

Stock Code: 000726, 200726

Stock Name: LTTC, LTTC-B

Announcement No. 2023-086

Bond Code: 127016

Bond Name: LTTC Convertible Bonds

## LU THAI TEXTILE CO., LTD.

### THIRD QUARTERLY REPORT 2023

**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

	Q3 2023	YoY change (%)	Q1-Q3 2023	YoY change (%)
Operating revenue (RMB)	1,502,888,352.91	-19.89%	4,343,379,615.38	-16.58%
Net profit attributable to the listed company’s shareholders (RMB)	113,464,972.86	-62.43%	335,112,971.01	-51.85%
Net profit attributable to the listed company’s shareholders before exceptional gains and losses (RMB)	110,981,395.05	-65.54%	302,791,256.99	-55.97%
Net cash generated from/used in operating activities (RMB)	—	—	160,657,427.31	-77.96%
Basic earnings per share (RMB/share)	0.13	-62.86%	0.39	-51.25%
Diluted earnings per share (RMB/share)	0.13	-55.17%	0.36	-47.06%
Weighted average return on equity (%)	1.23%	-2.25%	3.65%	-4.60%

	30 September 2023	31 December 2022	Change (%)
Total assets (RMB)	13,476,324,424.60	13,351,097,602.03	0.94%
Equity attributable to the listed company's shareholders (RMB)	9,273,864,621.65	9,014,156,872.71	2.88%

**(II) Exceptional Gains and Losses**

Applicable  Not applicable

Unit: RMB

Item	Q3 2023	Q1-Q3 2023	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-4,612,199.80	-4,698,654.99	
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)	2,942,562.49	30,750,901.56	
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)	1,362,912.16	7,023,017.21	
Reverse of provision for impairment of accounts receivable individually conducting impairment test	66,352.52	2,348,289.65	
Non-operating income and expense other than the above	2,410,405.43	3,858,991.82	
Less: Income tax effects	1,018,270.70	7,950,754.57	
Non-controlling interests effects (net of tax)	-1,331,815.71	-989,923.34	
Total	2,483,577.81	32,321,714.02	--

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	YoY Change (%)	Main reason for change
<b>Q3 2023:</b>		
Net profit attributable to the listed company's shareholders	-62.43	Decreased sales volume of fabric
Net profit attributable to the listed company's shareholders before exceptional gains and losses	-65.54	
Basic earnings per share	-62.86	Decreased net profit in Q3 2023
Diluted earnings per share	-55.17	
<b>Q1-Q3 2023:</b>		
Net profit attributable to the listed company's shareholders	-51.85	Decreased sales volume of fabric and increased cost of sales

Net profit attributable to the listed company's shareholders before exceptional gains and losses	-55.97	
Net cash generated from/used in operating activities	-77.96	Decreased proceeds from sale of commodities and rendering of services
Basic earnings per share	-51.25	Decreased net profit in Q1-Q3 2023
Diluted earnings per share	-47.06	

