



LU THAI TEXTILE CO., LTD.

FIRST QUARTERLY REPORT 2021

April 2021

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 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 Financial Information

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

Yes No

	Q1 2021	Q1 2020	Change (%)
Operating revenue (RMB)	993,485,161.79	1,252,428,965.20	-20.68%
Net profit attributable to the listed company's shareholders (RMB)	74,530,850.40	103,518,808.50	-28.00%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	15,513,465.07	103,615,262.08	-85.03%
Net cash generated from/used in operating activities (RMB)	-36,745,428.28	145,916,523.77	-125.18%
Basic earnings per share (RMB/share)	0.09	0.12	-25.00%
Diluted earnings per share (RMB/share)	0.09	0.12	-25.00%
Weighted average return on equity (%)	0.96%	1.33%	-0.37%
	31 March 2021	31 December 2020	Change (%)
Total assets (RMB)	12,197,752,223.47	12,129,903,960.65	0.56%
Equity attributable to the listed company's shareholders (RMB)	7,774,522,551.24	7,687,577,590.72	1.13%

Exceptional gains and losses

Applicable Not applicable

Unit: RMB

Item	Q1 2021	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	59,394,526.45	
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 the government's uniform standards)	12,470,516.19	
Gain or loss on fair-value changes in held-for-trading financial assets and liabilities, as well as derivative financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities, derivative financial assets and liabilities, as well as investments in other debt obligations (exclusive of effective portion of hedges that arise in the Company's ordinary course of business)	-591,341.11	
Non-operating income and expense other than the above	-1,879,517.36	
Less: Income tax effects	10,098,853.35	
Non-controlling interests effects (net of tax)	277,945.49	
Total	59,017,385.33	--

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 31 March 2021

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 at the period-end	57,260	Number of preferred shareholders with resumed voting rights at the period-end (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 legal person	16.36%	140,353,583	0		
Tailun (Thailand) Textile Co., Ltd.	Foreign legal person	13.78%	118,232,400	118,232,400		
Central Huijin Assets Management Co., Ltd.	State-owned legal person	2.37%	20,315,300			
ICBC Credit Suisse Double Interest Bond Securities Investment Fund	Domestic non-state-owned legal person	1.28%	10,999,958			
National Social Security Fund Portfolio 413	Domestic non-state-owned legal person	1.10%	9,480,051			
Dajia Life Insurance Co. Ltd.-Universal Products	Other	0.86%	7,348,835			
Zhong Ou China Securities Asset Management Plan	Other	0.61%	5,235,900			
Dacheng China Securities Asset Management Plan	Other	0.61%	5,235,900			
Harvest China Securities Asset Management Plan	Other	0.61%	5,235,900			
GF China Securities Asset Management Plan	Other	0.61%	5,235,900			

Top 10 unrestricted shareholders			
Name of shareholder	Unrestricted shares held	Shares by type	
		Type	Shares
Zibo Lucheng Textile Investment Co., Ltd.	140,353,583	RMB-denominated ordinary stock	
Central Huijin Assets Management Co., Ltd.	20,315,300	RMB-denominated ordinary stock	
ICBC Credit Suisse Double Interest Bond Securities Investment Fund	10,999,958	RMB-denominated ordinary stock	
National Social Security Fund Portfolio 413	9,480,051	RMB-denominated ordinary stock	
Dajia Life Insurance Co. Ltd.-Universal Products	7,348,835	RMB-denominated ordinary stock	
Zhong Ou China Securities Asset Management Plan	5,235,900	RMB-denominated ordinary stock	
Dacheng China Securities Asset Management Plan	5,235,900	RMB-denominated ordinary stock	
Harvest China Securities Asset Management Plan	5,235,900	RMB-denominated ordinary stock	
GF China Securities Asset Management Plan	5,235,900	RMB-denominated ordinary stock	
China China Securities Asset Management Plan	5,235,900	RMB-denominated ordinary stock	
Related or acting-in-concert parties among the shareholders above	Zibo Lucheng Textile Investment Co., Ltd. is the largest shareholder of the Company and the actual controller. Tailun (Thailand) Textile Co., Ltd. is the second largest shareholder as well as sponsor of foreign capital of the Company. All of other shareholders are people holding public A share and the Company is not able to confirm whether there is associated relationship or concerted action among other shareholders.		
Top 10 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	31 March 2021	31 December 2020	Change	Reason for change
Prepayments	76,377,931.28	19,611,775.28	289.45%	Increase in prepayments for cotton
Right-of-use assets	49,059,102.53	-	100.00%	Recognition of right-of-use assets according to the new accounting standard governing leases adopted in the current period
Other non-current assets	164,333,330.32	95,434,040.18	72.20%	Increase in prepayments for land
Other current liabilities	68,221,106.95	192,574,674.68	-64.57%	Recognition in the current period of income from the relocation compensation received in the last period
Item	Q1 2021	Q1 2020	Change	Reason for change
Selling expense	22,876,675.00	43,045,212.94	-46.85%	Reclassification of transportation expense and port expense from selling expense to costs of sales
Finance costs	2,268,306.63	14,743,890.27	-84.62%	Decrease in interest expense and increase in interest income
Return on investment (“-” for loss)	7,111,896.31	104,051,767.00	-93.17%	Transfer of held-for-trading financial assets in the same period of last year
Gain on changes in fair value (“-” for loss)	-10,376,010.56	-99,714,752.69	89.59%	Reversal of recognized gains on changes in the fair value of held-for-trading financial assets in the same period of last year
Credit impairment loss (“-” for loss)	14,759,025.50	1,490,082.33	890.48%	Decrease in the balance of accounts receivable
Asset impairment loss (“-” for loss)	-6,272,617.88	-2,090,161.60	-200.10%	Increase in inventory impairment loss
Asset disposal income (“-” for loss)	59,394,526.45	-37,045.69	160427.76%	Recognition of relocation compensation
Non-operating expenses	2,288,330.70	1,540,546.20	48.54%	Increase in donation expenditures
Net cash generated from/used in operating activities	-36,745,428.28	145,916,523.77	-125.18%	Decrease in cash received from selling goods and rendering of services
Net cash generated from/used in investing activities	16,210,324.93	-65,312,638.47	124.82%	Increase in cash received from disinvestments

