

Stock Code: 200986

Stock Name: Huaxin Packaging-B

Announcement No. 2020-010

# FOSHAN HUAXIN PACKAGING CO., LTD.

## ANNUAL REPORT 2019 (SUMMARY)

### Part I Important Notes

This Summary is based on the full text of the 2019 Annual Report of Foshan Huaxin Packaging 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 position 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”).

Objections raised by any of the directors, supervisors or senior management against any contents in this Report or its summary: Not applicable

All the Company’s directors have attended the Board meeting for the review of this Report and its summary.

Independent auditor’s modified opinion: Not applicable

Board-approved final cash and/or stock dividend plan for ordinary shareholders for the Reporting Period: Applicable

Bonus issue from capital reserves: None

The Board has approved a final dividend plan for ordinary shareholders as follows: based on the 505,425,000 shares, a cash dividend of RMB0.15 (tax inclusive) per 10 shares is to be distributed to the shareholders, with no bonus issue from either profit or capital reserves.

Board-approved final cash and/or stock dividend plan for preferred shareholders for the Reporting Period: 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	Huaxin Packaging-B	Stock code	200986
Stock exchange for listing	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
Name	Ding Guoqiang	Shi Hui	
Address	2/F, Block 7, 3 Keyang Road, Luoge Park, Chancheng Economic Development Zone, Nanzhuang Town, Chancheng District, Foshan, Guangdong Province, P.R.China	2/F, Block 7, 3 Keyang Road, Luoge Park, Chancheng Economic Development Zone, Nanzhuang Town, Chancheng District, Foshan, Guangdong Province, P.R.China	
Fax	0756-8666922	0756-8666922	
Tel.	0756-8666975	0756-8666978	
Email address	dinggq@htrh-paper.com	shih@htrh-paper.com	

### 2. Principal Activities or Products in the Reporting Period

The Company specializes in the R&D, production and sales of high-end coated ivory board, chemicals for paper making and color printing products. The businesses are described as follows:

#### (I) High-end coated ivory board

High-end coated ivory board is the primary product of the Company. As a category of white paperboard, it is applied in various fields such as cigarette packaging, food packaging, medicine packaging, cosmetic packaging and living supplies packaging, which represent the core business of the Company. The R&D, production and sales of the ivory board is mainly undertaken by Zhuhai Hongta Renheng Packaging Co., Ltd. and Zhuhai Huafeng Paper Co., Ltd. Hongta Renheng is the core high-end packaging board platform under Huaxin Packaging which is based in domestic and overseas high-end packaging markets of cigarette and food and provides "personalized" products and services for customers with "differentiation" business strategy. The Company now has three coated ivory board production lines, and the annual production capacity around 600,000 tons. The Company's products can be divided into the following categories:

1. Coated ivory board for cigarette packaging, the primary product of the Company, is used in the high-end cigarette packaging market. The coated ivory board for cigarette packaging produced by Hongta Renheng takes up a dominant position in the domestic cigarette packaging field. It represents the highest level of coated ivory board quality in China. It has won a Golden Award at China's International Paper & Paper Product Brands Exhibition, and the top award of the Chinese science and technology community—the first-class State Science and Technology Advancement Award. The anti-counterfeit coated ivory board with color fiber and true-color fiber etc.—a technology that is independently developed by the Company and has been granted the national invention patent of China—has been successfully applied in the packaging of a series of cigarettes in the “Hongta Group”

and “HongyunHonghe Group” brands to combat counterfeiting from the packaging materials, reaching the significant anti-counterfeit results of “easily identifiable but difficult to copy”. The “tobacco fiber ivory board”, a new product of the Company that pursues the recycling philosophy of “Coming from Tobacco, Used for Tobacco”, is being tested on the market. And the “black cardboard for cigarette packaging” newly launched to the market is well-received among customers with stable hue in printing.

2. In terms of ivory board for liquid and food packaging, the Company is the first to break the foreign technological monopoly with its ivory board for liquid packaging. The Company’s homegrown sterile paperboard for packaging of liquid milk, fruit juice, herbal tea and other drinks has effectively substituted imported products. The ivory board series for food packaging such as anti-oil food grade coated board and high-end paper cup have been recognized by well-known catering groups after they are put into the market. Upholding the philosophy of sustainable development, Hongta Renheng has successfully developed the “plastic-free coated board for food packaging” and the “PE-free paper for paper cups”, which is an effective alternative to plastic package and can help reduce the use of plastic.

