

Stock Code: 000726, 200726
Bond Code: 127016

Stock Name: LTTC, LTTC-B
Bond Name: LTTC Convertible Bonds

Announcement No. 2022-023

LU THAI TEXTILE CO., LTD.

FIRST QUARTERLY REPORT 2022

Lu Thai Textile Co., Ltd. (hereinafter referred to as the “Company”) and all the members of the Company’s Board of Directors hereby guarantee that the contents of this Report are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions.

Important Notes:

1. The Board of Directors, the Supervisory Committee as well as the directors, supervisors and senior management of the Company hereby guarantee that the contents of this Report 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.
2. The Company’s legal representative, chief accountant and financial manager hereby guarantee that the financial statements carried in this Report are true, accurate and complete.
3. Indicate whether the financial statements in this Report have been audited by an independent auditor.

Yes No

I Key Financial Information

(I) Key Accounting Data and Financial Indicators

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

Yes No

	Q1 2022	Q1 2021	YoY change (%)
Operating revenue (RMB)	1,580,088,801.60	993,485,161.79	59.05%
Net profit attributable to the listed company’s shareholders (RMB)	159,375,310.19	74,530,850.40	113.84%
Net profit attributable to the listed company’s shareholders before exceptional gains and losses (RMB)	137,429,342.24	15,513,465.07	785.87%
Net cash generated from/used in operating activities (RMB)	-15,953,827.96	-36,745,428.28	56.58%

Basic earnings per share (RMB/share)	0.18	0.09	100.00%
Diluted earnings per share (RMB/share)	0.16	0.09	77.78%
Weighted average return on equity (%)	1.97%	0.96%	1.01%
	31 March 2022	31 December 2021	Change (%)
Total assets (RMB)	12,843,807,393.13	12,987,221,271.63	-1.10%
Equity attributable to the listed company's shareholders (RMB)	8,149,893,927.49	7,983,307,400.03	2.09%

(II) Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	Q1 2022	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-607,776.95	
Government grants through profit or loss (exclusive of government grants continuously given in the Company's ordinary course of business at fixed quotas or amounts as per the government's policies and standards)	24,736,127.27	
Gain or loss on fair-value changes on held-for-trading financial assets and liabilities & income from disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	4,883,000.00	
Reverse of provision for impairment of accounts receivable individually conducting impairment test	175,622.16	
Non-operating income and expense other than the above	340,757.97	
Less: Income tax effects	7,180,157.74	
Non-controlling interests effects (net of tax)	401,604.76	
Total	21,945,967.95	--

Other items that meet the definition of exceptional gain/loss:

Applicable Not applicable

No such cases in the Reporting Period.

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item 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 in the Reporting Period.

(III) Changes in Key Financial Information and Explanation of why

√ Applicable □ Not applicable

Item	Change (%)	Main reason for change
Operating revenue	59.05	YoY increase in sales volume due to the recovery of market demand
Net profit attributable to the listed company's shareholders	113.84	
Net profit attributable to the listed company's shareholders before exceptional gains and losses	785.87	
Net cash generated from/used in operating activities	56.58	YoY increase in net cash generated from selling goods and rendering labor services and used in purchasing goods and receiving labor services for Q1 2022
Basic earnings per share	100.00	Increase in Q1 2022 net profit
Diluted earnings per share	77.78	

II Shareholder Information**(I) 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 at the period-end	55,183	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, marked or frozen	
					Status	Shares
Zibo Lucheng Textile Investment Co., Ltd.	Domestic non-state-owned corporation	15.80%	140,353,583			
Tailun (Thailand) Textile Co., Ltd.	Foreign corporation	13.31%	118,232,400			
Central Huijin Assets	State-owned	2.24%	19,884,100			

Management Co., Ltd.	corporation					
National Social Security Fund Portfolio 413	Domestic non-state-owned legal person	1.27%	11,250,051			
Zhong Ou China Securities Asset Management Plan	Other	0.59%	5,235,900			
Dacheng China Securities Asset Management Plan	Other	0.59%	5,235,900			
GF China Securities Asset Management Plan	Other	0.59%	5,235,900			
Yinhua China Securities Asset Management Plan	Other	0.59%	5,235,900			
Harvest China Securities Asset Management Plan	Other	0.58%	5,192,800			
ICBC Credit Suisse Innovation Power Stock Securities Investment Fund	Other	0.56%	4,950,000			
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	140,353,583			
Tailun (Thailand) Textile Co., Ltd.	118,232,400	Domestically listed foreign stock	118,232,400			
Central Huijin Assets Management Co., Ltd.	19,884,100	RMB-denominated ordinary stock	19,884,100			
National Social Security Fund Portfolio 413	11,250,051	RMB-denominated ordinary stock	11,250,051			
Zhong Ou China Securities Asset Management Plan	5,235,900	RMB-denominated ordinary stock	5,235,900			
Dacheng China Securities Asset Management Plan	5,235,900	RMB-denominated ordinary stock	5,235,900			
GF China Securities Asset Management Plan	5,235,900	RMB-denominated	5,235,900			

		d ordinary stock	
Yinhua China Securities Asset Management Plan	5,235,900	RMB-denominated ordinary stock	5,235,900
Harvest China Securities Asset Management Plan	5,192,800	RMB-denominated ordinary stock	5,192,800
ICBC Credit Suisse Innovation Power Stock Securities Investment Fund	4,950,000	RMB-denominated ordinary stock	4,950,000
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. All of other shareholders are people holding public A share or B share and the Company is not able to confirm whether there is associated relationship or concerted action among other shareholders.		
Top 10 shareholders engaged in securities margin trading (if any)	Naught		