Net cash generated from/used in financing activities	172,987,678.81	-17,426,491.61	1092.67%	Increase in short- and long-term borrowings
Net increase in cash and cash equivalents	159,279,909.02	61,713,008.55	158.10%	Increase in net cash generated from financing activities

II Progress, Influence and Solutions with regard to Significant Events

Applicable Not applicable

1. On 9 April 2020, the Company issued 14 million A-share convertible corporate bonds (Luthai Convertible Bond for short; Code: 127016) on the Shenzhen Stock Exchange, which were traded at the price of RMB100 and the conversion price of RMB9.01 per share. The bonds were listed on SZSE on 13 May 2020. Due to the interest distribution for the year 2019 on 9 July 2020, the conversion price of Luthai Convertible Bond was adjusted from RMB9.01 per share to RMB8.91 per share. The conversion period of Luthai Convertible Bond started from 15 October 2020. From 1 January 2021 to the end of the first quarter in 2021, Luthai Convertible Bond saw a drop of RMB14,700.00 in value and a decrease of 147 in number, which were converted to 1,646 shares. By the end of the first quarter in 2021, the remaining value of the convertible bond reached RMB1,399,889,100.00 and the remaining number was 13,998,891.

2. On 12 April 2021, the Company held the 22nd Meeting of the 9th Board of Directors and the 13th Meeting of the 9th Supervisory Committee. The *Restricted Stock Incentive Scheme (Draft) and Summary for 2021* and the *Management Measures of Luthai Textile Co., Ltd. for the Enforcement and Assessment of the Restricted Stock Incentive Scheme for 2021* were reviewed and passed at those meetings and will be submitted to the 1st Extraordinary General Meeting of 2021 for deliberation.

Overview of significant events	Disclosure date	Announcement index
Conversion of convertible bonds into equity in Q1 2021	2 April 2021	Refer to <i>Announcement of Lu Thai Textile Co., Ltd. on Conversion of Convertible Bonds into Equity in Q1 2021</i> disclosed on 2 April 2021 on www.cninfo.com.cn for details.
Restricted Stock Incentive Scheme for 2021 put forward by the Company	13 April 2021	Refer to the <i>Restricted Stock Incentive Scheme (Draft) and Summary for 2021</i> of Lu Thai Textile Co., Ltd. and relevant announcements disclosed on 13 April 2021 on www.cninfo.com.cn for details.

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

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 IPO or refinancing	Controlling shareholder, actual controller	Dilution of immediate return of public issuance of A-share convertible corporate bonds	1. It's not allowed to interfere the operation and management activities of the Company excessively, and to encroach the interest of the Company. 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	23 May 2019 to 8 April 2026	Ongoing

	The directors and senior manager of the Company	Dilution of immediate return of public issuance of A-share convertible corporate bonds	<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</p>	23 May 2019	23 May 2019 to 8 April 2026	Ongoing
--	---	--	---	-------------	-----------------------------	---------

			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 Company or investors, I will bear the compensation responsibility to the Company or investors in accordance with the law.			
Commitments made in stock option incentive						
Other commitments made to minority shareholders						
Fulfill 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
Comme	Non-rel	No	Forward	166,697	26	31	129,805	36,891.	18,053.		148,644	12.18%	471.6

Commercial bank	Related		Exchange settlement	118,238.46	22 November 2020	27 December 2021	62,150.79	56,088.9146	9,814.228		108,424.42	8.89%	3
Commercial bank	Non-related	No	Foreign exchange option	13,081.6	14 January 2021	1 April 2021	0	13,081.6	6,540.8		6,540.8	0.54%	14.91
Commercial bank	Non-related	No	Forward exchange transactions	298,017.76	--	--	191,955.79	106,061.97	34,408.28		263,609.48	21.61%	489.51
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)				30 April 2020									
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. 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. 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</p>									

	<p>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: 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, otherwise 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 business, tracked closely the relevant changes; the Company carried out financial derivative instruments transactions with financial institutions with the legal qualifications, tremendous strength and good reputation; and strengthened the compliant examination on derivative products transaction business to avoid possible law risks. 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 Securities Investment and 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 13th Meeting of the 9th Board of Directors on 28 April 2020, 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. By 31 March 2021, the Company held 66 financial derivatives contracts that were not expired, valued at USD409.5 million. Among them, there were 37 forward settlements worth USD223 million, 28 foreign exchange option portfolios worth USD176.50 million and 1 forward foreign exchange trading worth USD10 million.</p> <p>2. In the first quarter of 2021, a total of USD70 million financial derivatives matured, and USD52 million were delivered with earnings of RMB4,895,100. USD18 million were extended. Among them, forward settlements worth USD45 million matured, and USD27 million were delivered with earnings of RMB4,716,000. USD18 million were extended; all of the USD15 million matured foreign exchange option portfolios were delivered with earnings of RMB30,000; all of the forward foreign exchange trading worth USD10 million matured and were delivered, with earnings of RMB149,100.</p>
Major changes in accounting policies and specific accounting principles adopted for derivative investments in	No significant changes