## 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		50,588	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	16.25%	140,353,583	0		
Tailun (Thailand) Textile Co., Ltd.	Foreign corporation	13.69%	118,232,400	0		
Central Huijin Assets Management Co., Ltd.	State-owned corporation	2.30%	19,884,100	0		
National Social Security Fund Portfolio 413	Other	1.64%	14,190,051	0		
ICBC Credit Suisse Innovation Power Stock Type Securities Investment Fund	Other	1.38%	11,910,000	0		
ICBC Credit Suisse Selected Balanced Mixed Securities Investment Fund	Other	0.84%	7,230,000	0		
FEDERATED HERMES GLOBAL INVESTMENT FD (CAYMAN) MASTER, SPC OBOAFTAO FEDERATED HERMES EMG ASIA EQUITY FD MASTER S.P.	Foreign legal person	0.72%	6,200,183	0		
Dacheng China Securities Asset Management Plan	Other	0.60%	5,144,200	0		
Dongfanghong Dingyuan 3-Month Fixed Term Open Mixed Initiating Securities Investment Fund	Other	0.57%	4,900,100	0		
GF China Securities Asset Management Plan	Other	0.56%	4,833,300	0		
Top 10 unrestricted shareholders						
Name of shareholder	Unrestricted shares held			Shares by type and number		
				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	14,190,051	RMB-denominated ordinary stock	14,190,051
ICBC Credit Suisse Innovation Power Stock Type Securities Investment Fund	11,910,000	RMB-denominated ordinary stock	11,910,000
ICBC Credit Suisse Selected Balanced Mixed Securities Investment Fund	7,230,000	RMB-denominated ordinary stock	7,230,000
FEDERATED HERMES GLOBAL INVESTMENT FD (CAYMAN) MASTER, SPC OBOAFTAO FEDERATED HERMES EMG ASIA EQUITY FD MASTER S.P.	6,200,183	Domestically listed foreign stock	6,200,183
Dacheng China Securities Asset Management Plan	5,144,200	RMB-denominated ordinary stock	5,144,200
Dongfanghong Dingyuan 3-Month Fixed Term Open Mixed Initiating Securities Investment Fund	4,900,100	RMB-denominated ordinary stock	4,900,100
GF China Securities Asset Management Plan	4,833,300	RMB-denominated ordinary stock	4,833,300
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 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 held the First Extraordinary General Meeting of 2023 on 6 July 2023, where the Proposal on Repurchase of Domestically Listed Foreign Shares (B-shares) was approved, and disclosed the Report on Repurchase of Domestically Listed Foreign Shares (B-shares) on 7 July 2023. On 21 August 2023, the Company carried out the first repurchase. As of 30 September 2023, the Company had repurchased a total of 20,883,507 B-shares (or 2.42% of the Company's total share capital) by way of centralized bidding. With the highest repurchase price being HKD4.73/share and the lowest being HKD4.53/share, the total payment for this repurchase plan was HKD98,007,260.39 (inclusive of commissions and alike).

## IV Quarterly Financial Statements

### (I) Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by Lu Thai Textile Co., Ltd.

30 September 2023

Unit: RMB

Item	30 September 2023	1 January 2023
Current assets:		
Monetary assets	1,123,765,183.60	2,067,768,253.97
Held-for-trading financial assets	963,968,116.16	267,695,159.48
Derivative financial assets		
Notes receivable	245,128,865.70	168,755,715.84
Accounts receivable	569,549,816.69	660,427,526.19
Receivables financing	17,060,057.34	11,208,304.78
Prepayments	107,659,937.81	95,021,598.32
Other receivables	31,991,728.90	89,855,659.99
Including: Interest receivable		
Dividends receivable		18,563,298.39
Inventories	2,320,596,612.35	2,107,849,708.33
Other current assets	118,480,837.77	76,847,903.07
Total current assets	5,498,201,156.32	5,545,429,829.97
Non-current assets:		
Long-term equity investments	189,776,161.84	184,168,625.69
Investments in other equity instruments		
Other non-current financial assets	89,080,000.00	337,110,000.00
Investment property	19,803,836.54	20,460,935.21
Fixed assets	5,601,352,580.33	5,807,847,850.67
Construction in progress	945,643,094.37	199,943,501.73
Right-of-use assets	479,479,004.42	481,420,505.31
Intangible assets	345,389,461.66	352,889,578.06
Development costs		
Goodwill	20,563,803.29	20,563,803.29
Long-term prepaid expense	2,978,651.12	2,948,981.97
Deferred income tax assets	143,640,247.16	155,774,523.25
Other non-current assets	140,416,427.55	242,539,466.88
Total non-current assets	7,978,123,268.28	7,805,667,772.06
Total assets	13,476,324,424.60	13,351,097,602.03
Current liabilities:		
Short-term borrowings	579,930,446.20	518,946,415.96
Held-for-trading financial liabilities	35,492,510.01	4,276,929.70
Derivative financial liabilities		
Notes payable		55,450,000.00
Accounts payable	220,408,264.53	246,588,463.74

