners' equity	8,299,304,548.44	8,299,304,548.44	
Total liabilities and owners' equity	11,885,431,553.08	11,885,431,553.08	

Note for adjustment

None

Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2019	1 January 2020	Adjusted
Current assets:			
Monetary assets	259,320,863.08	259,320,863.08	
Held-for-trading financial assets	52,356,098.85	52,356,098.85	
Derivative financial assets			
Notes receivable	67,898,885.35	67,898,885.35	
Accounts receivable	417,599,518.08	417,599,518.08	
Receivables financing	2,675,090.00	2,675,090.00	
Prepayments	10,178,452.88	10,178,452.88	
Other receivables	838,523,449.52	838,523,449.52	
Including: Interest receivable			
Dividends receivable			
Inventories	1,280,620,296.02	1,280,620,296.02	
Assets held for sale			
Current portion of non-current assets			
Other current assets	5,780,635.28	5,780,635.28	
Total current assets	2,934,953,289.06	2,934,953,289.06	
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	2,510,868,604.84	2,510,868,604.84	
Investments in other equity instruments			
Other non-current financial assets	266,149,500.00	266,149,500.00	

Investment property	31,089,260.38	31,089,260.38	
Fixed assets	2,603,258,003.94	2,603,258,003.94	
Construction in progress	53,443,768.04	53,443,768.04	
Intangible assets	235,277,114.25	235,277,114.25	
Development costs			
Goodwill			
Long-term prepaid expense			
Deferred income tax assets	60,974,304.57	60,974,304.57	
Other non-current assets			
Total non-current assets	5,761,060,556.02	5,761,060,556.02	
Total assets	8,696,013,845.08	8,696,013,845.08	
Current liabilities:			
Short-term borrowings	816,301,973.60	816,301,973.60	
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	602,741,973.76	602,741,973.76	
Accounts payable	105,588,631.54	105,588,631.54	
Advances from customers	53,418,950.04		-53,418,950.04
Contract liabilities		53,418,950.04	53,418,950.04
Employee benefits payable	242,300,723.41	242,300,723.41	
Taxes and levies payable	11,995,830.49	11,995,830.49	
Other payables	149,255,207.79	149,255,207.79	
Including: Interest payable			
Dividends payable	441,113.64	441,113.64	
Liabilities directly associated with assets held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total current liabilities	1,981,603,290.63	1,981,603,290.63	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Long-term payables			
Long-term employee benefits payable	105,589,249.56	105,589,249.56	

Provisions			
Deferred income	112,187,678.66	112,187,678.66	
Deferred income tax liabilities	70,445,859.76	70,445,859.76	
Other non-current liabilities			
Total non-current liabilities	288,222,787.98	288,222,787.98	
Total liabilities	2,269,826,078.61	2,269,826,078.61	
Owners' equity:			
Share capital	858,121,541.00	858,121,541.00	
Other equity instruments			
Capital reserves	317,206,232.47	317,206,232.47	
Less: Treasury stock			
Other comprehensive income			
Specific reserve			
Surplus reserves	1,114,158,611.99	1,114,158,611.99	
Retained earnings	4,136,701,381.01	4,136,701,381.01	
Total owners' equity	6,426,187,766.47	6,426,187,766.47	
Total liabilities and owners' equity	8,696,013,845.08	8,696,013,845.08	

Note for adjustment

None

2. Retrospective Adjustments to the Comparative Data of Prior Periods due to the First Execution in 2020 of the New Accounting Standards Governing Revenue and Leases

Applicable Not applicable

None

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.

31 October 2020