



FOSHAN HUAXIN PACKAGING CO., LTD.

INTERIM REPORT 2020

August 2020

Part I Important Notes, Table of Contents and Definitions

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of Foshan Huaxin Packaging Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee the factuality, accuracy and completeness of the contents of this Report and its summary, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

Ren Xiaoping, the Company’s legal representative, Ding Guoqiang, the Company’s Chief Financial Officer, and Luo Jing, the Company’s Financial Manager hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.

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

Any plans for the future and other forward-looking statements mentioned in this Report and its summary shall NOT be considered as absolute promises of the Company to investors. Therefore, investors are reminded to exercise caution when making investment decisions.

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

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.

Table of Contents

Interim Report 2020.....	1
Part I Important Notes, Table of Contents and Definitions	2
Part II Corporate Information and Key Financial Information	5
Part III Business Summary	8
Part IV Operating Performance Discussion and Analysis	12
Part V Significant Events	20
Part VI Share Changes and Shareholder Information.....	40
Part VII Preferred Shares	45
Part VIII Convertible Corporate Bonds.....	46
Part IX Directors, Supervisors and Senior Management.....	47
Part X Corporate Bonds.....	49
Part XI Financial Statements.....	50
Part XII Documents Available for Reference	184

Definitions

Term	Definition
The “Company”, “FSHXP” or “we”	Foshan Huaxin Packaging Co., Ltd. and its consolidated subsidiaries, except where the context otherwise requires
China Chengtong	China Chengtong Holdings Group Ltd. (the ultimate controller of the Company)
China Paper	China Paper Corporation (the actual controller of the Company)
Huaxin Development	Foshan Huaxin Development Co., Ltd. (the controlling shareholder of the Company)
Hongta Renheng	Zhuhai Hongta Renheng Packaging Co., Ltd.
Huaxin Color Printing	Huaxin (Foshan) Color Printing Co., Ltd.
Zhuhai Huafeng	Zhuhai Huafeng Paper Co., Ltd.
Golden Pheasant Chemical	Zhuhai Golden Pheasant Chemical Co., Ltd.
Chengtong Finance	China Chengtong Finance Corporation Ltd.

Part II Corporate Information and Key Financial Information

I Corporate Information

Stock name	Huaxin Packaging-B	Stock code	200986
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name in Chinese	佛山华新包装股份有限公司		
Abbr. (if any)	华新包装		
Company name in English (if any)	Foshan Huaxin Packaging Co. , Ltd		
Abbr. (if any)	FSHXP		
Legal representative	Ren Xiaoping		

II 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
Tel.	0756-8666629	0756-8666978
Fax	0756-8666922	0756-8666922
Email address	dinggq@htrh-paper.com	shih@htrh-paper.com

III Other Information

1. Contact Information of the Company

Indicate by tick mark whether any change occurred to the registered address, office address and their zip codes, website address and email address of the Company in the Reporting Period.

Applicable Not applicable

No change occurred to the said information in the Reporting Period, which can be found in the 2019 Annual Report.

2. Media for Information Disclosure and Place where this Report is Kept

Indicate by tick mark whether any change occurred to the information disclosure media and the place for keeping the Company's periodic reports in the Reporting Period.

Applicable Not applicable

The newspapers designated by the Company for information disclosure, the website designated by the CSRC for disclosing the Company's periodic reports and the place for keeping such reports did not change in the Reporting Period. The said information can be found in the 2019 Annual Report.

IV Key Financial Information

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

Yes No

	H1 2020	H1 2019	Change (%)
Operating revenue (RMB)	1,849,582,374.70	1,733,126,237.68	6.72%
Net profit attributable to the listed company's shareholders (RMB)	47,569,827.49	10,489,265.80	353.51%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	42,274,052.09	8,813,571.35	379.65%
Net cash generated from/used in operating activities (RMB)	547,232,009.55	-349,160,799.79	-
Basic earnings per share (RMB/share)	0.0941	0.0208	352.40%
Diluted earnings per share (RMB/share)	0.0941	0.0208	352.40%
Weighted average return on equity (%)	2.35%	0.53%	Up by 1.82 percentage points
	30 June 2020	31 December 2019	Change (%)
Total assets (RMB)	5,817,684,697.84	5,591,643,310.38	4.04%
Equity attributable to the listed company's shareholders (RMB)	2,046,639,944.00	2,006,651,491.51	1.99%

V Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Profit and Equity Differences under CAS and IFRS

Applicable Not applicable

No such differences for the Reporting Period.

2. Net Profit and Equity Differences under CAS and Foreign Accounting Standards

Applicable Not applicable

No such differences for the Reporting Period.

XI Exceptional Gains and Losses

Applicable Not applicable

Unit: RMB

Item	Reporting Period	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-69,442.59	
Government subsidies charged to current profit or loss (exclusive of government subsidies given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	10,070,822.18	
Non-operating income and expense other than the above	2,347,635.43	
Less: Income tax effects	393,751.73	
Non-controlling interests effects (net of tax)	6,659,487.89	
Total	5,295,775.40	--

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

Part III Business Summary

I Principal Activity of the Company 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. Based in domestic and overseas high-end packaging markets of cigarette and food, this business provides "personalized" products and services for customers with "differentiation" business strategy and is in a competitive position industry-wide. 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 expenses and win high trust from the market. Meanwhile, the "paper for cluster packaging" launched by Hongta Renheng 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, calcium carbonate and auxiliary chemicals for paper making. With these products of domestically first-class quality, 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.

II Significant Changes in Major Assets

1. Significant Changes in Major Assets

Major assets	Main reason for significant changes
--------------	-------------------------------------

2. Major Assets Overseas

Applicable Not applicable

III Core Competitiveness Analysis

(I) Backed by a central government-owned enterprise

The ultimate controller of the Company, China Chengtong Holdings Group Ltd. (China Chengtong), authorized by the State-owned Assets Supervision and Administration Commission of the State Council to perform relevant duties of the investor on behalf of the State Council, is listed among the first batch of pilot enterprises by the State-owned Assets Supervision and Administration Commission to construct the standard board of directors and the first pilot state-owned asset management Company. In 2016, China Chengtong was approved to be the pilot state-owned capital operation Company, and its main business includes equity operation,

financial services, asset management, integrated logistics services, production materials trading, forestry-pulp paper production development and utilization etc.. It is also the only large-scale central enterprise approved by the State-owned Assets Supervision and Administration Commission of the State Council to focus on production, development and utilization of forestry, wood pulp and paper. As a pilot enterprise of the state-owned asset management companies, China Chengtong has built a platform for the state-owned assets restructuring and capital operation in accordance with prevailing market principles, explored the central enterprise's non-main business and a special path for the NPA's market-oriented specialized operations and disposal, and reorganized and integrated a number of subsidiaries subordinated to central enterprises by means of trusteeship and the transfer of state-owned property rights. In 2016, China Chengtong was entrusted by the State-owned Assets Supervision and Administration Commission of the State Council to participate in the diversification reform of Sinopec International Petroleum Exploration and Production Corporation, managed China Railway Materials Co., Ltd. in the form of trusteeship, and invested Guoyuan Coal Asset Management Co., Ltd.. As approved by the State Council and entrusted by the State-owned Assets Supervision and Administration Commission, China Chengtong, as the main sponsor, cooperated with nine central enterprises, local state-owned enterprises and financial institutions to jointly set up the largest domestic private equity investment fund with a total investment of RMB 350 billion Yuan -- The China State-Owned Enterprise Restructuring Fund. Meanwhile, Chengtong Fund Management Co., Ltd. was also established to take responsibility for the implementation of relevant fund management affairs. China Chengtong is aiming at improving the state-owned capital's operation efficiency, serving the national strategy, abiding by the law of the market, and building a state-owned capital operation platform featuring the market-oriented operation and professional management. In addition, it will promote the rational flow and optimized of the state-owned capital and optimizing the configuration through equity operation, value management, and flexible transfer etc.. so as to form an institutional mechanism and operational model that meet various functional requirements for corresponding state-owned capital operation.