Reporting Period compared to last reporting period	
Opinion of independent directors on derivative investments and risk control	The Company's independent directors Zhou Zhiji, Pan Ailing, Wang Xinyu and Qu Dongmei, concerning conducting derivatives business, have issued the following professional advice: During the Reporting Period, the Company conducted derivatives trading based on relevant laws and regulations, the <i>Articles of Association</i> , the <i>Management Rules for Securities Investment and Derivative Transaction of Lu Thai Textile Co., Ltd.</i> The trading conformed to the Plan for Derivative Transactions approved by the Board of Directors, and the operations were legitimate and compliant. While the normal trading and operations are guaranteed, the Company's derivatives trading funded with own funds helps to avoid risks of renminbi exchange rate, improve the ability to hedge against exchange rate volatility and will not damage the interests of the Company and all shareholders.

V Progress of Projects Financed with Raised Funds

Applicable Not applicable

VI Operating Performance Forecast for January-June 2021

Warning of a forecast loss on or a forecast significant year-on-year change in the accumulative net profit from the beginning of the year to the end of the next reporting period, as well as explanation of why:

Applicable Not applicable

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
Bank's wealth management product	Idle raised funds	60,254	27,500	0
Bank's wealth management product	Idle self-funded	52,143	17,697	0
Total		112,397	45,197	0

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

Applicable Not applicable

RMB'0,000

Name of the trustee	Type of the trustee	Type of the product	Amount	Resource of funds	Initial date	Ended Date	Use of fund	Method of payment determination	Annual yield for reference	Estimate profit (if any)	Amount of actual profits or losses in Reporting Period	Actual recovery of profits or losses in Reporting Period	Amount withdrawn impairment provision (if any)	Whether go through stator procedures	Whether there is wealth management entrustment plan in future or not	Overview of the item and the related index for inquiring (if any)
Agricultural Bank of China	Bank	Principal-protected	10,000	Raised funds	1 July 2020	8 January 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.50%	182.19	182.19	Recovery on schedule	0	Yes	Not yet	Refer to the related announcement (No.: 2020-051) disclosed on Cninfo on 23 May 2020
Qishang Bank	Bank	Principal-protected	2,754	Raised funds	10 December 2020	11 March 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.50%	24.03	24.03	Recovery on schedule	0	Yes	Not yet	Refer to the related announcement (No.: 2020-051) disclosed on Cninfo on 23 May 2020
Qishang Bank	Bank	Principal-protected	5,000	Raised funds	10 December 2020	11 March 2021	Bank financial products	One-off repayment of principal and	3.50%	43.63	43.63	Recovery on schedule	0	Yes	Not yet	Refer to the related announcement (No.: 2020-051) disclosed on

								interests at maturity								Cninfo on 23 May 2020
Agricultural Bank of China	Bank	Principal-protected	10,000	Raised funds	31 December 2020	25 March 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.15%	72.49	72.49	Recovery on schedule	0	Yes	Not yet	Refer to the related announcement (No.: 2020-051) disclosed on Cninfo on 23 May 2020
Agricultural Bank of China	Bank	Principal-protected	10,000	Raised funds	22 January 2021	16 April 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.30%	75.95	0-		0	Yes	Not yet	Refer to the related announcement (No.: 2020-051) disclosed on Cninfo on 23 May 2020
Agricultural Bank of China	Bank	Principal-protected	10,000	Raised funds	30 March 2021	25 June 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.70%	88.19	0-		0	Yes	Not yet	Refer to the related announcement (No.: 2020-051) disclosed on Cninfo on 23 May 2020
Agricultural Bank of China	Bank	Principal-protected	5,000	Raised funds	30 March 2021	25 June 2021	Bank financial products	One-off repayment of principal	3.70%	44.1	0-		0	Yes	Not yet	Refer to the related announcement (No.: 2020-051)

		d						and interests at maturity								disclosed on Cninfo on 23 May 2020	
Qishang Bank	Bank	Principal-protected	2,500	Raised funds	19 March 2021	22 June 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.70%	24.08	0-		0	Yes	Not yet	Refer to the related announcement (No.: 2020-051) disclosed on Cninfo on 23 May 2020	
Qishang Bank	Bank	Principal-protected	5,000	Raised funds	16 October 2020	14 January 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.50%	43.15	43.15	Recovery on schedule		0	Yes	Not yet	Refer to the related announcement (No.: 2020-051) disclosed on Cninfo on 23 May 2020
Qishang Bank	Bank	Principal-protected	3,000	Self-owned funds	16 October 2020	14 January 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.50%	25.89	25.89	Recovery on schedule		0	Yes	Not yet	Refer to the related announcement (No.: 2020-059) disclosed on Cninfo on 14 August 2020
Qishang Bank	Bank	Principal-protected	5,000	Self-owned funds	4 November 2020	2 February 2021	Bank financial products	One-off repayment of principal	3.50%	43.15	43.15	Recovery on schedule		0	Yes	Not yet	Refer to the related announcement (No.: 2020-059)