3. The high-end commercial ivory board is applied in the segmented packaging market fields like the high-end medicine, cosmetics, and daily necessities. The anti-counterfeit coated ivory paper with personalized identification code independently developed by the Company and for which it has been granted the invention patent has been successfully applied in the anti-counterfeit packaging of the high-end products like high-end medicine and cosmetics, which does not only solve the difficulties posed by impact from counterfeit and shoddy products for customers at the source, but also effectively reduces the customer’s anti-counterfeit costs and fake product crackdown expanses and win high trust from the market. Meanwhile, the “paper for cluster packaging” launched in 2019 can cater to various sorts of packaging needs and excels as a green material.

#### (II) Chemicals for paper making

Chemicals for paper making represent an upstream extension of the Company’s business of the paper-making industrial chain. The R&D, production and sales of which are mainly undertaken by Golden Pheasant Chemical, a subsidiary of the Company, which mainly supplies carboxylic butadiene-styrene latex, styrene-acrylic latex, super-fine calcium carbonate and auxiliary chemicals for paper making. These products of domestically first-class quality are mainly used by major coated board producers in China as adhesive and pigment. Therefore, Golden Pheasant Chemical is considered a well-known papermaking latex producer in China.

#### (III) Color printing products

Color printing represents a downstream extension of the Company’s business of the paper-making industrial chain, which covers designing and manufacturing packaging materials and providing one-stop packaging solutions for customers. This business is mainly undertaken by Huaxin (Foshan) Color Printing Co., Ltd., which owns offset, flexo and intaglio printing workshops. Main products include color boxes, various labels (paper label, in-mold label and sticker), barcode printing, brochures and books, and variable data printing is also available, which cater to various fields of end consumer goods, including medicine, condiments and beverages. The most outstanding advantage is customization from the material end, providing greener, more economical and individualized

packaging materials for customers.

### 3. Key Financial Information

#### (1) Key Financial Information of the Past Three Years

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

Yes  No

Unit: RMB

	2019	2018	2019-over-2018 change (%)	2017
Operating revenue (RMB)	3,930,629,985.81	3,683,004,543.50	6.72%	3,583,157,646.37
Net profit attributable to the listed company's shareholders (RMB)	35,704,671.22	-2,814,965.92		18,637,865.97
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	25,885,573.07	-36,089,244.17		12,337,519.04
Net cash generated from/used in operating activities (RMB)	91,344,251.74	393,465,394.72	-76.78%	-21,910,921.08
Basic earnings per share (RMB/share)	0.07	-0.01		0.04
Diluted earnings per share (RMB/share)	0.07	-0.01		0.04
Weighted average return on equity (%)	1.80%	-0.14%	Down by 1.94 percentage points	0.94%
	31 December 2019	31 December 2018	Change of 31 December 2019 over 31 December 2018 (%)	31 December 2017
Total assets (RMB)	5,591,643,310.38	5,794,694,744.15	-3.50%	5,426,368,352.69
Equity attributable to the listed company's shareholders (RMB)	2,006,651,491.51	1,970,946,820.29	1.81%	1,982,859,436.21

#### (2) Key Financial Information by Quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	836,194,775.89	896,931,461.79	1,019,323,202.87	1,178,180,545.26
Net profit attributable to the listed company's shareholders	-686,073.74	11,175,339.54	10,605,016.06	14,610,389.36
Net profit attributable to the listed company's shareholders before exceptional gains and losses	-1,328,036.88	10,141,608.23	8,153,098.75	8,918,902.9
Net cash generated from/used in operating activities	204,685,226.03	-553,846,025.82	424,821,860.58	15,683,190.95

Indicate by tick mark whether any of the quarterly financial data in the table above or their summations differs materially from what have been disclosed in the Company's quarterly or interim reports.