(II) Technological innovation advantage

The Company always sticks to taking "innovation" as the core motivation of enterprise development while upholding the "market-oriented and customer-centric" philosophy. Aiming for high-quality development, the Company adheres to its future product positioning and takes the initiative to overcome difficulties. In recent years, the Company has researched and developed many new products, and launched them to the market, such as non plastic coated food packaging board, black cigarette packaging board, tobacco fiber ivory board, special paper for cluster bag, etc., actively practiced environmental protection conception, developed recycling economy, promoted "replacing plastic with paper" and individualized products. The Company can provide customized solution from material end and provide more environmental friendly, more economical and more individualized packaging materials for customers. Currently, several new technologies are in reserve, R&D and promotion. In recent years, the Company continuously promote the affiliated enterprises to complete R&D system construction:

1. Hongta Renheng has constantly adjusted and integrated relevant functions of R&D, and reformed system and mechanism. R&D combines with market closely, and the New Material Development and Industrial Technology Research Institute has established. Relying on Enterprise Technology Center of Guangdong Province, Engineering Technology R&D Center of Guangdong Province, National Hi-Tech Enterprise, and other technology platforms, the Company undertakes the R&D of new product, new process, new technology, and new raw and auxiliary materials. Meanwhile, the Company undertakes product R&D and technology service of external paper making and chemical industry enterprises, as well as the scientific research projects of new materials of national,

provincial and municipal strategic emerging industries. Huaxin Color Printing strengthens R&D input, meets the needs of variable data printing, and provides solution of customized package printing for customers from material end.

2. Hongta Renheng has 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. In the first half of 2020, it participated in the formulation of the group standard—The Looseness Requirements for Foldable Cartons for Cigarette Packaging and Testing Methods and a printing-industry standard—The Control Requirements for the Production Process of Green Printing Paper for Food Packaging. By the end of the Reporting Period, Hongta Renheng has led and participated in formulation and revision of 24 national and industrial standards (the most in the industry), built leading industrial brand while leading the development of the industry. Huaxin Color Printing was evaluated as Technology Center of Excellent Enterprises of Guangdong. The Company constantly creates and develops new technologies, and enterprise technology center becomes an important carrier for technological fruits conversion.

3. Hongta Renheng, Zhuhai Huafeng, Golden Pheasant Chemical, and Huaxin Color Printing which are affiliated companies of the Company have all passed the review recognition of “National Hi-Tech Enterprise” and enjoyed the preferential policy of reduction or exemption of enterprise income tax.

4. The Company has obtained various patents, providing the most important technical support and guarantee for the advancement of product competitiveness. As of the end of the Reporting Period, the Company had been granted 56 duly authorized patents, including 26 invention patents and 30 utility models. There are 27 pending patents, including 11 invention patents and 16 utility models.

(III) Quality and brand advantage

Hongta Renheng has the top award of the Chinese science and technology community—the first-class State Science and Technology Advancement Award. The high-end coated ivory board produced by Hongta Renheng has excellent printing performance. Dominant product—coated ivory board for tobacco packaging, setting the quality standard for China’s coated ivory board, takes up a dominant position in high-end tobacco packaging field with a close to 1/4 market share. "Hongta" coated ivory board takes up a leading position in quality in domestic and overseas ivory board industry. "Hongta" coated ivory board represents the highest level of production, technology and product of coated ivory board in China, with a high reputation at home and abroad.

(IV) Management advantage

With so many years of experience accumulation, the Company cultivates a lot of excellent innovative talents of technology innovation and operation management, established operation management and decision-making team of strong ability, high level, wide vision and advanced conception. The Company practices a corporate culture of “Help Build Civilization, Promote Humanity in Business, Fight against Headwinds and Stay Ambitious”, and forms management team advantage integrating enterprise culture and core talents gradually. Meanwhile, the Company powerfully introduces talent introduction through market. Operation and management have reached a new level. Supported by the operation and management resources of the Company as the parent, the Company’s subsidiaries have achieved excellent growth in market share and earnings.

(V) Industry chain advantage

The Company owns a large paper-making industrial chain characteristic of complementary strengths and great synergy. At the procurement end, the Company has effectively reduced procurement costs of certain raw materials, fast and effective matching of raw materials, as well as improvement in production adaptability. At the marketing end, the Company adopts a more direct approach in respect of supplying for customers, which streamlines the industry chain and improves the Company’s overall profitability.

Part IV Operating Performance Discussion and Analysis

I Overview

(I) Market Environment

In the first half of 2020, the sudden outbreak of COVID-19 and the complex external economic environment brought various uncertainties and challenges to the Company's business divisions. Sinarmas Paper (China) Investment Co., Ltd. (hereinafter, "Sinamas Paper") passed the anti-trust review unconditionally on its acquisition of 100% of Shandong Bohui Group Co., Ltd. (hereinafter, "Bohui Group"), marking substantial progress on the acquisition. The ivory board industry sees faster integration, more concentration, improving trends and expectedly higher market prices. The increasingly strict policies of environmental protection and plastic bag restriction across the world provide a boost to demand for ivory board. However, the spreading of the pandemic overseas has produced a great impact on ivory board exports both directly and indirectly. But market demand for color printing, which goes with the ivory board industry, is in gradual recovery as the pandemic is under control domestically.

(II) Operating Results of the Reporting Period

In the first half of 2020, the Company followed the leadership of the governing party, promoted deep integration of party committee building and business operations, promoted high-quality development through high-quality party committee building, gave play to the "controlling directions, managing the overall situation and ensuring implementation" roles of the party committee and the role of party organizations of all levels as fighting bastions, proactively responded to the uncertainties and challenges brought by the pandemic, and ensured stable production and operation. Meanwhile, it actively expanded external markets, deepened organizational reform, increased investment in R&D and innovation, improved internal management and strengthened risk control. As a result, the Company achieved significant improvement in internal management and a significant year-on-year improvement in operating performance.

For the Reporting Period, the Company recorded operating revenue of RMB1,849,582,374.70, a gross profit of RMB93,959,067.49, and a net profit attributable to the listed company's shareholders of RMB47,569,827.49. As at the end of the Reporting Period, the total assets of the Company amounted to RMB5,817,684,697.84, with a debt/asset ratio of 37.81%.

(III) Management Measures in the Reporting Period

1. Persisting in the guidance of Party building and strengthening the integration of Party building and operation

In the first half year of 2020, the Company persisted in the guidelines of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and conscientiously implemented the decisions and arrangements of the Party Central Committee. With "three integrations with internationalization" and "double integrations" as the focus, the Company integrated Party building with production, operation, corporate culture, team building, and the work of different societies and associations, and gave full play to the role of its Party committee in "controlling directions, managing the overall situation and ensuring implementation". During the epidemic, the Company conducted the education themed "Enforcing Strict Discipline over the Party and Strengthening the Awareness for Political Responsibilities", so as to convert the unique political advantages of the Party into strengths in fighting against the epidemic, resuming work and production, and managing production and operation, promote production and operation

towards continuous improvements, and achieve growth in all business segments in all respects.