		d						and interests at maturity								disclosed on Cninfo on 14 August 2020
Qishang Bank	Bank	Principal-protected	5,000	Self-owned funds	11 November 2020	9 February 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.50%	43.15	43.15	Recovery on schedule	0	Yes	Not yet	Refer to the related announcement (No.: 2020-059) disclosed on Cninfo on 14 August 2020
Qishang Bank	Bank	Principal-protected	6,246	Self-owned funds	10 December 2020	11 March 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.50%	54.5	54.5	Recovery on schedule	0	Yes	Not yet	Refer to the related announcement (No.: 2020-059) disclosed on Cninfo on 14 August 2020
Qishang Bank	Bank	Principal-protected	3,000	Self-owned funds	10 December 2020	20 January 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.40%	11.18	11.18	Recovery on schedule	0	Yes	Not yet	Refer to the related announcement (No.: 2020-059) disclosed on Cninfo on 14 August 2020
China Everbright Bank	Bank	Principal-protected	5,000	Self-owned funds	18 December 2020	18 January 2021	Bank financial products	One-off repayment of principal	2.70%	11.25	11.25	Recovery on schedule	0	Yes	Not yet	Refer to the related announcement (No.: 2020-059)

		d						and interests at maturity								disclosed on Cninfo on 14 August 2020
Qishang Bank	Bank	Principal-protected	3,697	Self-owned funds	9 February 2021	18 May 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.50%	34.74	0-		0	Yes	Not yet	Refer to the related announcement (No.: 2020-059) disclosed on Cninfo on 14 August 2020
Qishang Bank	Bank	Principal-protected	7,000	Self-owned funds	24 February 2021	29 June 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.60%	86.3	0-		0	Yes	Not yet	Refer to the related announcement (No.: 2020-059) disclosed on Cninfo on 14 August 2020
Qishang Bank	Bank	Principal-protected	5,000	Self-owned funds	19 March 2021	22 June 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.70%	48.15	0-		0	Yes	Not yet	Refer to the related announcement (No.: 2020-059) disclosed on Cninfo on 14 August 2020
Qishang Bank	Bank	Principal-protected	2,600	Self-owned funds	7 January 2021	19 February 2021	Bank financial products	One-off repayment of principal	3.40%	10.41	10.41	Recovery on schedule	0	Yes	Not yet	Refer to the related announcement (No.: 2020-059)

		d						and interests at maturity								disclosed on Cninfo on 14 August 2020
Qishang Bank	Bank	Principal-protected	2,000	Self-owned funds	27 January 2021	3 March 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.40%	6.52	6.52	Recovery on schedule	0	Yes	Not yet	Refer to the related announcement (No.: 2020-059) disclosed on Cninfo on 14 August 2020
Qishang Bank	Bank	Principal-protected	2,600	Self-owned funds	24 February 2021	31 March 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.50%	8.73	8.73	Recovery on schedule	0	Yes	Not yet	Refer to the related announcement (No.: 2020-059) disclosed on Cninfo on 14 August 2020
Qishang Bank	Bank	Principal-protected	2,000	Self-owned funds	11 March 2021	15 June 2021	Bank financial products	One-off repayment of principal and interests at maturity	3.60%	18.94	0-		0	Yes	Not yet	Refer to the related announcement (No.: 2020-059) disclosed on Cninfo on 14 August 2020
Total			112,397	--	--	--	--	--	--	1,000.72	580.27	--	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 communication	Type of communication party	Communication party	Major discussion content and information provided	Index to main information communicated
31 March 2021	Meeting room of the Company	By phone	Institution	Institutional investors	Basic information of the Company	Refer to the Record of Investor Relations Activities disclosed on 1 April 2021 on www.cninfo.com.cn

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by Lu Thai Textile Co., Ltd.

31 March 2021

Unit: RMB

Item	31 March 2021	31 December 2020
Current assets:		
Monetary assets	1,560,547,741.68	1,400,478,034.81
Held-for-trading financial assets	208,949,164.24	268,456,216.98
Derivative financial assets		
Notes receivable	203,939,049.53	182,994,110.86
Accounts receivable	368,598,618.36	522,425,219.87
Accounts receivable financing	78,731,819.82	55,150,926.34
Prepayments	76,377,931.28	19,611,775.28
Other receivables	107,679,237.37	105,710,818.69
Including: Interest receivable		
Dividends receivable	75,488,652.49	75,488,652.49
Financial assets purchased under resale agreements		
Inventories	2,053,531,101.15	1,988,968,681.64
Contract assets		
Assets held for sale		
Current portion of non-current assets	46,187,513.72	45,750,018.30
Other current assets	334,182,823.00	433,432,258.63
Total current assets	5,038,725,000.15	5,022,978,061.40
Non-current assets:		
Investments in other debt obligations		
Long-term receivables	41,494,018.13	41,053,183.15
Long-term equity investments	135,408,217.73	138,079,577.25
Investments in other equity instruments		

Other non-current financial assets	156,915,620.25	156,915,620.25
Investment property	22,038,327.15	22,263,668.85
Fixed assets	5,584,734,999.90	5,661,592,991.66
Construction in progress	371,180,755.74	356,273,197.49
Right-of-use assets	49,059,102.53	
Intangible assets	370,779,937.26	373,543,480.84
Development costs		
Goodwill	20,563,803.29	20,563,803.29
Long-term prepaid expense	118,278,629.40	118,340,494.60
Deferred income tax assets	124,240,481.62	122,865,841.69
Other non-current assets	164,333,330.32	95,434,040.18
Total non-current assets	7,159,027,223.32	7,106,925,899.25
Total assets	12,197,752,223.47	12,129,903,960.65
Current liabilities:		
Short-term borrowings	1,023,970,254.35	930,871,008.19
Held-for-trading financial liabilities	296,200.00	
Derivative financial liabilities		
Notes payable		
Accounts payable	202,700,943.72	243,262,473.69
Advances from customers		
Contract liabilities	119,653,948.93	141,339,705.62
Employee benefits payable	206,120,465.61	265,648,198.38
Taxes payable	30,036,015.83	36,468,978.77
Other payables	20,636,417.79	17,587,470.79
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	31,235,200.20	43,149,400.13
Other current liabilities	68,221,106.95	192,574,674.68
Total current liabilities	1,702,870,553.38	1,870,901,910.25
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	593,875,950.40	495,520,342.78