(II) Number of Preference Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

III Other Significant Events

Applicable Not applicable

The Company convened the 30th Meeting of the 9th Board of Directors and the 18th Meeting of the 9th Supervisory Committee on 18 February 2022, on which the Proposal on Granting the Qualified Awardees the Reserved Restricted Shares of the Incentive Plan for 2021 was reviewed and approved. The Company completed the registration of granting 343 incentive objects 5,838,000 reserved restricted shares on 18 March 2022. For more details, please refer to relevant announcements disclosed on Cninfo (www.cninfo.com.cn) respectively on 19 February 2022 and 18 March 2022.

IV Quarterly Financial Statements

(I) Financial Statements

1. Consolidated Balance Sheet

Prepared by Lu Thai Textile Co., Ltd.

31 March 2022

Unit: RMB

Item	31 March 2022	31 December 2021
Current assets:		

Monetary assets	1,823,376,611.81	1,999,712,889.35
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets	4,087,000.00	1,727,000.00
Derivative financial assets		
Notes receivable	152,820,042.64	227,740,247.89
Accounts receivable	665,112,339.09	647,277,198.51
Receivables financing	40,408,631.42	34,663,071.88
Prepayments	143,957,361.17	54,545,954.20
Other receivables	76,068,581.68	74,191,613.22
Including: Interest receivable		
Dividends receivable	47,025,975.44	47,025,975.44
Financial assets purchased under resale agreements		
Inventories	2,397,600,061.41	2,345,346,794.28
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	57,954,792.87	55,992,522.81
Total current assets	5,361,385,422.09	5,441,197,292.14
Non-current assets:		
Long-term receivables		
Long-term equity investments	154,483,170.07	169,443,106.66
Investments in other equity instruments		
Other non-current financial assets	190,052,000.00	190,052,000.00
Investment property	21,197,566.25	21,362,302.03
Fixed assets	5,485,743,715.69	5,561,601,374.44
Construction in progress	256,139,339.76	237,579,082.99
Right-of-use assets	252,534,420.77	257,019,286.15

Intangible assets	360,396,442.92	363,130,978.14
Development costs		
Goodwill	20,563,803.29	20,563,803.29
Long-term prepaid expense	595,294.21	672,601.04
Deferred income tax assets	142,835,130.77	138,516,136.50
Other non-current assets	597,881,087.31	586,083,308.25
Total non-current assets	7,482,421,971.04	7,546,023,979.49
Total assets	12,843,807,393.13	12,987,221,271.63
Current liabilities:		
Short-term borrowings	880,115,845.68	1,011,034,138.32
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	12,850,000.00	
Accounts payable	286,083,478.05	335,401,371.30
Advances from customers		
Contract liabilities	155,506,797.75	204,967,348.96
Employee benefits payable	192,778,812.39	272,014,296.09
Taxes and levies payable	51,136,863.68	29,457,702.72
Other payables	122,907,735.63	97,200,565.31
Including: Interest payable		
Dividends payable	441,113.64	441,113.64
Current portion of non-current liabilities	72,357,208.27	8,877,404.52
Other current liabilities	76,015,396.96	120,434,721.81
Total current liabilities	1,849,752,138.41	2,079,387,549.03
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	619,978,412.83	684,962,473.24
Bonds payable	1,407,796,380.76	1,395,480,652.71
Lease liabilities	118,131,732.04	121,357,658.41

Long-term payables		
Long-term employee benefits payable	57,384,062.39	57,384,062.39
Provisions		
Deferred income	165,148,621.68	188,958,133.78
Deferred income tax liabilities	93,739,721.13	92,571,310.14
Other non-current liabilities		
Total non-current liabilities	2,462,178,930.83	2,540,714,290.67
Total liabilities	4,311,931,069.24	4,620,101,839.70
Owners' equity:		
Share capital	888,180,207.00	882,341,295.00
Other equity instruments	71,384,248.89	71,384,656.84
Capital reserves	368,450,871.26	340,587,387.65
Less: Treasury stock	99,691,580.00	78,908,300.00
Other comprehensive income	-42,131,238.76	-36,423,748.37
Specific reserve		
Surplus reserves	1,215,124,336.54	1,215,124,336.54
General reserve		
Retained earnings	5,748,577,082.56	5,589,201,772.37
Total equity attributable to owners of the Company as the parent	8,149,893,927.49	7,983,307,400.03
Non-controlling interests	381,982,396.40	383,812,031.90
Total owners' equity	8,531,876,323.89	8,367,119,431.93
Total liabilities and owners' equity	12,843,807,393.13	12,987,221,271.63