2. Reinforcing the internal mechanism reform and enhancing operation efficiency

In the first half of 2020, the Company continued to improve its organizational structure and at the same time stepped up effort in the recruitment of marketized mature talents, and introduced professionals to inject new impetus into the Company for its development. Furthermore, the Company promoted the new appraisal model focusing on the maximization of “efficiency and profits” to boost the morale of employees. It carried out a reform on its existing remuneration system based on the principle of linking performance with salary, which “values performance, rewards the diligent, punishes the lazy, encourages creation, and increases profits”. The Company established promotion channels comprising five hierarchies to conduct annual comprehensive review of technical, skilled and management talents at each hierarchy in a specific proportion, thus satisfying the development needs of both itself and its employees, improving the core competitiveness of both, and guiding employees to focus on improving their skills and abilities.

3. Increasing spending on R&D and innovation and improving the incentive mechanism

In 2020, the Company continued to improve R&D spending and pursued “differentiation” in the increasingly homogeneous market. Its newly founded New Material Development and Industrial Technology Research Institute integrates paper manufacturing, chemical engineering, printing and packaging technologies of the paper-making industrial chain, extends research into the “new materials+” in emerging industries, and engages in the R&D of new products, new processes, new technologies and new raw and auxiliary materials in businesses. In addition, the Research Institute undertakes the product R&D and technical services to external companies in paper manufacturing and chemical industry, and engages in the scientific research projects on new materials in national and provincial strategic emerging industries. New Material Development and Industrial Technology Research Institute has set up a flexible and market-oriented new incentive mechanism to inspire the technological innovation ability of scientific and technological personnel, and fully exert and mobilize their creativity and activity.

4. Advancing the marketing system reform and promoting synergy in the internal management system

The Company has established a market-oriented system in its marketing department to optimize “value marketing”. It appraises sales performance by measuring the growth of sales volume, forming a competitive remuneration and incentive mechanism. Moreover, based on its product characteristics and the market status quo, the Company has continued to improve its marketing structure towards better allocation and use of marketing resources. It has made improvement to various supply chain links to enhance its overall business capacity.

II Analysis of Core Businesses

See “I Overview” above.

Year-on-year changes in key financial data:

Unit: RMB

	H1 2020	H1 2019	Change (%)	Main reason for change
Operating revenue	1,849,582,374.70	1,733,126,237.68	6.72%	
Cost of sales	1,512,306,706.55	1,539,779,030.57	-1.78%	
Selling expense	89,364,894.20	69,402,517.15	28.76%	

Administrative expense	48,672,339.16	50,498,247.03	-3.62%	
Finance costs	29,098,291.29	30,524,905.51	-4.67%	
Income tax expense	3,159,251.49	3,245,990.34	-2.67%	
R&D expense	90,479,878.01	52,474,320.32	72.43%	Increase in R&D expense for the purpose of strengthening the R&D team
Net cash generated from/used in operating activities	547,232,009.55	-349,160,799.79	256.73%	Improvement in operating efficiency, as well as significant year-on-year increase in unit sales and cash inflow
Net cash generated from/used in investing activities	-591,332,114.48	117,440,126.03	-603.52%	Year-on-year increase in term deposits
Net cash generated from/used in financing activities	-53,787,345.33	303,563,076.57	-117.72%	Adjusting the financing structure through reducing interest-bearing liabilities
Net increase in cash and cash equivalents	-90,071,819.73	72,841,617.85	-223.65%	Debt restructuring

Material changes to the profit structure or sources of the Company in the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

Breakdown of operating revenue:

Unit: RMB

	H1 2020		H1 2019		Change (%)
	Operating revenue	As % of total operating revenue (%)	Operating revenue	As % of total operating revenue (%)	
Total	1,849,582,374.70	100%	1,733,126,237.68	100%	6.72%
By operating division					
Manufacturing	1,829,581,089.37	98.92%	1,717,953,710.89	99.12%	6.50%
Other	20,001,285.33	1.08%	15,172,526.79	0.88%	31.83%
By product category					
Ivory board	1,519,363,493.84	82.15%	1,430,522,018.99	82.54%	6.21%
Presswork	154,484,467.81	8.35%	153,273,410.57	8.84%	0.79%

Chemicals	155,733,127.72	8.42%	134,158,281.33	7.74%	16.08%
Other	20,001,285.33	1.08%	15,172,526.79	0.88%	31.83%
By operating segment					
Domestic	1,680,221,326.19	90.84%	1,491,509,672.76	86.06%	12.65%
Overseas	169,361,048.51	9.16%	241,616,564.92	13.94%	-29.91%

Operating Division, Product Category or Operating Segment Contributing over 10% of Operating Revenue or Operating Profit

Applicable Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Manufacturing	1,829,581,089.37	1,497,681,444.57	18.14%	6.50%	-2.08%	7.17%
By product category						
Ivory board	1,519,363,493.84	1,260,199,014.84	17.06%	6.21%	-3.94%	8.77%
Presswork	154,484,467.81	121,001,605.63	21.67%	0.79%	4.39%	-2.70%
Chemicals	155,733,127.72	116,480,824.10	25.20%	16.08%	14.60%	0.96%
By operating segment						
Domestic	1,660,220,040.86	1,358,313,475.72	18.18%	11.31%	4.89%	5.00%
Overseas	169,361,048.51	139,367,968.85	17.71%	-29.91%	-43.07%	19.04%

Core business data of the prior year restated according to the changed statistical caliber for the Reporting Period:

Applicable Not applicable

Any over 30% YoY movements in the data above and why:

Applicable Not applicable

III Analysis of Non-Core Businesses

Applicable Not applicable

Unit: RMB

	Amount	As % of total profit	Reason for formation	Exceptional or recurrent
Return on investment	14,188,831.36	15.10%	Long-term equity investment income calculated by equity method (associate)	Recurrent
Non-operating income	3,426,822.06	3.65%	Income from disposal of scrap waste	Exceptional
Non-operating	1,079,186.63	1.15%	Loss on disposal of current	Exceptional

expense			assets, fine expense, etc.	
Credit impairment loss	-465,085.02	-0.49%	Loss on impairment of other receivables	Exceptional
Asset disposal income	-69,442.59	-0.07%	Gain/loss on disposal of non-current assets	Exceptional
Other income	10,070,822.18	10.72%	Government subsidy	Exceptional

IV Analysis of Assets and Liabilities

1. Material Changes in Asset Composition

Unit: RMB

	30 June 2020		30 June 2019		Change in percentage (%)	Reason for material change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	685,828,177.57	11.79%	217,327,217.75	3.74%	8.05%	
Accounts receivable	604,995,966.23	10.40%	739,406,369.07	12.71%	-2.31%	
Inventories	649,651,989.90	11.17%	784,520,862.49	13.48%	-2.31%	
Investment property	28,777,952.24	0.49%	30,425,974.11	0.52%	-0.03%	
Long-term equity investments	669,501,198.91	11.51%	669,365,148.13	11.51%	0.00%	
Fixed assets	2,000,531,709.38	34.39%	2,111,243,885.87	36.29%	-1.90%	
Construction in progress	59,082,753.75	1.02%	44,969,165.79	0.77%	0.25%	
Short-term borrowings	879,070,896.82	15.11%	1,441,879,613.49	24.78%	-9.67%	
Long-term borrowings		0.00%	100,000,000.00	1.72%	-1.72%	

2. Assets and Liabilities at Fair Value

Applicable Not applicable

3. Restricted Asset Rights as at the Period-End

The restricted assets of the Company totaled RMB782,157,000, including RMB550,000,000 of term deposit as the pledge for notes, RMB220,000,000 of structured deposits and RMB12,157,000 of security deposits for banker's acceptance bills.