Bonds payable	1,362,080,523.74	1,350,171,526.97
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	48,672,763.55	
Long-term payables		
Long-term employee benefits payable	62,137,656.00	62,137,656.00
Provisions		
Deferred income	172,234,790.57	173,862,983.31
Deferred income tax liabilities	83,207,811.39	85,633,161.44
Other non-current liabilities		
Total non-current liabilities	2,322,209,495.65	2,167,325,670.50
Total liabilities	4,025,080,049.03	4,038,227,580.75
Owners' equity:		
Share capital	858,133,968.00	858,132,322.00
Other equity instruments	71,385,702.20	71,386,451.81
Including: Preferred shares		
Perpetual bonds		
Capital reserves	255,925,746.00	255,912,488.01
Less: Treasury stock		
Other comprehensive income	13,708,878.63	1,308,922.89
Specific reserve		
Surplus reserves	1,154,017,457.79	1,154,017,457.79
General reserve		
Retained earnings	5,421,350,798.62	5,346,819,948.22
Total equity attributable to owners of the Company as the parent	7,774,522,551.24	7,687,577,590.72
Non-controlling interests	398,149,623.20	404,098,789.18
Total owners' equity	8,172,672,174.44	8,091,676,379.90
Total liabilities and owners' equity	12,197,752,223.47	12,129,903,960.65

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	31 March 2021	31 December 2020
Current assets:		
Monetary assets	600,764,110.66	729,437,231.33
Held-for-trading financial assets	6,045,900.00	163,636,075.34
Derivative financial assets		
Notes receivable	111,289,560.63	108,863,689.79
Accounts receivable	243,301,135.80	326,166,935.10
Accounts receivable financing	65,415,697.65	48,764,088.05
Prepayments	104,805,537.00	13,059,806.74
Other receivables	1,931,709,627.40	1,500,882,682.19
Including: Interest receivable		
Dividends receivable	75,488,652.49	75,488,652.49
Inventories	1,152,449,069.10	1,097,438,610.46
Contract assets		
Assets held for sale		
Current portion of non-current assets	46,187,513.72	45,750,018.30
Other current assets	159,186,110.87	247,860,882.02
Total current assets	4,421,154,262.83	4,281,860,019.32
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables	41,494,018.13	41,053,183.15
Long-term equity investments	2,784,479,499.61	2,555,150,859.13
Investments in other equity instruments		
Other non-current financial assets	144,915,620.25	144,915,620.25
Investment property	29,395,483.93	29,734,239.22
Fixed assets	2,403,675,312.51	2,471,686,117.72
Construction in progress	48,896,170.47	48,694,822.74
Productive living assets		
Oil and gas assets		
Right-of-use assets	47,948,540.88	

Intangible assets	223,214,197.82	225,128,308.75
Development costs		
Goodwill		
Long-term prepaid expense	1,222,911.08	1,406,347.76
Deferred income tax assets	60,590,909.10	65,729,304.26
Other non-current assets	4,666,295.89	7,936,745.28
Total non-current assets	5,790,498,959.67	5,591,435,548.26
Total assets	10,211,653,222.50	9,873,295,567.58
Current liabilities:		
Short-term borrowings	484,266,416.97	332,466,931.13
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	184,875,408.16	132,231,596.74
Advances from customers		
Contract liabilities	54,115,445.91	56,841,289.66
Employee benefits payable	160,715,438.40	202,694,515.93
Taxes payable	18,220,213.31	21,896,035.49
Other payables	141,877,593.12	79,668,657.80
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	5,633,346.46	4,000,000.00
Other current liabilities	53,761,415.02	166,257,466.30
Total current liabilities	1,103,465,277.35	996,056,493.05
Non-current liabilities:		
Long-term borrowings	593,875,950.40	495,520,342.78
Bonds payable	1,362,080,523.74	1,350,171,526.97
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	47,084,419.20	
Long-term payables		
Long-term employee benefits	62,137,656.00	62,137,656.00

payable		
Provisions		
Deferred income	130,487,086.87	131,546,549.87
Deferred income tax liabilities	57,612,402.72	58,927,115.71
Other non-current liabilities		
Total non-current liabilities	2,253,278,038.93	2,098,303,191.33
Total liabilities	3,356,743,316.28	3,094,359,684.38
Owners' equity:		
Share capital	858,133,968.00	858,132,322.00
Other equity instruments	71,385,702.20	71,386,451.81
Including: Preferred shares		
Perpetual bonds		
Capital reserves	317,305,780.24	317,292,522.25
Less: Treasury stock		
Other comprehensive income	-424,313.33	-424,313.33
Specific reserve		
Surplus reserves	1,150,908,718.15	1,150,908,718.15
Retained earnings	4,457,600,050.96	4,381,640,182.32
Total owners' equity	6,854,909,906.22	6,778,935,883.20
Total liabilities and owners' equity	10,211,653,222.50	9,873,295,567.58