Yes  No

#### 4. Share Capital and Shareholder Information at the Period-End

##### (1) Numbers of Ordinary Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at the period-end	Private shares held	Shares in pledge or frozen	
					Status	Shares
FOSHAN HUAXIN DEVELOPMENT CO., LTD.	State-owned legal person	65.20%	329,512,030	329,512,030		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.63%	3,204,010	0		
WU HAUYUAN	Foreign natural person	0.62%	3,127,291	0		
ZHAI YUZHEN	Domestic natural person	0.41%	2,054,200	0		
CAI YUJIU	Domestic natural person	0.39%	1,969,600	0		
MIU JUN	Domestic natural person	0.31%	1,552,400	0		
NORGES BANK	Foreign legal person	0.27%	1,352,720	0		
CAO YIFAN	Domestic natural person	0.24%	1,210,000	0		
ESSENCE INTERNATIONAL SECURITIES (HONG KONG) CO., LTD.	Foreign legal person	0.24%	1,205,252	0		
FOSHAN CHAN BEN DE ASSET MANAGEMENT CO., LTD	State-owned legal person	0.23%	1,139,420	1,139,420		
Related or acting-in-concert parties among the shareholders above	It is unknown whether there is among the above shareholders any related or acting-in-concert party as defined in the Administrative Measures for the Acquisition of Listed Companies					

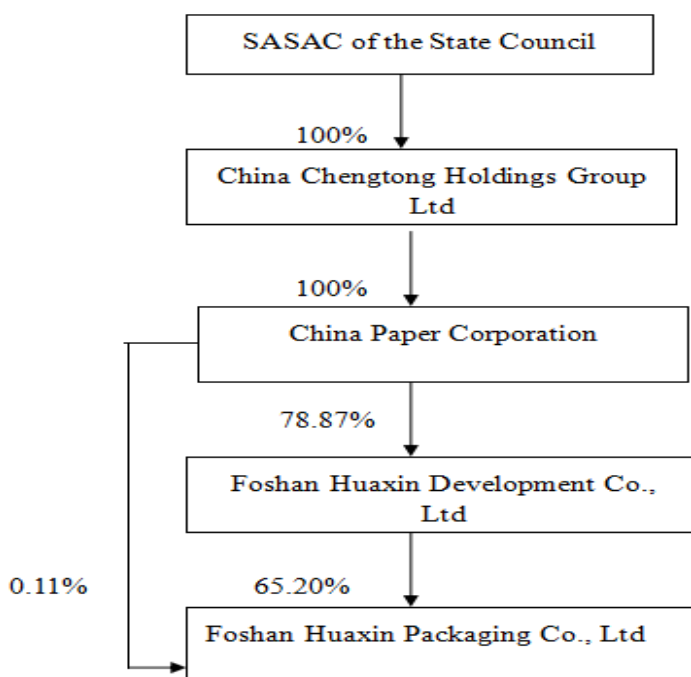
Shareholders involved in securities margin trading (if any)	None
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## (2) Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable  Not applicable

No preferred shareholders in the Reporting Period.

## (3) Ownership and Control Relations between the Actual Controller and the Company



## 5. 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

#### (I) Market environment of the industry

In 2019, China's macro economic growth slowed down, the trade dispute between China and the USA deteriorated, and the environmental protection policy became stricter. Being in a critical period of shifting the way of development, refining the economic structure and shifting growth drivers, China was under greater downward

pressure in its economy due to the structural, system and economy cycle factors at this period. During the year, the papermaking industry where the Company competes saw faster integration, fluctuating prices of wood pulp—the primary raw material, and stability and improvement in the operating environment and earnings. The centralization degree of the packaging industry is relatively low, the market competition is relatively fierce, and the overall development walks towards greener and smarter products. The increasing environmental protection awareness promotes demand for green packaging solutions.

## (II) Operating results during the Reporting Period

In 2019, under the correct leadership of its superior, the Company stuck to the leadership of the Party, implemented education work with the theme as “remain true to original aspiration and remember the mission firmly” in depth, and pursued high quality development through high quality Party guidance work. It followed the principles of “Reduce Inventories, Receivables and Expenditure, Improve Efficiency and Control Costs” in operation, expanded overseas market, improved internal governance level, deepened organization and institution reform, increased input for R&D and innovation, and strengthened risk management, with internal management quality and each business module improved obviously.