V Investments Made

1. Total Investment Amount

Applicable Not applicable

2. Major Equity Investments Made in the Reporting Period

Applicable Not applicable

3. Major Non-Equity Investments Ongoing in the Reporting Period

Applicable Not applicable

4. Financial Assets at Fair Value

Applicable Not applicable

5. Financial Investments

(1) Securities Investments

Applicable Not applicable

No such cases in the Reporting Period.

(2) Investments in Derivative Financial Instruments

Applicable Not applicable

No such cases in the Reporting Period.

VI Sale of Major Assets and Equity Interests

1. Sale of Major Assets

Applicable Not applicable

No such cases in the Reporting Period.

2. Sale of Major Equity Interests

Applicable Not applicable

VII Main Controlled and Joint Stock Companies

Applicable Not applicable

Main subsidiaries and joint stock companies with an over 10% influence on the Company's net profit

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Zhuhai Hongta Renheng Packaging Co., Ltd.	Subsidiary	Ivory board, original paper of liquid food packaging	600,000,000.00	3,916,365,664.37	2,593,681,751.06	1,222,528,793.30	21,705,173.04	21,973,476.27
Zhuhai Huafeng Paper Co., Ltd.	Subsidiary	Ivory board, original paper of liquid food packaging	984,559,331.06	2,753,597,235.66	1,029,600,792.74	953,945,651.03	27,599,257.36	28,581,051.15
Zhuhai Golden Pheasant Chemical Co., Ltd.	Subsidiary	latex and calcium carbonate	69,271,940.00	270,125,760.46	198,179,711.75	209,219,897.64	17,752,391.02	17,673,317.05
Huaxin (Foshan) Color Printing Co., Ltd.	Subsidiary	Color packaging and label printing	96,895,605.14	413,400,731.03	263,048,035.88	163,425,857.89	12,828,008.91	10,845,369.80

Subsidiaries obtained or disposed in the Reporting Period:

Applicable Not applicable

Information about major majority- and minority-owned subsidiaries:

VIII Structured Bodies Controlled by the Company

Applicable Not applicable

IX Performance Forecast for January-September 2020

Warning of possible loss or considerable YoY change in the accumulative net profit made during the period-beginning to the end of the next reporting period, as well as the reasons:

Applicable Not applicable

X Risks Facing the Company and Countermeasures

1. Market risk

High-end coated ivory board is the primary product of the Company. However, affected by the concentrated release of the new production capacity for various ivory boards in China in the past two years, the domestic demands didn't increase greatly. The more fierce market competition of the ivory boards in China has brought a great impact on the market of the Company's products. Meanwhile, with faster integration and more concentration in the industry, ivory board prices may encounter fluctuations. Additionally, the pandemic situation overseas poses uncertain risk to the export of the Company's ivory board.

Countermeasure: intensify product structure adjustment, and strengthen the efforts in developing new products and expanding new market.

2. Risk of short supply of raw materials

The Company obtains its primary raw material, wood pulp, mainly through import. The pandemic situation overseas may affect the related transportation and shipment. Meanwhile, fluctuations of international wood pulp prices and of the RMB exchange rate against the US dollar may have an impact on the Company.

Countermeasures: look for more sourcing channels to adjust the structure of wood pulp sourcing and ensure stable production and operation.

3. Safety and Environmental Protection Risk

The Company is specialized in manufacturing with large mechanical equipment. Due to complicated production and manufacturing environment, safety production and environmental requirements become much more stringent.

Countermeasures: strengthen the recognition and management of safety and environmental protection hazards; improve the management of production & manufacturing machines and pollution discharge equipment/facilities; clearly define personnel responsibilities of front-line production workers; enhance the supervision and inspection of safety operation on the production site; reinforce corresponding publicity and education and create possible safety production atmosphere; consolidate job responsibilities for staffs in environmental protection department; strictly implement environmental protection and emission standards; eliminate possible risks of safety and environmental protection accidents.

Part V Significant Events

I Annual and Extraordinary General Meeting Convened during the Reporting Period

1. General Meetings Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
The 2019 Annual General Meeting	Annual General Meeting	65.72%	14 April 2020	15 April 2020	Announcement on Resolutions of the 2019 Annual General Meeting of Foshan Huaxin Packaging Co., Ltd. (Announcement No.: 2020-022) disclosed on Securities Times, Hong Kong Pao and http://www.cninfo.com.cn .
The First Extraordinary General Meeting of 2020	Extraordinary General Meeting	0.29%	15 July 2020	16 July 2020	Announcement on Resolutions of the First Extraordinary General Meeting of 2020 of Foshan Huaxin Packaging Co., Ltd. (Announcement No.: 2020-037) disclosed on Securities Times, Hong Kong Pao and http://www.cninfo.com.cn .

2. Extraordinary General Meetings Convened at the Request of Preference Shareholders with Resumed Voting Rights

Applicable Not applicable

II Interim Dividend Plan

Applicable Not applicable

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

III Commitments of the Company's De Facto Controller, Shareholders, Related Parties and Acquirers, as well as the Company Itself and Other Entities Fulfilled in the Reporting Period or Ongoing at the Period-End

Applicable Not applicable

No such cases in the Reporting Period.

IV Engagement and Disengagement of Independent Auditor

Are the interim financial statements audited?

Yes No

The interim financial statements have not been audited.

V Explanations Given by the Board of Directors and the Supervisory Committee Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of the Reporting Period

Applicable Not applicable

VI Explanations Given by the Board of Directors Regarding the Independent Auditor's "Modified Opinion" on the Financial Statements of Last Year

Applicable Not applicable

VII Insolvency and Reorganization

Applicable Not applicable

No such cases in the Reporting Period.