3. Consolidated Income Statement

Unit: RMB

Item	Q1 2021	Q1 2020
1. Revenue	993,485,161.79	1,252,428,965.20
Including: Operating revenue	993,485,161.79	1,252,428,965.20
2. Costs and expenses	985,587,009.24	1,134,449,068.31
Including: Cost of sales	815,351,239.75	909,936,744.88
Taxes and surcharges	13,245,938.39	18,233,112.02
Selling expense	22,876,675.00	43,045,212.94
Administrative expense	70,211,600.57	85,578,691.89
R&D expense	61,633,248.90	62,911,416.31
Finance costs	2,268,306.63	14,743,890.27
Including: Interest expense	12,971,587.55	18,671,711.46

Interest income	7,867,810.79	4,314,960.98
Add: Other income	12,470,516.19	9,740,763.66
Return on investment (“-” for loss)	7,111,896.31	104,051,767.00
Including: Share of profit or loss of joint ventures and associates	-2,671,359.52	-5,524,629.57
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)	-10,376,010.56	-99,714,752.69
Credit impairment loss (“-” for loss)	14,759,025.50	1,490,082.33
Asset impairment loss (“-” for loss)	-6,272,617.88	-2,090,161.60
Asset disposal income (“-” for loss)	59,394,526.45	-37,045.69
3. Operating profit (“-” for loss)	84,985,488.56	131,420,549.90
Add: Non-operating income	408,813.34	525,956.20
Less: Non-operating expense	2,288,330.70	1,540,546.20
4. Profit before tax (“-” for loss)	83,105,971.20	130,405,959.90
Less: Income tax expense	14,524,286.78	23,719,400.54
5. Net profit (“-” for net loss)	68,581,684.42	106,686,559.36
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	68,581,684.42	106,686,559.36
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to shareholders of the Company as the parent	74,530,850.40	103,518,808.50
5.2.2 Net profit attributable to non-controlling interests	-5,949,165.98	3,167,750.86
6. Other comprehensive income, net of tax	12,399,955.74	22,343,190.91
Attributable to owners of the Company as the parent	12,399,955.74	22,343,190.91
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	12,399,955.74	22,343,190.91
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 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for investments in other debt obligations		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	12,399,955.74	22,343,190.91
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	80,981,640.16	129,029,750.27
Attributable to owners of the Company as the parent	86,930,806.14	125,861,999.41
Attributable to non-controlling interests	-5,949,165.98	3,167,750.86
8. Earnings per share		
8.1 Basic earnings per share	0.09	0.12
8.2 Diluted earnings per share	0.09	0.12

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

Unit: RMB

Item	Q1 2021	Q1 2020
1. Operating revenue	696,922,010.49	848,590,550.08
Less: Cost of sales	563,691,314.04	660,832,545.74
Taxes and surcharges	8,914,255.65	12,344,378.23

Selling expense	16,130,283.27	24,177,042.05
Administrative expense	45,347,205.12	56,584,771.31
R&D expense	43,606,004.99	41,396,325.31
Finance costs	-3,064,923.03	-1,334,505.55
Including: Interest expense	6,503,245.70	1,520,513.18
Interest income	5,778,636.94	844,209.61
Add: Other income	7,347,296.48	8,032,757.34
Return on investment (“-” for loss)	3,807,861.60	100,681,817.00
Including: Share of profit or loss of joint ventures and associates	-2,671,359.52	-5,524,629.57
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)	-7,590,175.34	-99,714,752.69
Credit impairment loss (“-” for loss)	12,012,001.12	-1,879,269.56
Asset impairment loss (“-” for loss)	-3,411,935.03	
Asset disposal income (“-” for loss)	59,391,874.67	-67,926.34
2. Operating profit (“-” for loss)	93,854,793.95	61,642,618.74
Add: Non-operating income	370,824.18	480,033.81
Less: Non-operating expense	2,010,965.71	1,260,294.11
3. Profit before tax (“-” for loss)	92,214,652.42	60,862,358.44
Less: Income tax expense	16,254,783.78	11,950,855.86
4. Net profit (“-” for net loss)	75,959,868.64	48,911,502.58
4.1 Net profit from continuing operations (“-” for net loss)	75,959,868.64	48,911,502.58
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 investments in other debt obligations		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for investments in other debt obligations		
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	75,959,868.64	48,911,502.58
7. Earnings per share		
7.1 Basic earnings per share	0.09	0.06
7.2 Diluted earnings per share	0.10	0.06

5. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2021	Q1 2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	997,750,757.76	1,336,068,394.46
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	11,490,245.21	33,311,001.17
Cash generated from other operating activities	13,616,137.98	16,482,395.80

Subtotal of cash generated from operating activities	1,022,857,140.95	1,385,861,791.43
Payments for commodities and services	583,308,258.22	633,557,770.07
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	389,050,366.67	492,433,253.48
Taxes paid	35,216,278.07	50,812,902.16
Cash used in other operating activities	52,027,666.27	63,141,341.95
Subtotal of cash used in operating activities	1,059,602,569.23	1,239,945,267.66
Net cash generated from/used in operating activities	-36,745,428.28	145,916,523.77
2. Cash flows from investing activities:		
Proceeds from disinvestment	672,000,000.00	50,090,523.24
Return on investment	5,802,806.85	101,675,246.57
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	420,900.00	2,647,520.00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	12,538,101.84	35,077,977.28
Subtotal of cash generated from investing activities	690,761,808.69	189,491,267.09
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	149,203,426.43	204,045,508.07
Payments for investments	523,970,000.00	50,215,000.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	1,378,057.33	543,397.49
Subtotal of cash used in investing activities	674,551,483.76	254,803,905.56
Net cash generated from/used in investing activities	16,210,324.93	-65,312,638.47
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		