Profitability continued to improve in the Company’s businesses of ivory board, color printing and papermaking chemicals. In terms of its papermaking business, operating efficiency improved and cost control measures proved effective. 521.4 thousand tons of paper products were sold during 2019, up 7.8% year-on-year, with finished products in stock down by over 10%, which represented a considerable decrease in loss. The color printing division saw a year-on-year increase in operating revenue and an over-70% year-on-year growth in profit during 2019 due to efforts in market expansion, internal management improvement and product mix adjustment. As for the chemicals division, the sales volume of latex went up 7.4% during the year when compared to last year against the unfavorable external environment, thanks to continued innovation in R&D and refinement of the production process. This division maintained steady earnings and is expected to enjoy plenty of potential for growth.

For the Reporting Period, the Company recorded operating revenue of RMB3,930.63 million, a gross profit of RMB32.1518 million, and a net profit attributable to the listed company’s shareholders of RMB35.7047 million. As at the end of the Reporting Period, the total assets of the Company amounted to RMB5,591.6433 million, with a debt/asset ratio of 36.78%.

## (III) Operation measures during the Reporting Period

1. Sticking to the leadership of the Communist Party of China (the “Party”) and integrating such guidance in the Company’s operations

In 2019, according to the requirements of its superior, the Company strengthened the leadership of Party guidance, implemented education work with the theme as “remain true to original aspiration and remember the mission firmly” in depth. The Party members and cadres constantly strengthened their mission and responsibilities, united and led employees and common people to break through hardships. The Company stuck to the guidance of Xi Jinping's socialist ideology with China's characteristics in the new era, thoroughly implemented the overall requirements of Party guidance of state owned enterprise in the new era, and promoted the activities of Party

guidance work entering enterprise, workshop and group. The Company integrated Party guidance work into production operation, imbedded it into management, and completed internal management structure of the Company according to the principle of “big integration, middle imbedding, and small guiding”. Party organizations of different levels and wide Party members led to break through difficulties, and promoted the launch of new products, such as plastic-free food board, tobacco fiber board, black paperboard for cigarette packaging, etc., with output of color presswork reaching another new high and latex for papermaking growing into an influential domestic brand. The leadership of Party was enhanced constantly, the quality of Party guidance was improved constantly, the construction of a clean and honest Party was improved constantly, Party guidance and operation integrated in depth, promoted effectively and developed together.

## 2. Enhance technology innovation, and deepen organization and institution reform

In 2019, the Company took technology innovation and mechanism reform as the main tone, coordinated resources, and improved operation efficiency.

Through constantly adjusting and integrating the R&D-related functions, reforming systems and mechanisms, as well as following the market-oriented principle in R&D, Hongta Renheng established the New Material Development and Industrial Technology Research Institute, and established a professional R&D team led by doctoral holders in relevant fields and comprising seasoned technical staff, which means it is capable of independent product development. It integrated paper making, chemicals and printing packaging technologies, expanded and deepened research of “new materials +” of emerging industry, and undertook the R&D of new products, production processes, technologies and raw and auxiliary materials for the Company. Meanwhile, it also undertook product development and technical service for external enterprises in the papermaking and chemical industry, as well as science and technology research programs relating to strategic emerging industries and new materials initiated by the national, provincial and municipal governments. Besides, it formulated elastic and marketized new incentive mechanism, stimulated new motivation of technology innovation of technological staff, thoroughly exerted and mobilized the innovation and positiveness of technological staff.

Huaxin Color Printing continued to strengthen its R&D input, catered to variable data printing needs, and provided customized packaging printing solutions for customers from the material end. Meanwhile, it refined the organization of the technology, marketing and production departments, and properly implemented a job rotation system, which spurred vitality.

## 3. Reform marketing system, and optimize and coordinate internal system

The marketing department took market as orientation, optimized “value marketing” system. It took sales amount increase as the main assessment indicator, specified performance assessment at quantitative sales end and formulated a competitive remuneration incentive mechanism. Combining with product characteristics and status quo of the market, it constantly optimized marketing structure, realized the optimal configuration and utilization of marketing resources, jointly optimized each supply chain link. The production and manufacturing department implemented an appraisal system of “efficiency + profit”, reduced employees and increased efficiency, improved per capita income, and established a fair promotion system so as to improve the overall business skills.