VIII Legal Matters

Significant lawsuits and arbitrations:

Applicable Not applicable

Basic situation of lawsuit (arbitration)	Lawsuit amount (RMB '0,000)	Whether form into estimated liabilities	Process of lawsuit (arbitration)	Trial results and influences of lawsuit (arbitration)	Situation of execution of judgment of lawsuit (arbitration)	Disclosure date	Disclosure index

<p>A major production safety accident was caused by a flash burn when Jiangsu Tianxing High-Altitude Anti-Corrosion Engineering Co., Ltd. (hereinafter referred to as "Jiangsu Tianxing") and Wuhan Kedio Electric Power Technology Co., Ltd. (hereinafter referred to as "Wuhan Kedio") carried out the maintenance of 120m chimney anti-corrosion project for Zhuhai Huafeng, the holding subsidiary of the company, on 4 March 2017. Six construction workers of the construction company died in the accident. Zhuhai Huafeng paid a total compensation of RMB 11.16 million to relatives of the victims on 7 March 2017 for Jiangsu Tianxing and Wuhan Kedio in accordance with the requirements and under the supervision of the government. Zhuhai Huafeng applied to Zhuhai Jinwan District People's Court for property preservation before litigation on 14</p>	1,116	None	As of the end of the Reporting Period, the final judgment for the civil compensation case has been made, and the case enters the execution phase.	<p>The judgment has been made that one fifth of responsibility of RMB2.232 million of compensation is respectively born by Zhuhai Huafeng and other four defendants. At present, Zhuhai Huafeng has received the compensation of RMB2.23 million from defendants. RMB6.7 million is still to be recovered.</p>	<p>The case enters the execution phase and Zhuhai Huafeng is claiming compensation from other defendants. Zhuhai Huafeng is applying for legal enforcement to Zhuhai Jinwan District People's Court.</p>	6 March 2017	<p>http://www.cninfo.com.cn/new/disclosure/detail?orgId=gssz0200986&announcementId=1203132688&ann</p>
--	-------	------	---	--	--	--------------	--

<p>March 2017. Zhuhai Huafeng applied to Zhuhai Jinwan District People's Court for recovery action in which Jiangsu Tianxing and Wuhan Kedio were taken as joint defendants on 16 March 2017. Then Wuhan Kedio applied to add Yancheng Xinda High-Altitude Anti-Corrosion Co., Ltd. (hereinafter referred to as YanchengXinda) as a defendant and YanchengXinda applied to add Liu Jiechun as a defendant. It is a dispute case over the right of recourse of the subsidiary of the Company.</p>							
--	--	--	--	--	--	--	--

Other legal matters:

Applicable Not applicable

IX Doubts from Media

Applicable Not applicable

The Company had no issues about which media generally raised doubts in the Reporting Period.

X Punishments and Rectifications

Applicable Not applicable

No such cases in the Reporting Period.

XI Credit Quality of the Company as well as its Controlling Shareholder and De Facto Controller

Applicable Not applicable

XII Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees

Applicable Not applicable

No such cases in the Reporting Period.

XIII Major Related-Party Transactions

1. Continuing Related-Party Transactions

Applicable Not applicable

No such cases in the Reporting Period.

2. Related-Party Transactions Regarding Purchase or Disposal of Assets or Equity Investments

Applicable Not applicable

No such cases in the Reporting Period.

3. Related-Party Transactions Regarding Joint Investments in Third Parties

Applicable Not applicable

No such cases in the Reporting Period.

4. Amounts Due to and from Related Parties

Applicable Not applicable

Indicate by tick mark whether there were any credits and liabilities with related parties for non-operating purposes.

Yes No

No such cases in the Reporting Period.

5. Other Major Related-Party Transactions

Applicable Not applicable

Has disclosed on current announcements

Index to the current announcements about the said major related-party transactions disclosed:

Title of announcement	Disclosure date	Disclosure website
Announcement on Increase of Expected Amount of Routine Related-party Transactions	25 April 2020	www.cninfo.com.cn
Announcement on Borrowings from De Facto Controller and Related-party Transactions	30 June 2020	www.cninfo.com.cn

XIV Occupation of the Company's Capital by the Controlling Shareholder or any of Its Related Parties for Non-Operating Purposes

Applicable Not applicable

No such cases in the Reporting Period.

XV Major Contracts and Execution thereof

1. Entrustment, Contracting and Leases

(1) Entrustment

Applicable Not applicable

No such cases in the Reporting Period.

(2) Contracting

Applicable Not applicable

No such cases in the Reporting Period.

(3) Leases

Applicable Not applicable

No such cases in the Reporting Period.

2. Major Guarantees

Applicable Not applicable

(1) Guarantees

Unit: RMB'0,000

Guarantees provided by the Company as the parent and its subsidiaries for external parties (exclusive of those for subsidiaries)								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not
Guarantees provided by the Company as the parent for its subsidiaries								
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or

								not
Zhuhai Hongta Renheng Packaging Co., Ltd.	25 December 2019	7,000	25 December 2019	7,000	Joint-liability	From 25 December 2019 to 25 December 2024	Not	Yes
Zhuhai Hongta Renheng Packaging Co., Ltd.	31 August 2019	33,000	31 August 2019	30,000	Joint-liability	From 31 August 2019 to 30 August 2020	Not	Yes
Zhuhai Hongta Renheng Packaging Co., Ltd.	20 December 2019	20,000	20 December 2019	20,000	Joint-liability	From 20 December 2019 to 20 December 2020	Not	Yes
Zhuhai Hongta Renheng Packaging Co., Ltd.	15 August 2019	10,000	15 August 2019	10,000	Joint-liability	From 15 August 2019 to 31 July 2020	Not	Yes
Zhuhai Hongta Renheng Packaging Co., Ltd.	28 May 2020	10,000	28 May 2020	10,000	Joint-liability	From 28 May 2020 to 11 March 2021	Not	Yes
Zhuhai Hongta Renheng Packaging Co., Ltd.	25 April 2019	20,000	25 April 2019	20,000	Joint-liability	From 25 April 2019 to 25 April 2020	Not	Yes
Zhuhai Hongta Renheng Packaging Co., Ltd.	30 June 2020	30,000	30 June 2020	30,000	Joint-liability	From 30 June 2020 to 1 May 2021	Not	Yes
Zhuhai Hongta Renheng Packaging Co., Ltd.	15 January 2020	13,000	15 January 2020	10,000	Joint-liability	From 15 January 2020 to 15 January 2021	Not	Yes
Zhuhai Hongta Renheng Packaging Co., Ltd.	25 March 2020	10,000	25 March 2020	10,000	Joint-liability	From 25 March 2020 to 26 September 2020	Not	Yes
Zhuhai Hongta	30 June 2020	17,000	30 June 2020	17,000	Joint-liability	From 30 June	Not	Yes

Renheng Packaging Co., Ltd.						2020 to 30 June 2021		
Zhuhai Huafeng Paper Co., Ltd.	28 February 2020	5,000	28 February 2020	5,000	Joint-liability	From 28 February 2020 to 28 August 2020	Not	Yes
Zhuhai Huafeng Paper Co., Ltd.	9 September 2019	35,000	9 September 2019	30,000	Joint-liability	From 9 September 2019 to 9 September 2020	Not	Yes
Zhuhai Huafeng Paper Co., Ltd.	11 September 2019	10,000	11 September 2019	10,000	Joint-liability	From 11 September 2019 to 31 July 2020	Not	Yes
Huaxin (Foshan) Color Printing Co., Ltd.	12 September 2019	4,000	12 September 2019	4,000	Joint-liability	From 12 September 2019 to 11 September 2020	Not	Yes
Huaxin (Foshan) Color Printing Co., Ltd.	26 February 2020	3,000	26 February 2020	3,000	Joint-liability	From 26 February 2020 to 19 February 2022	Not	Yes
Huaxin (Foshan) Color Printing Co., Ltd.	24 December 2019	8,100	24 December 2019	8,100	Joint-liability	From 24 December 2019 to 23 December 2022	Not	Yes
Huaxin (Foshan) Color Printing Co., Ltd.	25 May 2020	10,000	25 May 2020	10,000	Joint-liability	From 25 May 2020 to 24 May 2021	Not	Yes
Huaxin (Foshan) Color Printing Co., Ltd.	22 July 2019	5,000	22 July 2019	5,000	Joint-liability	From 22 July 2019 to 21 July 2020	Not	Yes
Total approved line for such guarantees in the Reporting			320,000	Total actual amount of such guarantees in the Reporting				239,100