Borrowings raised	443,069,396.92	514,393,931.75
Cash generated from other financing activities		174,000,000.00
Subtotal of cash generated from financing activities	443,069,396.92	688,393,931.75
Repayment of borrowings	261,626,057.07	562,075,997.53
Interest and dividends paid	8,455,661.04	13,744,425.83
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		130,000,000.00
Subtotal of cash used in financing activities	270,081,718.11	705,820,423.36
Net cash generated from/used in financing activities	172,987,678.81	-17,426,491.61
4. Effect of foreign exchange rates changes on cash and cash equivalents	6,827,333.56	-1,464,385.14
5. Net increase in cash and cash equivalents	159,279,909.02	61,713,008.55
Add: Cash and cash equivalents, beginning of the period	1,396,530,407.47	878,559,018.92
6. Cash and cash equivalents, end of the period	1,555,810,316.49	940,272,027.47

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	Q1 2021	Q1 2020
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	723,992,763.48	873,552,898.00
Tax rebates	1,876,737.81	22,993,582.19
Cash generated from other operating activities	11,238,910.59	7,321,908.78
Subtotal of cash generated from operating activities	737,108,411.88	903,868,388.97
Payments for commodities and services	452,741,337.91	508,037,912.99
Cash paid to and for employees	243,187,954.45	307,956,559.69
Taxes paid	22,980,861.06	21,316,789.59
Cash used in other operating activities	30,677,916.96	33,964,054.78
Subtotal of cash used in operating activities	749,588,070.38	871,275,317.05
Net cash generated from/used in operating activities	-12,479,658.50	32,593,071.92
2. Cash flows from investing activities:		
Proceeds from disinvestment	392,460,000.00	50,090,523.24
Return on investment	4,032,870.14	101,675,246.57
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	420,900.00	298,847.38

Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	121,823,568.23	214,014,454.30
Subtotal of cash generated from investing activities	518,737,338.37	366,079,071.49
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	20,211,577.70	16,517,130.57
Payments for investments	388,970,000.00	52,615,000.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	525,315,318.44	248,481,770.00
Subtotal of cash used in investing activities	934,496,896.14	317,613,900.57
Net cash generated from/used in investing activities	-415,759,557.77	48,465,170.92
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	264,478,566.71	40,415,148.91
Cash generated from other financing activities	58,215,720.00	58,280,000.00
Subtotal of cash generated from financing activities	322,694,286.71	98,695,148.91
Repayment of borrowings	18,599,340.70	43,913,708.07
Interest and dividends paid	5,707,658.19	4,331,120.89
Cash used in other financing activities		135,072,100.00
Subtotal of cash used in financing activities	24,306,998.89	183,316,928.96
Net cash generated from/used in financing activities	298,387,287.82	-84,621,780.05
4. Effect of foreign exchange rates changes on cash and cash equivalents	56,243.18	389,348.20
5. Net increase in cash and cash equivalents	-129,795,685.27	-3,174,189.01
Add: Cash and cash equivalents, beginning of the period	728,346,695.28	259,320,863.08
6. Cash and cash equivalents, end of the period	598,551,010.01	256,146,674.07

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the First Execution Year of the New Standards Governing Leases since 2021

Applicable Not applicable

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

Yes No

Consolidated Balance Sheet

Unit: RMB

Item	31 December 2020	1 January 2021	Adjusted
Current assets:			
Monetary assets	1,400,478,034.81	1,400,478,034.81	
Held-for-trading financial assets	268,456,216.98	268,456,216.98	
Notes receivable	182,994,110.86	182,994,110.86	
Accounts receivable	522,425,219.87	522,425,219.87	
Receivables financing	55,150,926.34	55,150,926.34	
Prepayments	19,611,775.28	19,611,775.28	
Other receivables	105,710,818.69	105,710,818.69	
Including: Dividends receivable	75,488,652.49	75,488,652.49	
Inventories	1,988,968,681.64	1,988,968,681.64	
Current portion of non-current assets	45,750,018.30	45,750,018.30	
Other current assets	433,432,258.63	433,432,258.63	
Total current assets	5,022,978,061.40	5,022,978,061.40	
Non-current assets:			
Long-term receivables	41,053,183.15	41,053,183.15	
Long-term equity investments	138,079,577.25	138,079,577.25	
Other non-current financial assets	156,915,620.25	156,915,620.25	
Investment property	22,263,668.85	22,263,668.85	
Fixed assets	5,661,592,991.66	5,661,592,991.66	
Construction in progress	356,273,197.49	356,273,197.49	
Right-of-use assets		6,892,432.21	6,892,432.21
Intangible assets	373,543,480.84	373,543,480.84	
Goodwill	20,563,803.29	20,563,803.29	
Long-term prepaid expense	118,340,494.60	118,340,494.60	
Deferred income tax assets	122,865,841.69	122,865,841.69	
Other non-current assets	95,434,040.18	95,434,040.18	
Total non-current assets	7,106,925,899.25	7,113,818,331.46	6,892,432.21
Total assets	12,129,903,960.65	12,136,796,392.86	6,892,432.21
Current liabilities:			
Short-term borrowings	930,871,008.19	930,871,008.19	
Accounts payable	243,262,473.69	243,262,473.69	
Contract liabilities	141,339,705.62	141,339,705.62	