#### 4. Constantly complete institution reform, and reconstruct remuneration system

The Company established position performance remuneration system oriented by performance. Meanwhile, it expanded the path of vocational technology channels, further stimulated and stabilized staff team, improved talent introduction and cultivation plans to serve for the future strategic development of the Company. It reformed the existing remuneration system based on the incentive distribution principle of “focusing on performance, punishing the lazy and rewarding the diligent, encouraging creation, and increasing profit”. It establishes vocational promotion channel of five sequences, conducts comprehensive review for technological, technical and technological talents of different level according to ratio, meets the development needs of the Company and individual, improves core competitiveness of the Company and individual, guides employee to focus on individual technique increase and ability improvement. In the meantime, it strengthens recruitment of mature talent from the labor market as a way to bring fresh impetus to the development of the Company.

## 2. Significant Change to Principal Activities in the Reporting Period

Yes  No

## 3. Product Category Contributing over 10% of Principal Business Revenue or Profit

Applicable  Not applicable

Unit: RMB

Product category	Operating revenue	Operating profit	Gross profit margin	YoY change in operating revenue (%)	YoY change in operating profit (%)	YoY change in gross profit margin (%)
Ivory board	3,265,693,118.99	235,684,000.23	7.22%	10.77%	57.54%	2.14%
Presswork	302,420,890.22	75,252,255.78	24.88%	0.72%	12.84%	2.67%
Latex	316,634,636.91	74,057,245.16	23.39%	-7.01%	-9.78%	-0.72%

## 4. Business Seasonality to which Special Attention should Be Paid

Yes  No

## 5. Significant YoY Changes in Operating Revenue, Cost of Sales and Net Profit Attributable to the Listed Company's Ordinary Shareholders or Their Compositions

Applicable  Not applicable

## 6. Possibility of Listing Suspension or Termination

Applicable  Not applicable

## 7. Matters Related to Financial Reporting

### (1) YoY Changes to Accounting Policies, Accounting Estimates or Measurement Methods

√ Applicable □ Not applicable

#### 1. Changes to accounting policies due to changes of Accounting Standards for Business Enterprises

(1) The Company prepared 2019 Financial Statements in accordance with the Notice on Revising and Printing the Format of 2019 General Enterprises Financial Statement (CK [2019] No. 6), the Notice on Revising and Printing the Format of Consolidated Financial Statements (2019) (CK [2019] No. 16) issued by the Ministry of Finance and the requirements of the Accounting Standards for Business Enterprises. Retroactive adjustment was adopted for the changes in the accounting policy. The significantly affected items and amounts in 2018 Financial Statements are as follows:

Unit: RMB

Item and amount in original financial statement		Item and amount in new financial statement	
Notes receivable and accounts receivable	1,058,839,572.02	Notes receivable	277,623,928.13
		Accounts receivable	781,215,643.89
Notes payable and accounts payable	775,243,787.56	Notes payable	310,600,000.00
		Accounts payable	464,643,787.56

(2) The Company starts to implement the Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23-Transfer of Financial Assets, Accounting Standards for Business Enterprises No. 24-Hedging and Accounting Standards for Business Enterprises No.37-Presentation of Financial Instruments (hereinafter referred to as the new standards governing financial instruments) revised by the Ministry of Finance. As required by the connection regulation for the old and new standards, the information of comparative period was not adjusted, and the beginning retained earnings or other comprehensive income of the Reporting Period shall be retroactively adjusted for the difference between the original standards and the new one when implemented on the first execution date.

The new standards governing financial instruments change the classification and measurement method for financial assets and confirm three major measurement categories: amortized cost, measured at fair value through other comprehensive income, measured at fair value through profit or loss. The Company conducts the above classification after considering its business model and characteristics of contractual cash flow for financial assets. In addition, equity investments shall be measured at fair value through profit or loss, and it can be measured at fair value through other comprehensive income (the disposal profits or losses can not be reversed into the profit or loss but the dividends income shall be recorded into the current profit or loss) when initially recognized which is irrevocable once chosen.

