

Stock Code: 000726, 200726

Stock Name: LTTC, LTTC-B

Announcement No. 2019-053

LU THAI TEXTILE CO., LTD.

INTERIM REPORT 2019 (SUMMARY)

Part I Important Notes

This Summary is based on the full text of the 2019 Interim Report of Lu Thai Textile Co., Ltd. (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires). In order for a full understanding of the Company’s operating results, financial condition and future development plans, investors should carefully read the aforesaid full text, which has been disclosed together with this Summary on the media designated by the China Securities Regulatory Commission (the “CSRC”).

All the directors of the Company except for the following attended in person the Board meeting for the review of this Report and its summary.

Name	Office title	Reason for not attending the meeting in person	Proxy entrusted to attend the meeting
Fujiwara Hidetoshi	Director	For reason of other work	Qin Guiling

Independent auditor’s modified opinion:

Applicable Not applicable

Board-approved interim cash and/or stock dividend plan for ordinary shareholders:

Applicable Not applicable

The Company has no interim dividend plan, either in the form of cash or stock.

Board-approved interim cash and/or stock dividend plan for preferred shareholders:

Applicable Not applicable

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

1. Stock Profile

Stock name	LTTC, LTTC-B	Stock code	000726, 200726
Stock exchange for stock listing	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
Name	Zhang Kemin	Zheng Weiyin and Li Kun	
Office address	No. 81, Songling East Road, Zichuan District, Zibo, Shandong, P.R.China	No. 81, Songling East Road, Zichuan District, Zibo, Shandong, P.R.China	
Tel.	0533-5277008	0533-5285166	
E-mail address	zhangkeming@lttc.com.cn	wyzheng@lttc.com.cn, likun@lttc.com.cn	

2. Key Financial Information

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

√ Yes □ No

Accounting policy changes resulted in the retrospective restatements in the following table.

	H1 2019	H1 2018		Change (%)
		Before	Restated	Restated
Operating revenue (RMB)	3,185,448,344.01	3,281,014,155.43	3,280,407,775.82	-2.89%
Net profit attributable to the listed company's shareholders (RMB)	411,446,216.59	377,355,959.02	377,355,959.02	9.03%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	376,816,535.93	366,948,339.88	366,432,917.21	2.83%
Net cash generated from/used in operating activities (RMB)	119,717,062.57	697,784,710.77	697,784,710.77	-82.84%
Basic earnings per share (RMB/share)	0.48	0.41	0.41	17.07%
Diluted earnings per share (RMB/share)	0.48	0.41	0.41	17.07%
Weighted average return on equity (%)	5.70%	5.13%	5.13%	0.57%
	30 June 2019	31 December 2018		Change (%)
		Before	Restated	Restated
Total assets (RMB)	11,202,182,466.95	10,537,759,811.84	10,537,759,811.84	6.31%
Equity attributable to the listed company's shareholders (RMB)	7,135,598,465.75	7,146,548,467.86	7,146,548,467.86	-0.15%

3. Shareholders and Their Holdings as at 30 June 2019

Unit: share

Number of ordinary shareholders	55,045	Number of preferred shareholders with resumed voting rights (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares	Restricted shares	Shares in pledge or frozen	
					Status	Shares
Zibo Lucheng Textile Investment Co., Ltd.	Domestic non-state-owned legal person	16.36%	140,353,583	0		
Tailun (Thailand) Textile Co., Ltd.	Foreign legal person	13.78%	118,232,400	118,232,4		

				00		
Hong Kong Securities Clearing Co. Ltd	Foreign legal person	3.03%	25,985,611	0		
Central Huijin Assets Management Co., Ltd.	State-owned legal person	2.37%	20,315,300	0		
T.Rowe Price Intl Discovery Fund	Foreign legal person	2.32%	19,948,219	0		
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	2.13%	18,313,391	0		
Hong Kong Monetary Authority -self-owned funds	Foreign legal person	2.04%	17,487,884	0		
National Social Security Fund Portfolio 103	Other	1.34%	11,499,947	0		
National Social Security Fund Portfolio 413	Other	0.93%	7,980,051	0		
RBC Emerging Markets Small Cap Equity Fund	Foreign legal person	0.72%	6,181,462	0		
Related or acting-in-concert parties among the shareholders above	Zibo Lucheng Textile Investment Co., Ltd. is the largest shareholder and the actual controller of the Company. Tailun (Thailand) Textile Co., Ltd. is the second largest shareholder and the foreign sponsor of the Company. All the other shareholders are holding tradable A-shares or B-shares. And it is unknown whether there is any related party or acting-in-concert party among them.					
Shareholders involved in securities margin trading (if any)	N/A					

4. Change of the Controlling Shareholder or the Actual Controller in the Reporting Period

Change of the controlling shareholder in the Reporting Period:

Applicable Not applicable

The controlling shareholder remained the same in the Reporting Period.

