

Stock Code: 000726, 200726

Stock Name: Lu Thai A, Lu Thai B

Announcement No.: 2017-033

# LU THAI TEXTILE CO., LTD.

## SEMI-ANNUAL REPORT 2017 (ABSTRACT)

### I Important Notes

This Abstract is based on the full text of the Semi-Annual Report. In order for a full understanding of the operating results, financial condition and future development planning of the Company, investors are kindly reminded to read the full text carefully on the media designated by the China Securities Regulatory Commission (the “CSRC”).

Statement:

Except for the following directors, all the other directors attended in person the board meeting for the review of this Report.

Name	Office title	Reason for not attending in person	Proxy
Bi Xiuli	Independent Director	For reason of work	Xu Jianjun

Modified auditor’s opinion:

Applicable  Not applicable

Proposal for profit distribution to or converting capital reserve into share capital for common shareholders for the Reporting Period, which has been considered and approved by the Board:

Applicable  Not applicable

The Company plans not to distribute cash dividends or bonus shares or convert capital reserve into share capital.

Proposal for profit distribution to preference shareholders for the Reporting Period, which has been considered and approved by the Board:

Applicable  Not applicable

This Abstract has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

### II Company Profile

#### 1. Stock Profile

Stock name	Lu Thai A, Lu Thai B	Stock code	000726, 200726
Stock exchange	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
Name	Qin Guiling	Zheng Weiyin, 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.	0533-5266188	0533-5285166	
E-mail	qinguilin@lttc.com.cn	wyzheng@lttc.com.cn, likun@lttc.com.cn	

#### 2. Key Consolidated Operating Results

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

Yes  No

	Reporting Period	Same period of last year	+/- (%)
Operating revenue (RMB)	2,990,459,696.43	2,831,326,773.03	5.62%
Net profit attributable to shareholders of the Company (RMB)	393,069,981.55	344,641,184.73	14.05%
Net profit attributable to shareholders of the Company before exceptional gains and losses (RMB)	385,081,158.45	333,236,862.51	15.56%
Net cash from operating activities (RMB)	342,919,758.30	563,407,347.43	-39.13%
Basic earnings per share (RMB/share)	0.43	0.37	16.22%
Diluted earnings per share (RMB/share)	0.43	0.37	16.22%
Weighted average return on equity (%)	5.58%	5.10%	0.48%
	End of Reporting Period	End of last year	+/- (%)
Total assets (RMB)	9,550,163,874.63	9,407,103,263.34	1.52%
Net assets attributable to shareholders of the Company (RMB)	6,855,012,927.33	6,937,985,729.19	-1.20%

### 3. Shareholders and Their Holdings at Period-End

Unit: share

Total number of common shareholders at period-end	61,000	Total number of preference shareholders with resumed voting rights at period-end (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Pledged or frozen shares	
					Status	Number
ZIBO LUCHENG TEXTILE INVESTMENT CO., LTD.	Domestic non-state-owned corporation	15.21%	140,353,583			
TAILUN TEXTILE CO., LTD.	Foreign corporation	12.82%	118,232,400	118,232,400		
HONG KONG SECURITIES CLEARING COMPANY LTD.	Foreign corporation	2.59%	23,931,227			
CENTRAL HUIJIN ASSETS MANAGEMENT CO., LTD.	State-owned corporation	2.20%	20,315,300			
T.ROWE PRICE INTL DISCOVERY FUND	Foreign corporation	2.16%	19,948,219			
CHINA SECURITIES FINANCE CORPORATION LIMITED	State-owned corporation	1.70%	15,679,091			
LYNAS ASIA FUND	Foreign corporation	1.19%	10,956,300			
HUA AN NEW SILK ROAD THEME EQUITY SECURITIES INVESTMENT FUND	Domestic non-state-owned corporation	1.11%	10,200,000			
FIRST STATE CHINA A SHARE FUND	Foreign corporation	0.96%	8,852,681			
BNP PARIBAS—SELF-OWNED FUNDS	Foreign corporation	0.88%	8,131,797			
Related or acting-in-concert parties among 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 circulating A share or circulating B share and the Company is not able to confirm					

	whether there is associated relationship or concerted action among other shareholders.
Shareholders conducting securities margin trading (if any)	N/A

#### 4. Change of Controlling Shareholder or Actual Controller in 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 Preference Shareholders and Shareholdings of Top 10 of Them

Applicable  Not applicable

No preference shareholders in the Reporting Period.

#### 6. Corporate bonds

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

No.

### III Performance Discussion and Analysis

#### 1. Performance Review for Reporting Period

Is the Company subject to any disclosure requirements for special industries?

No.

For the Reporting Period, the Company achieved, on a consolidated basis, operating revenue of RMB2.99 billion, an operating profit of RMB490 million, a net profit attributable to the shareholders of the Company (as the parent company) of RMB393 million and a net profit of RMB385 million before exceptional gains and losses, up 5.62%, 17.03%, 14.05% and 15.56% respectively from the same period of last year. No changes have occurred to the main business, the main profit sources and structure of the Company in this period.

During the Reporting Period, the Company continued in promoting international production capacity layout, steadily promoted activities of "improve quality and enhance efficiency" and "market service deepening year", and maintained the healthy, stable and sustainable development trend of the Company. During the Reporting Period, the Company's overseas projects run smoothly and basically achieved plan expectations. During the Reporting Period, the Company actively optimized product structure, focused on development of new products and customized products, and promoted new products based on different market characteristics. In particular, we conducted customized R & D services for more than 40 products to meet customer needs and market trend. In the report period, the Company was appraised as "National Yarn-Dyed Fabric Trend Research Center" by China Textile Information Center (CTIC) and China Textiles Development Center (CTDC), and appraised as "Top Twenty Enterprises of China's Dyeing and Printing Industry" by China Dyeing and Printing Association.

During the Reporting Period, the Company and its subsidiaries strictly implemented the "Three Simultaneous" management system for environmental protection project of construction projects. Supported with perfect waste gas and water treatment facilities, the management system maintained good synchronous operation with main production facilities. In April 2017, the Company was appraised as "Industry Leader in the Fourth Sessions of

Low Carbon Shandong” by nine units such as Shandong Economic and Information Technology Committee etc. The Company's subsidiary Beijing Lu Thai Youxian E-Commerce Co., Ltd. provides high-quality tailor-made services to consumers, and constantly broadens customer range to extend the Company's clothing brand promotions.

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 Report**

### **(1) Changes in Accounting Policies, Accounting Estimations and Measurement Methods Compared to Last Accounting Period**

Applicable  Not applicable

No such cases.

### **(2) Retroactive Restatements due to Correction of Significant Accounting Errors in Reporting Period**

Applicable  Not applicable

No such cases.

### **(3) Changes in Scope of Consolidated Financial Statements Compared to Last Accounting Period**

Applicable  Not applicable

No such cases.

Board Chairman's signature: Liu Zibin  
Lu Thai Textile Co., Ltd.  
August 30, 2017