Legal representative: Liu Zibin

The Company's chief accountant: Zhang Hongmei

The Company's financial manager: Zhang Keming

2. Consolidated Income Statement

Unit: RMB

Item	Q1 2022	Q1 2021
1. Revenues	1,580,088,801.60	993,485,161.79

Including: Operating revenue	1,580,088,801.60	993,485,161.79
2. Costs and expenses	1,409,725,138.20	985,587,009.24
Including: Cost of sales	1,194,927,176.45	815,351,239.75
Taxes and levies	15,116,716.56	13,245,938.39
Selling expense	33,331,245.31	22,876,675.00
Administrative expense	92,775,354.83	70,211,600.57
Development costs	56,733,874.74	61,633,248.90
Finance costs	16,840,770.31	2,268,306.63
Including: Interest expense	18,139,093.23	12,971,587.55
Interest income	9,609,487.98	7,867,810.79
Add: Other income	24,599,534.70	12,470,516.19
Return on investment (“-” for loss)	886,584.91	7,111,896.31
Including: Share of profit or loss of joint ventures and associates	-1,636,415.09	-2,671,359.52
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)	2,360,000.00	-10,376,010.56
Credit impairment loss (“-” for loss)	1,853,310.17	14,759,025.50
Asset impairment loss (“-” for loss)	-12,447,808.03	-6,272,617.88
Asset disposal income (“-” for loss)	-603,708.22	59,394,526.45
3. Operating profit (“-” for loss)	187,011,576.93	84,985,488.56
Add: Non-operating income	1,828,060.78	408,813.34
Less: Non-operating expense	1,354,778.97	2,288,330.70
4. Gross profit (“-” for loss)	187,484,858.74	83,105,971.20
Less: Income tax expense	29,939,184.05	14,524,286.78
5. Net profit (“-” for net loss)	157,545,674.69	68,581,684.42
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	157,545,674.69	68,581,684.42

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	159,375,310.19	74,530,850.40
5.2.1 Net profit attributable to non-controlling interests	-1,829,635.50	-5,949,165.98
6. Other comprehensive income, net of tax	-5,707,490.39	12,399,955.74
Attributable to owners of the Company as the parent	-5,707,490.39	12,399,955.74
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	-5,707,490.39	12,399,955.74
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	-5,438,747.08	12,399,955.74
6.2.7 Other	-268,743.31	
Attributable to non-controlling interests		
7. Total comprehensive income	151,838,184.30	80,981,640.16
Attributable to owners of the Company as the parent	153,667,819.80	86,930,806.14

Attributable to non-controlling interests	-1,829,635.50	-5,949,165.98
8. Earnings per share		
8.1 Basic earnings per share	0.18	0.09
8.2 Diluted earnings per share	0.16	0.09

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

3. Consolidated Cash Flow Statement

Unit: RMB

Item	Q1 2022	Q1 2021
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	1,478,567,179.99	997,750,757.76
Tax and levy rebates	38,224,128.00	11,490,245.21
Cash generated from other operating activities	10,812,024.85	13,616,137.98
Subtotal of cash generated from operating activities	1,527,603,332.84	1,022,857,140.95
Payments for commodities and services	1,024,631,847.67	583,308,258.22
Cash paid to and for employees	452,625,366.04	389,050,366.67
Taxes and levies paid	31,608,127.59	35,216,278.07
Cash used in other operating activities	34,691,819.50	52,027,666.27
Subtotal of cash used in operating activities	1,543,557,160.80	1,059,602,569.23
Net cash generated from/used in operating activities	-15,953,827.96	-36,745,428.28
2. Cash flows from investing activities:		
Proceeds from disinvestment	13,323,521.50	672,000,000.00
Return on investment		5,802,806.85
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	4,503,457.00	420,900.00
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	12,608,822.18	12,538,101.84

Subtotal of cash generated from investing activities	30,435,800.68	690,761,808.69
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	85,652,349.91	149,203,426.43
Payments for investments		523,970,000.00
Cash used in other investing activities	108,589.66	1,378,057.33
Subtotal of cash used in investing activities	85,760,939.57	674,551,483.76
Net cash generated from/used in investing activities	-55,325,138.89	16,210,324.93
3. Cash flows from financing activities:		
Capital contributions received	20,783,280.00	
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings received	419,668,185.51	443,069,396.92
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	440,451,465.51	443,069,396.92
Repayment of borrowings	528,860,301.40	261,626,057.07
Interest and dividends paid	8,524,817.85	8,455,661.04
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities	4,426,403.00	
Subtotal of cash used in financing activities	541,811,522.25	270,081,718.11
Net cash generated from/used in financing activities	-101,360,056.74	172,987,678.81
4. Effect of foreign exchange rates changes on cash and cash equivalents	-3,557,919.18	6,827,333.56
5. Net increase in cash and cash equivalents	-176,196,942.77	159,279,909.02
Add: Cash and cash equivalents, beginning of the period	1,970,006,884.89	1,396,530,407.47
6. Cash and cash equivalents, end of the period	1,793,809,942.12	1,555,810,316.49

(II) 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.

Board of Director
Lu Thai Textile Co., Ltd.
29 April 2022