Period (B1)				Period (B2)					
Total approved line for such guarantees at the end of the Reporting Period (B3)		320,000		Total actual balance of such guarantees at the end of the Reporting Period (B4)		239,100			
Guarantees provided between subsidiaries									
Obligor	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date	Actual guarantee amount	Type of guarantee	Term of guarantee	Having expired or not	Guarantee for a related party or not	
Zhuhai Golden Pheasant Chemical Co., Ltd.	18 March 2020	12,000	18 March 2020	3,500	Joint-liability	From 18 March 2020 to 17 March 2021	Not	Yes	
Total approved line for such guarantees in the Reporting Period (C1)		20,000		Total actual amount of such guarantees in the Reporting Period (C2)		3,500			
Total approved line for such guarantees at the end of the Reporting Period (C3)		20,000		Total actual balance of such guarantees at the end of the Reporting Period (C4)		3,500			
Total guarantee amount (total of the three kinds of guarantees above)									
Total guarantee line approved in the Reporting Period (A1+B1+C1)		340,000		Total actual guarantee amount in the Reporting Period (A2+B2+C2)		242,600			
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)		340,000		Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)		242,600			
Total actual guarantee amount (A4+B4+C4) as % of the Company's net assets				118.54%					
Of which:									
Balance of guarantees provided for shareholders, actual controller and their related parties (D)				0					
Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)				0					
Amount by which the total guarantee amount exceeds 50% of the Company's net assets (F)				0					
Total of the three amounts above (D+E+F)				0					

Compound guarantees:

(2) Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

3. Cash Entrusted for Wealth Management

Applicable Not applicable

No such cases in the Reporting Period.

4. Other Significant Contracts

Applicable Not applicable

No such cases in the Reporting Period.

XVI Corporate Social Responsibility (CSR)**1. Major Environmental Issues**

Indicate by tick mark whether the Company or any of its subsidiaries is a heavily polluting business identified by the environmental protection authorities of China

Yes

Name of polluter	Name of major pollutants	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration	Discharge standards implemented	Total discharge	Approved total discharge	Excessive discharge
Hongta Renheng	Chemical oxygen demand, ammonia nitrogen	Discharged into water quality purification plant after being disposed	1	Sewage disposal center	Sulfur dioxide, nitrogen oxide, smoke are 29.67mg/l and 0.11mg/l	Chemical oxygen demand, and ammonia nitrogen are ≤80mg/l and ≤8mg/l	Sulfur dioxide, nitrogen oxide, smoke are 39.62t and 0.14t	Chemical oxygen demand, and ammonia nitrogen are 294.4t and 29.44t	Naught
Hongta Renheng	Sulfur dioxide, nitrogen oxide, smoke	Organized discharge	1	Power boiler of Power Department	Sulfur dioxide, nitrogen oxide, smoke are 0.48mg/m ³ , 53.85mg/m ³ and 7.47mg/m ³	Sulfur dioxide, nitrogen oxide, smoke are ≤50mg/m ³ , ≤100mg/m ³ and ≤20mg/m ³	Sulfur dioxide, nitrogen oxide, smoke are 0.27t, 29.4t and 3.98t	Sulfur dioxide, nitrogen oxide, smoke are 34.04t, 136.15t and 20.42t	Naught

Zhuhai Huafeng	Chemical oxygen demand, ammonia nitrogen	Discharged into water quality purification plant after being disposed	1	Sewage disposal center	Chemical oxygen demand, and ammonia nitrogen are 31.27mg/l and 0.24mg/l	Chemical oxygen demand, and ammonia nitrogen are $\leq 80\text{mg/l}$ and 8mg/l	Chemical oxygen demand, and ammonia nitrogen are 17.482t and 0.084t	Emissions trading and the chemical oxygen demand, and ammonia nitrogen are 180t and 22.5t	Naught
Zhuhai Huafeng	Sulfur dioxide, nitrogen oxide, smoke	Organized discharge	1	Power boiler of Power Department	Sulfur dioxide, nitrogen oxide, smoke are 13.67mg/m ³ , 58.55mg/m ³ , 3, 5.81mg/m ³	Sulfur dioxide, nitrogen oxide, smoke are 50mg/m ³ , 100mg/m ³ and 20mg/m ³	Sulfur dioxide, nitrogen oxide, smoke are 10.013t, 33.086t and 2.648t	Sulfur dioxide, nitrogen oxide, smoke are 68t, 142t and 26t	Naught
Golden Pheasant Chemical	Non-methane hydrocarbon	Upper-air emissions after being disposed	1	20m discharge outlet after the disposal of RCO	8.89mg/m ³	Secondary standard of Phase II of Emission Limit for Air Pollution (DB44/27-2001) and Emission Limit for Odor Pollutants (GB14554-1993)	3.2004t	22.464t	Naught
Golden Pheasant Chemical	Chemical oxygen demand, ammonia nitrogen	Discharged to sewage discharge outlet	1	Sewage disposal center	Chemical oxygen demand, and ammonia nitrogen are 4mg/l and	Chemical oxygen demand, and ammonia nitrogen are $\leq 350\text{mg/l}$	Chemical oxygen demand, and ammonia nitrogen are 0.2016t and	Chemical oxygen demand, and ammonia nitrogen are 3.528t and	Naught

					0.551mg/l and ≤25mg/l	0.0278t	0.252t		
Huaxin Color Printing	Chemical oxygen demand, ammonia nitrogen	Discharged to sewage discharge outlet	1	Nanzhuang Jili Sewage Surge	Chemical oxygen demand, and ammonia nitrogen are 10mg/l and 0.05mg/l	First level standard of Phase II for maximum emission concentration of Class II pollutant in Guangdong local standard-Discharge Limit of Water Pollutants (DB44/26-2001)	Chemical oxygen demand, and ammonia nitrogen are 0.00697t and 0.000035t	Chemical oxygen demand, and ammonia nitrogen are 0.178t and 0.026t	Naught
Huaxin Color Printing	Benzene, methylbenzene, xylene, total VOCs	Organized discharge	3	Workshop of Phase III	Benzene: 0.01L total of methylbenzene and xylene : 0.13mg/total VOCs:9.53 mg/m3	II time period of lithographic printing (excluding those taking metal, ceramic and glass as the printing stock) in Guangdong / local standard-Emission Standard for Volatile Organic Compounds in Printing Industry (DB44/815-2010)	/	/	Naught

Construction and operation of facilities for preventing pollution:

Hongta Renheng

The Sewage Station and Boiler were all built and operated by the third party. As for sewage, Hongta Renheng belongs to State key monitoring enterprise; as for smoke, Hongta Renheng belongs to Zhuhai key monitoring enterprise.

1. The company established a Sewage Station whose maximum processing capacity was 12000m³/d, and it was put into service on 1 April 2013 with the investment of RMB14 million through applying A/O technology. The quality of water after such processing could meet relevant national discharge standards stated in Discharge Standard of Water Pollutants for Pulp & Paper Industry (GB3544-2008), and waste water (after processing) reaching corresponding standards would be discharged into Qianshan Water Quality Purification Plant via the municipal sewage pipeline network of Xiangzhou District.