Advances from customers		
Contract liabilities	178,207,218.40	206,879,672.53
Employee benefits payable	285,580,466.87	330,027,159.72
Taxes and levies payable	31,675,948.96	31,483,442.06
Other payables	50,352,521.20	83,357,296.71
Including: Interest payable		
Dividends payable	441,113.64	441,113.64
Current portion of non-current liabilities	196,288,854.12	307,921,837.35
Other current liabilities	65,175,380.22	66,889,025.17
Total current liabilities	1,643,111,610.51	1,851,820,242.94
Non-current liabilities:		
Long-term borrowings	261,710,274.16	186,431,096.24
Bonds payable	1,463,278,946.78	1,438,162,231.27
Lease liabilities	90,863,511.11	98,501,303.83
Long-term payables		
Long-term employee benefits payable	57,417,997.65	57,417,997.65
Provisions		
Deferred income	152,025,077.46	159,615,037.36
Deferred income tax liabilities	154,682,285.28	151,243,432.80
Other non-current liabilities		
Total non-current liabilities	2,179,978,092.44	2,091,371,099.15
Total liabilities	3,823,089,702.95	3,943,191,342.09
Owners' equity:		
Share capital	863,607,634.00	887,633,151.00
Other equity instruments	71,383,728.77	71,383,830.75
Capital reserves	333,751,501.28	395,872,135.71
Less: Treasury stock	118,417,533.20	154,396,198.73
Other comprehensive income	167,636,242.15	107,628,898.09
Specific reserve	1,115,773.65	
Surplus reserves	1,215,124,336.54	1,215,124,336.54
General reserve		
Retained earnings	6,739,662,938.46	6,490,910,719.35
Total equity attributable to owners of the Company as the parent	9,273,864,621.65	9,014,156,872.71
Non-controlling interests	379,370,100.00	393,749,387.23
Total owners' equity	9,653,234,721.65	9,407,906,259.94
Total liabilities and owners' equity	13,476,324,424.60	13,351,097,602.03

Legal representative: Liu Zibin

The Company's chief accountant: Zhang Keming

The Company's financial manager: Zhang Keming

## 2. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2023	Q1~Q3 2022
1. Revenues	4,343,379,615.38	5,206,422,889.50

Including: Operating revenue	4,343,379,615.38	5,206,422,889.50
2. Costs and expenses	3,961,187,521.18	4,261,512,476.47
Including: Cost of sales	3,367,798,201.96	3,850,817,744.47
Taxes and levies	51,710,880.20	55,064,913.87
Selling expense	99,779,947.00	91,979,470.34
Administrative expense	282,144,753.70	281,331,829.22
Development costs	189,722,944.72	185,127,476.13
Finance costs	-29,969,206.40	-202,808,957.56
Including: Interest expense	62,229,138.75	68,286,145.08
Interest income	38,423,491.50	37,133,045.19
Add: Other income	30,625,776.56	42,259,767.72
Return on investment (“-” for loss)	55,261,510.68	-7,289,966.58
Including: Share of profit or loss of joint ventures and associates	5,607,536.15	-9,771,373.43
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)	-42,630,957.32	-37,118,426.22
Credit impairment loss (“-” for loss)	9,173,784.96	-7,461,737.20
Asset impairment loss (“-” for loss)	-73,776,454.27	-148,491,843.12
Asset disposal income (“-” for loss)	-4,600,817.87	1,214,440.32
3. Operating profit (“-” for loss)	356,244,936.94	788,022,647.95
Add: Non-operating income	6,999,573.15	5,681,260.63
Less: Non-operating expense	3,238,418.45	3,045,887.88
4. Gross profit (“-” for loss)	360,006,091.64	790,658,020.70
Less: Income tax expense	39,272,407.86	85,120,535.89
5. Net profit (“-” for net loss)	320,733,683.78	705,537,484.81
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	320,733,683.78	705,537,484.81
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 (“-” for net loss)	335,112,971.01	695,966,469.00
5.2.1 Net profit attributable to non-controlling interests (“-” for net loss)	-14,379,287.23	9,571,015.81
6. Other comprehensive income, net of tax	60,007,344.06	174,235,058.73
Attributable to owners of the Company as the parent	60,007,344.06	174,235,058.73
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	60,007,344.06	174,235,058.73
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	60,321,769.50	174,147,637.94
6.2.7 Other	-314,425.44	87,420.79
Attributable to non-controlling interests		
7. Total comprehensive income	380,741,027.84	879,772,543.54
7.1 Attributable to owners of the Company as the parent	395,120,315.07	870,201,527.73
7.2 Attributable to non-controlling interests	-14,379,287.23	9,571,015.81
8. Earnings per share		
8.1 Basic earnings per share	0.39	0.80
8.2 Diluted earnings per share	0.36	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 Keming