Change of the actual controller in the Reporting Period:

Applicable Not applicable

The actual controller remained the same in the Reporting Period.

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

Applicable Not applicable

No preferred shareholders in the Reporting Period.

6. Corporate bonds

Does the Company have any corporate bonds publicly offered on the stock exchange, which were outstanding before the date of this Report's approval or were due but could not be redeemed in full?

No.

Part III Operating Performance Discussion and Analysis

1. Business Overview of the Reporting Period

Is the Company subject to any industry-specific disclosure requirements?

No.

For the Reporting Period, the Company recorded operating revenue of RMB3,185 million, an operating profit of RMB495 million, a net profit attributable to the listed company's shareholders of RMB411 million and a net profit before exceptional gains and losses of RMB377 million, down 2.89% and up 9.33%, 9.03% and 2.83% respectively from the same period of last year. No changes have occurred to the principal activities, the main profit sources and structure of the Company in this period.

During the Reporting Period, the Company continued to steadily promote "Improving Quality and Efficiency" and "Comprehensive Internationalization", maintaining the sound, stable and sustained development trend; made steady progress in its overseas expansion programme and basically achieved the design expectation; and enhanced market survey for further communication with customers and improved the "manufacturing + design" service ability, which accelerated market extension efficiency. The Company deepened its relationship with customers through proactive measures such as adjustment of product structure, integration of supply chains, design and development connection, brand cooperation and e-commerce platforms and facing new characteristics and new demands of the market, kept improving product design concept and innovating service mode to meet market demand and keep up with the development trends. During the Reporting Period, the Company was honored as "Top 100 Garment Makers 2018" by the China National Garment Association, "Top 100 Private Enterprises with the Highest Brand Value of Shandong Province" and "High-End Brand Builders in the Manufacturing Sector of Shandong Province" by the Shandong Council for Brand Development.

During the Reporting Period, the Company continued to persist in R&D investments, making new achievements in the application of new materials, research of new fabrics, key technologies of new product development and research of equipment upgrading by means of organizing science and technology lectures as well as cooperating with prominent domestic colleges. Two key R&D projects included in China's 13th Five-Year Plan, which are conducted by the Company, have passed the interim examination. As of the end of the Reporting Period, the Company had 379 granted patents and 3 software copyrights; as well as had hosted or participated in the formulation of 50 national and industrial standards.

During the Reporting Period, the design work of products targeting western and female consumers, etc. was completed for the autumn and winter of 2020, which consist of 71 series under eight themes. The relevant promotion activities, samples and specific design are underway together with the business department.

At the current stage, Lu Thai, with natural fabric as its flagship, multi-component functional fiber fabric as its spearhead, wash-and-wear non-ironing technology as its core competency, the latest consumption trend as its guidance and internationalized industrial manufacturing as its basis, is sparing every effort to attain a global integrated development, so as to ensure its leading position in the yarn-dyed shirt fabric sector.

2. Matters Related to Financial Reporting

(1) Changes to Accounting Policies, Accounting Estimates or Measurement Methods Compared to the Last Accounting Period

Applicable Not applicable

No such changes.

(2) Retrospective Restatements due to the Correction of Material Accounting Errors in the Reporting Period

Applicable Not applicable

No such cases.

(3) Changes to the Scope of Consolidated Financial Statements Compared to the Last Accounting Period

Applicable Not applicable

Shandong Lulian New Materials Co., Ltd. (hereinafter refer to as “Lulian New Materials”) and Lu Thai (Tan Chau) Textile Co., Ltd. (hereinafter refer to as “Lu Thai Tan Chau”) were incorporated as a subsidiary and a sub-subsiary of the Company respectively during the Reporting Period.

Chairman of the Board: Liu Zibin

Lu Thai Textile Co., Ltd.

3 August 2019