Meanwhile, corresponding COD, ammonia nitrogen, total phosphorus, and total nitrogen, and PH values auto monitoring system would be installed at the discharge outlet, and the qualified unit would be in charge of its operation management and 24-hour auto online detection and monitoring of COD, ammonia nitrogen, total phosphorus, and total nitrogen, and PH values.

2. The company established 2 biomass briquette boilers with the operating capacity of 40 tons per hour were installed in association with relevant dust removal measures. As ceramic multi-tube cyclone dust collector and bag-type dust removal technology were applied to dispose flue gas, all discharged smoke pollutants, SO₂ and nitric oxides via the 25m chimney would meet corresponding discharge limit standard stated in Emission Standard of Air Pollutants for Boilers (DB44/765-2010). From 1 July 2019 onwards, the emission of pollutants smoke, sulphur dioxide and nitrogen oxides must comply with the limit requirements of the Emission Standard of Air Pollutants for Boilers (DB44/765/2019). To meet the requirements for the emission of nitrogen oxides, the Company introduced a set of SNCR denitration equipment to carry out denitration.

Moreover, corresponding flue gas auto monitoring system would be installed at the discharge outlet, and the qualified unit would be in charge of its operation management and 24-hour auto online detection and monitoring of discharged SO₂, nitric oxides and smoke dust.

Zhuhai Huafeng

The sewage station starts to entrust the third party to operate in 2020. Businesses engaged in waste water and gases are under key monitoring of the state.

1. The Company established a Sewage Station whose maximum processing capacity was 22000m³/d, and it was put into service on 28 September 2006 with the floor space 21,358m² and the investment of RMB38 million through applying flocculation precipitation + SBR technology. In addition, SBR biochemical system applied Canada ADI company's SBR technology, and key devices were all introduced from foreign countries. The quality of water after such processing could meet relevant national discharge standards stated in Discharge Standard of Water Pollutants for Pulp & Paper Industry (GB3544-2008), and waste water (after processing) reaching corresponding standards would be discharged into Nanshui Water Quality Purification Plant via the municipal sewage pipeline network of Gaolan Port District.

Meanwhile, corresponding COD, ammonia nitrogen, total phosphorus, and total nitrogen, and PH values auto monitoring system would be installed at the discharge outlet, and the qualified unit would be in charge of its operation management and 24-hour auto online detection and monitoring of COD, ammonia nitrogen, total phosphorus, and total nitrogen, and PH values.

2. The Company established two self-supplied fire coal CFBs were installed with the operating capacity of 75t per hour in association with relevant sulphur and dust removal measures. As out-of-furnace alkaline-mode wet desulphurization technology, bag-type dust remover and wet ESP, low-temperature and low-nitrogen combustion technology + SNCR were applied to dispose flue gas, the desulfurization rate is over 90%, the dust removal efficiency would exceed 99.9% and the denitration efficiency over 85%. All discharged smoke pollutants, SO₂ and nitric oxides via the 120m chimney would meet special discharge limit standard stated in Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011).

Moreover, corresponding flue gas auto monitoring system would be installed at the discharge outlet, and the qualified unit would be in charge of its operation management and 24-hour auto online detection and monitoring of discharged SO₂, nitric oxides and smoke dust.

Note: Companies and their subsidiaries which are classified as key pollutant discharging entities by the environmental protection

department shall disclose the environmental information pursuant to laws, regulations and department rules, including the names of major pollutants and characteristic pollutants, discharge methods, quantity and distribution of discharge outlets, discharge concentration and total volume, excess discharge, pollutant discharge standards adopted, approved total volume of discharge, and construction and operation of pollution control facilities. Companies that are not classified as key pollutant discharging entities may disclose their environmental information by reference to the aforementioned requirements. They are encouraged to voluntarily disclose information that is beneficial to ecological protection, pollution control and the fulfillment of environmental responsibilities.

Golden Pheasant Chemical

Exhaust processing system and sewage station are in normal operation.

1. The company established a Sewage Station whose maximum processing capacity was 70m³/d, and the actual processing capacity was about 20m³ per day through applying biochemistry, fenton and MBR membrane technology. Sewage disposal facility is running normally, and waste water (after processing) reaching corresponding standards would be discharged into Nanshui Sewage Disposal Plant in Zhuhai City via the municipal sewage pipeline network of Gaolan Port District, Zhuhai City. When all industrial waste water after disposal in sewage station can reach Class 3 Standard during the second period stated in Discharge Limits of Water Pollutants (DB44/26-2001) and the water entry standard designed by Nanshui Quality Purification Plant, it will be disposed after being discharged into Nanshui Sewage Disposal Plant in Zhuhai City via the municipal sewage pipeline network of Gaolan Port District, Zhuhai City. The sewage station has been enclosed.

2. The Company built a new set of regenerative catalytic oxidizer (RCO) exhaust processors, and induced the original Phase I and Phase II exhaust to that set of system for processing after the pre-treatment by the original filter. Meanwhile, the exhaust after enclosing the sewage station was sent to this system for treatment. The capacity is 30,000 m³ per hour, and the exhaust will be discharged in an organized manner once reaching the emission standards after being processed by the processors. Secondary standard of Phase II of Emission Limit for Air Pollution (DB44/27-2001) and Emission Limit for Odor Pollutants (GB14554-1993) were reached.

Both the unit of waste water devices and the unit of waste gas treatment devices are in normal operations.

Huaxin Color Printing

1. The company has appointed Foshan Green Leaf Environmental Protection Center to operate and maintain its waste water processing pool, which has been in normal operations since the beginning. The pool adopts the “coagulative precipitation - contact oxidation” process and has a maximum capacity of 48m³/d. When industrial waste water reaches the primary standard of the second time interval in Guangdong’s local standard *Discharge Limits of Water Pollutants* (DB44/26-2001) after being processed by the processing pool, the reclaimed water will be used to flush toilets (complying with the Water Quality Standard for Urban Miscellaneous Water Consumption).

2. The company’s organic waste gas is discharged when reaching the second time interval of lithography (excluding the lithography with metals, ceramics and glass as printing substrates) in Guangdong’s local standard *Emission Standard of Volatile Organic Compounds for Printing Industry* (DB44/815-2010) after being processed by three units of secondary low-temperature plasma purifiers. The devices are in normal operations.

Appraisal of environment influences for construction project and other administrative licensing of environment protection

Hongta Renheng

1. In September 1998, passed the environmental impact assessment for the 150,000-ton high-grade packaging cardboard project by the State Environmental Protection Administration and Guangdong Province Environmental Protection Bureau respectively (HF [1998] No. 321 and YHH [1998] No. 208);

2. In 2010, passed the environmental impact assessment for the MBF technical renovation project (ZHJ [2010] No. 5) and the test run of the renovation project (ZHS [2010] No. 6) by the Environmental Protection Bureau of Zhuhai Municipality;

3. In 2012, obtained the approval for the environmental impact report on the clean production of paper machines and the comprehensive waste water treatment technology renovation project (ZXHJB [2012] No. 155) by the Environmental Protection Bureau

of Xiangzhou District;

4. In December 2003, passed the environmental acceptance for the completion of the 150,000-ton high-grade packaging cardboard project (YHH [2003] No. 969);

5. In 2013, completed the acceptance of the MBF technical renovation project (ZHY [2013] No. 5);

6. In 2014, completed the acceptance of the biochemical treatment of waste water project (ZXHY [2014] No. 10)

7. In 2017, obtained the approval for the environmental impact report on the sludge resource utilization technical project (ZXHJB [2017] No. 63)

Pollutant discharge permit, No. 91440400617502107U001P; validity period: from 7 June 2020 to 6 June 2025; issued by: Zhuhai Ecological Environment Bureau-Xiangzhou Branch.