Employee benefits payable	265,648,198.38	265,648,198.38	
Taxes and levies payable	36,468,978.77	36,468,978.77	
Other payables	17,587,470.79	17,587,470.79	
Including: Dividends payable	441,113.64	441,113.64	
Current portion of non-current liabilities	43,149,400.13	43,599,400.13	450,000.00
Other current liabilities	192,574,674.68	192,574,674.68	
Total current liabilities	1,870,901,910.25	1,871,351,910.25	450,000.00
Non-current liabilities:			
Long-term borrowings	495,520,342.78	495,520,342.78	
Bonds payable	1,350,171,526.97	1,350,171,526.97	
Lease liabilities		6,442,432.21	6,442,432.21
Long-term payroll payable	62,137,656.00	62,137,656.00	
Deferred income	173,862,983.31	173,862,983.31	
Deferred income tax liabilities	85,633,161.44	85,633,161.44	
Total non-current liabilities	2,167,325,670.50	2,173,768,102.71	6,442,432.21
Total liabilities	4,038,227,580.75	4,045,120,012.96	6,892,432.21
Owners' equity:			
Share capital	858,132,322.00	858,132,322.00	
Other equity instruments	71,386,451.81	71,386,451.81	
Capital reserves	255,912,488.01	255,912,488.01	
Other comprehensive income	1,308,922.89	1,308,922.89	
Surplus reserves	1,154,017,457.79	1,154,017,457.79	
Retained earnings	5,346,819,948.22	5,346,819,948.22	
Total equity attributable to owners of the Company as the parent	7,687,577,590.72	7,687,577,590.72	
Non-controlling interests	404,098,789.18	404,098,789.18	
Total owners' equity	8,091,676,379.90	8,091,676,379.90	
Total liabilities and owners' equity	12,129,903,960.65	12,136,796,392.86	6,892,432.21

Note for adjustment:

Balance Sheet of the Company as the Parent

Unit: RMB

Item	31 December 2020	1 January 2021	Adjusted
Current assets:			
Monetary assets	729,437,231.33	729,437,231.33	
Held-for-trading financial assets	163,636,075.34	163,636,075.34	

Notes receivable	108,863,689.79	108,863,689.79	
Accounts receivable	326,166,935.10	326,166,935.10	
Receivables financing	48,764,088.05	48,764,088.05	
Prepayments	13,059,806.74	13,059,806.74	
Other receivables	1,500,882,682.19	1,500,882,682.19	
Including: Dividends receivable	75,488,652.49	75,488,652.49	
Inventories	1,097,438,610.46	1,097,438,610.46	
Current portion of non-current assets	45,750,018.30	45,750,018.30	
Other current assets	247,860,882.02	247,860,882.02	
Total current assets	4,281,860,019.32	4,281,860,019.32	
Non-current assets:			
Long-term receivables	41,053,183.15	41,053,183.15	
Long-term equity investments	2,555,150,859.13	2,555,150,859.13	
Other non-current financial assets	144,915,620.25	144,915,620.25	
Investment property	29,734,239.22	29,734,239.22	
Fixed assets	2,471,686,117.72	2,471,686,117.72	
Construction in progress	48,694,822.74	48,694,822.74	
Right-of-use assets		7,709,598.61	7,709,598.61
Intangible assets	225,128,308.75	225,128,308.75	
Long-term prepaid expense	1,406,347.76	1,406,347.76	
Deferred income tax assets	65,729,304.26	65,729,304.26	
Other non-current assets	7,936,745.28	7,936,745.28	
Total non-current assets	5,591,435,548.26	5,599,145,146.87	7,709,598.61
Total assets	9,873,295,567.58	9,881,005,166.19	7,709,598.61
Current liabilities:			
Short-term borrowings	332,466,931.13	332,466,931.13	
Accounts payable	132,231,596.74	132,231,596.74	
Contract liabilities	56,841,289.66	56,841,289.66	
Employee benefits payable	202,694,515.93	202,694,515.93	
Taxes payable	21,896,035.49	21,896,035.49	
Other payables	79,668,657.80	79,668,657.80	
Including: Dividends payable	441,113.64	441,113.64	
Current portion of non-current liabilities	4,000,000.00	5,139,062.02	1,139,062.02
Other current liabilities	166,257,466.30	166,257,466.30	

Total current liabilities	996,056,493.05	997,195,555.07	1,139,062.02
Non-current liabilities:			
Long-term borrowings	495,520,342.78	495,520,342.78	
Bonds payable	1,350,171,526.97	1,350,171,526.97	
Lease liabilities		6,570,536.59	6,570,536.59
Long-term employee benefits payable	62,137,656.00	62,137,656.00	
Deferred income	131,546,549.87	131,546,549.87	
Deferred income tax liabilities	58,927,115.71	58,927,115.71	
Total non-current liabilities	2,098,303,191.33	2,104,873,727.92	6,570,536.59
Total liabilities	3,094,359,684.38	3,102,069,282.99	7,709,598.61
Owners' equity:			
Share capital	858,132,322.00	858,132,322.00	
Other equity instruments	71,386,451.81	71,386,451.81	
Capital reserves	317,292,522.25	317,292,522.25	
Other comprehensive income	-424,313.33	-424,313.33	
Surplus reserves	1,150,908,718.15	1,150,908,718.15	
Retained earnings	4,381,640,182.32	4,381,640,182.32	
Total owners' equity	6,778,935,883.20	6,778,935,883.20	
Total liabilities and owners' equity	9,873,295,567.58	9,881,005,166.19	7,709,598.61

Note for adjustment:

2. Retrospective Restatement of Previous Comparative Data due to the First Execution of the New Standards Governing Leases since 2021

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.

Chairman of the Board: Liu Zibin

Lu Thai Textile Co., Ltd.

30 April 2021