The Company's financial manager: Zhang Keming

### 3. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2023	Q1~Q3 2022
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	4,082,732,904.05	4,948,795,995.75
Tax and levy rebates	111,908,970.46	139,638,698.35
Cash generated from other operating activities	88,268,626.57	39,167,849.67
Subtotal of cash generated from operating activities	4,282,910,501.08	5,127,602,543.77
Payments for commodities and services	2,671,747,269.74	2,961,997,864.79
Cash paid to and for employees	1,220,030,753.31	1,174,509,559.57
Taxes and levies paid	98,333,908.79	147,611,564.29
Cash used in other operating activities	132,141,141.93	114,394,732.80
Subtotal of cash used in operating activities	4,122,253,073.77	4,398,513,721.45
Net cash generated from/used in operating activities	160,657,427.31	729,088,822.32
2. Cash flows from investing activities:		
Proceeds from disinvestment	2,435,012,962.14	73,323,521.50
Return on investment	28,169,612.15	30,382,568.02
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	5,799,244.29	6,734,473.05
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	85,031,721.32	41,312,947.23
Subtotal of cash generated from investing activities	2,554,013,539.90	151,753,509.80
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	544,637,761.00	249,612,464.61
Payments for investments	2,947,560,711.64	380,000,000.00
Cash used in other investing activities	18,025,985.58	172,976,756.21
Subtotal of cash used in investing activities	3,510,224,458.22	802,589,220.82

Net cash generated from/used in investing activities	-956,210,918.32	-650,835,711.02
3. Cash flows from financing activities:		
Capital contributions received		19,086,927.80
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings received	998,315,156.40	1,147,983,807.40
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	998,315,156.40	1,167,070,735.20
Repayment of borrowings	955,264,496.55	1,444,841,681.89
Interest and dividends paid	107,775,332.89	97,315,472.76
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities	111,329,581.84	66,765,540.66
Subtotal of cash used in financing activities	1,174,369,411.28	1,608,922,695.31
Net cash generated from/used in financing activities	-176,054,254.88	-441,851,960.11
4. Effect of foreign exchange rates changes on cash and cash equivalents	11,527,014.35	83,690,400.22
5. Net increase in cash and cash equivalents	-960,080,731.54	-279,908,448.59
Add: Cash and cash equivalents, beginning of the period	1,822,897,270.16	1,970,006,884.89
6. Cash and cash equivalents, end of the period	862,816,538.62	1,690,098,436.30

**(II) Adjustments to Financial Statement Items at the Beginning of the Year of the First Implementation of the New Accounting Standards Implemented since 2023**

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.

Board of Director  
Lu Thai Textile Co., Ltd.  
28 October 2023