The new standards governing financial instruments require that the measurement of financial assets impairment shall be changed into the expected credit loss model from the incurred loss model which applies to financial assets measured at amortized cost, financial assets at fair value through other comprehensive income and leasing receivables.

1) The main influence on the Company's financial statements on 1 January 2019 by the implementation of new standards governing financial instruments is as follows:

Unit: RMB

Item	Balance sheet		
	31 December 2018	Influence	1 January 2019
Available-for-sale financial assets	288,700.00	-288,700.00	
Other non-current financial assets		288,700.00	288,700.00
Notes receivable	277,623,928.13	-271,186,964.94	6,436,963.19
Accounts receivable financing		271,186,964.94	271,186,964.94

Other receivables	26,332,955.74	-7,800,232.76	18,532,722.98
Other current assets	338,311,849.45	7,800,232.76	346,112,082.21
Short-term borrowings	862,776,823.86	1,841,377.53	864,618,201.39
Other payables	179,737,877.39	-2,296,308.09	177,441,569.30
Current portion of non-current liabilities	200,000,000.00	454,930.56	200,454,930.56

2) The comparison result of financial assets and financial liabilities of the Company respectively classified and measured according to the new standards governing financial instruments and the original one on 1 January 2019, is as follows:

Unit: RMB

Item	Original standards governing financial instruments		New standards governing financial instruments	
	Item	Carrying value	Item	Carrying value
Monetary assets	Loans and accounts receivable	133,983,939.73	Financial assets measured at amortized cost	133,983,939.73
Notes receivable	Loans and accounts receivable	6,436,963.19	Financial assets measured at amortized cost	6,436,963.19
Notes receivable	Loans and accounts receivable	271,186,964.94	Financial assets at fair value through other comprehensive income (note: accounts receivable financing)	271,186,964.94
Accounts receivable	Loans and accounts receivable	781,215,643.89	Financial assets measured at amortized cost	781,215,643.89
Other receivables	Loans and accounts receivable	18,532,722.98	Financial assets measured at amortized cost	18,532,722.98
Other receivables	Loans and accounts receivable	7,800,232.76	Financial assets at amortized cost (note: other current assets-interest receivable)	7,800,232.76
Other current assets-structured deposits	Available-for-sale financial assets	317,200,000.00	Measured at fair value through profit or loss	317,200,000.00
Available-for-sale financial assets	Available-for-sale financial assets	288,700.00	Measured at fair value through profit or loss (note: other non-current financial assets)	288,700.00
Notes payable	Other financial liabilities	310,600,000.00	Financial liabilities measured at amortized cost	310,600,000.00
Accounts payable	Other financial liabilities	464,643,787.56	Financial liabilities measured at amortized cost	464,643,787.56
Other payables	Other financial liabilities	177,441,569.30	Financial liabilities measured at amortized cost	177,441,569.30

Other payables	Other financial liabilities	1,841,377.53	Financial liabilities measured at amortized cost (note: short-term borrowings)	1,841,377.53
Other payables	Other financial liabilities	454,930.56	Financial liabilities measured at amortized cost (note: current portion of non-current liabilities)	454,930.56
Short-term borrowings	Other financial liabilities	862,776,823.86	Financial liabilities measured at amortized cost	862,776,823.86
Current portion of non-current liabilities	Other financial liabilities	200,000,000.00	Financial liabilities measured at amortized cost	200,000,000.00
Long-term borrowings	Other financial liabilities	100,000,000.00	Financial liabilities measured at amortized cost	100,000,000.00

3) The reconciliation statement of the Company's original financial assets and liabilities in carrying value after reclassified and remeasured as new financial assets and liabilities according to new standards governing financial instruments on 1 January 2019, is as follows:

Unit: RMB

Item	Carrying value presented according to original financial instruments standards (31 December 2018)	Reclassified	Remeasured	Carrying value presented according to new financial instruments standards (1 January 2019)
<b>A. Financial assets</b>				
<b>a. Amortized cost</b>				
Monetary assets	133,983,939.73			133,983,939.73
Notes receivable				
Balance listed according to the original accounting standards governing financial instruments	277,623,928.13			
Less: transferred to those at fair value through other comprehensive income (new accounting standards governing financial instruments)		-271,186,964.94		
Balance listed according to the new accounting standards governing financial instruments				6,436,963.19
Accounts receivable				
Balance listed according to the original accounting	781,215,643.89			781,215,643.89

standards governing financial instruments and balance listed according to the new accounting standards governing financial instruments				
Other receivables				
Balance listed according to the original accounting standards governing financial instruments and balance listed according to the new accounting standards governing financial instruments	26,332,955.74	-7,800,232.76		18,532,722.98
Other current assets-interest receivable				
Balance listed according to the original accounting standards governing financial instruments and balance listed according to the new accounting standards governing financial instruments		7,800,232.76		7,800,232.76
Total financial assets at amortized cost	1,219,156,467.49	-277,623,928.13		947,969,502.55
b. At fair value through profit or loss				
Other current assets-structural deposits				
Balance listed according to the original accounting standards governing financial instruments and balance listed according to the new accounting standards governing financial instruments	317,200,000.00			317,200,000.00
Available-for-sale financial assets				
Balance listed according to the original accounting standards governing financial instruments	288,700.00			

Less: transferred to those at fair value through other comprehensive income (new accounting standards governing financial instruments)		-288,700.00		
Balance listed according to the new accounting standards governing financial instruments				
Other non-current financial assets				
Balance listed according to the original accounting standards governing financial instruments				
Add: transferred from available-for-sale financial assets (original accounting standards governing financial instruments)		288,700.00		
Balance listed according to the new accounting standards governing financial instruments				288,700.00
Total financial assets at fair value through profit or loss	317,488,700.00			317,488,700.00
c. At fair value through other comprehensive income				
Accounts receivable financing		271,186,964.94		271,186,964.94
Total financial assets at fair value through other comprehensive income		271,186,964.94		271,186,964.94
B. Financial liabilities				
a. Amortized cost				
Notes payable				
Balance listed according to the original accounting standards governing	310,600,000.00			310,600,000.00

financial instruments and balance listed according to the new accounting standards governing financial instruments				
Accounts payables				
Balance listed according to the original accounting standards governing financial instruments and balance listed according to the new accounting standards governing financial instruments	464,643,787.56			464,643,787.56
Other payables				
Balance listed according to the original accounting standards governing financial instruments and balance listed according to the new accounting standards governing financial instruments	179,737,877.39	-2,296,308.09		177,441,569.30
Short-term borrowings				
Balance listed according to the original accounting standards governing financial instruments and balance listed according to the new accounting standards governing financial instruments	862,776,823.86	1,841,377.53		864,618,201.39
Current portion of non-current liabilities				
Balance listed according to the original accounting standards governing financial instruments and balance listed according to the new accounting standards governing financial instruments	200,000,000.00	454,930.56		200,454,930.56
Long-term borrowings				

Balance listed according to the original accounting standards governing financial instruments and balance listed according to the new accounting standards governing financial instruments	100,000,000.00			100,000,000.00
Total financial liabilities at amortized cost	2,117,758,488.81			2,117,758,488.81

4) The reconciliation statement of adjusting the Company's original ending balance of allowance for impairments of financial assets into new allowance for impairments classified and measured as required by new standards governing financial instruments is as follows:

Unit: RMB

Item	Allowance for impairments according to original standards governing financial instruments/provisions recognized according to standards for contingency (31 December 2018)	Reclassified	Remeasured	Allowance for impairments withdrawn according to new standards governing financial instruments (1 January 2019)
Accounts receivable	46,825,123.33			46,825,123.33
Other receivables	26,857,989.24			26,857,989.24

The Company starts to implement the revised Accounting Standards for Business Enterprises No.7-Exchange of Non-monetary assets since 10 June 2019 and starts to the revised Accounting Standards for Business Enterprises No. 12-Debt Restructuring since 17 June 2019. This change of accounting policy is treated with prospective application method.

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

Applicable  Not applicable

No such cases.

## (3) YoY Changes to the Scope of Consolidated Financial Statements

Applicable  Not applicable

Zhejiang Hongta Renheng Packaging Technology Co., Ltd. has been liquidated and de-registered during the Reporting Period, and has thus no longer been included in the consolidated financial statements.