Zhuhai Huafeng

1. The reply letter of review opinions of the State Environmental Protection Administration on the environmental impact report for the capital increase of Foshan Huafeng Paper Co., Ltd. for building a new project with the annual capacity of 300,000-ton high-grade coating ivory board (HS [2005] No. 156)

2. The reply letter of opinions on the environmental protection acceptance for the completion of the autonomous MBF environmental upgrading and technical renovation project of Zhuhai Huafeng Paper Co., Ltd. (ZHY [2015] No. 3)

3. The reply on the environmental assessment for the new annual 60,000-ton ivory board film processing construction project of Zhuhai Huafeng Paper Co., Ltd. (ZGHJ [2012] No. 115)

4. The review opinions on the environmental impact report for the reuse of reclaimed water project of Zhuhai Huafeng Paper Co., Ltd. (ZGHJ [2013] No. 54)

5. The reply on the environmental assessment for the sludge burning project of Zhuhai Huafeng Paper (ZGHJ [2008] No. 69)

6. The review opinions of the Environmental Protection Bureau of Gaolangang District of Zhuhai Municipality on the environmental assessment report for the expansion of the annual 180,000-ton ivory board production line project of Zhuhai Huafeng Paper Co., Ltd. (ZGHJ [2014] No. 67)

7. The review opinions on the environmental impact registration for the garbage concentration center of Zhuhai Huafeng Paper Co., Ltd. (ZGHJ [2016] No. 58)

8. The approval on the environmental assessment for the waste water treatment renovation project of Zhuhai Huafeng Paper Co., Ltd. (ZGHJ [2016] No. 106)

Pollution discharge permit, No. 914404006176214217001P; validity period: from 7 June 2020 to 6 June 2025; issued by: Zhuhai Ecological Environment Bureau-Gaolan Port Branch.

Golden Pheasant Chemical

1. Acceptance inspection of Phase I environmental assessment: ZGHJY[2017] –No.007

2. Acceptance inspection of Phase II environmental assessment: ZGHJY[2016] –No.20

Pollution discharge permit, No. 4404062010000030 renewed on 28 December 2018, and it is valid until 31 July 2021; issued by: Planning and Construction Environmental Protection Bureau of ZHUHAI GAOLAN PORT ECONOMIC ZONE.

Huaxin Color Printing

1. In August 2004, the project was approved by the Environmental Protection Bureau of Chancheng District of Foshan City through the document *Approval on the Report of the Environmental Impact of the Relocation and Expansion Project of Huaxin (Foshan) Color Printing Co., Ltd.* (No. B2004-0393). In October 2006, the relocation and expansion project of Huaxin (Foshan) Color Printing Co., Ltd. passed the evaluation on environmental protection, as it was officially approved in the *Application for Evaluation on Environmental Protection of Construction Projects* (CHY [2006] No. 149);

2. In May 2008, Chancheng Branch of the Planning Bureau of Foshan City approved the Company's construction of waste water pool through the document *Opinions on the Planning Conditions of Construction Projects* (FG (C) LGZ [2007] No. J223). In September

2008, the construction project passed the evaluation on environmental protection, as it was officially approved in the *Application for Evaluation on Environmental Protection of Construction Projects* (CHY [2008] No. 136);

3. In June 2012, the project was approved by the Environmental Protection Bureau of Chancheng District of Foshan City through the document *Approval on the Report of the Environmental Impact of the Phase III Production Workshop Expansion Project of Huaxin (Foshan) Color Printing Co., Ltd.* (No. CB2012-1-028). In December 2018, evaluation on the environmental protection of the Phase III production workshop expansion project of Huaxin (Foshan) Color Printing Co., Ltd. was conducted in the form of independent evaluation.

4. In December 2019, approval was given to the project construction through the *Approval of Foshan Municipal Bureau of Ecology and Environment on the Reconstruction and Expansion of Phase IV Project of Huaxin Color Printing Co., Ltd. and on the Environmental Impact Assessment Report for the Conversion into a Corporate Project* (Foshan Municipal Bureau of Ecology and Environment FCH (N) S [2019] No. 082).

5. Renewing the pollution discharge permit, No. 4406042010231001; validity period: from 17 October 2018 to 16 October 2021; issued by: Environmental Protection Bureau of Chancheng District of Foshan City. Currently, the company is applying for the national pollution discharge permit.

Emergency plan for abrupt environment affairs

Hongta Renheng

Hongta Renheng prepared the *Emergency Plan for Environmental Pollution* and filed it with Zhuhai Environmental Protection Bureau Environment Monitoring Branch on 17 December 2015; Filing No.: 44040120150P-L Emergency Plan for Abrupt Environment Affairs of Zhuhai S.E.Z. Hongta Renheng Paper Co., Ltd. and the Risk Assessment Report for Abrupt Environment Affairs of Zhuhai S.E.Z. Hongta Renheng Paper Co., Ltd. A new round of filing with Xiangzhou Branch of Zhuhai Environmental Protection Bureau on 21 March 2019; Filing No.: 440402-2019-016-L Emergency Plan for Abrupt Environment Affairs of Zhuhai Hongta Renheng Packaging Co., Ltd. and the Risk Assessment Report for Abrupt Environment Affairs of Zhuhai Hongta Renheng Packaging Co., Ltd.

Zhuhai Huafeng

Zhuhai Huafeng prepared the Emergency Plan for Environmental Pollution and filed it with Environmental Protection Bureau of ZHUHAI GAOLAN PORT ECONOMIC ZONE on 24 October 2013; and filed the Emergency Plan for Abrupt Environment Affairs of Zhuhai Huafeng Paper Co., Ltd. (“Zhuhai Huafeng”) and the Risk Assessment Report for Abrupt Environment Affairs of Zhuhai Huafeng Paper Co., Ltd. (“Zhuhai Huafeng”) with Environmental Emergency Management Office of Department of Environmental Protection of Guangdong Province on 23 January 2015. Reassessment of emergency plan was completed on December 2018, and it was filed on Environmental Protection Bureau of ZHUHAI GAOLAN PORT.

Golden Pheasant Chemical

Golden Pheasant Chemical prepared the Investigation Report for Environmental Emergency Resources, Time Risk Assessment Report for Abrupt Environment, and Comprehensive Emergency Plan for Abrupt Environment Affairs and filed them with Environmental Protection Bureau of ZHUHAI GAOLAN PORT ECONOMIC ZONE on October 2018.

Huaxin Color Printing

Huaxin Color Printing prepared the Emergency Plan for Abrupt Environment Affairs and the Risk Assessment Report for Abrupt Environment Affairs. Filing No.: 440604-2017-034-L. Currently, the company is renewing the Emergency Plan for Abrupt Environment Affairs for filing in 2020.

Environment self-monitoring scheme

Hongta Renheng

Hongta Renheng prepared self-monitoring scheme, annual self-monitoring report and self-monitoring result information and disclosed the same on the Platform for Disclosure of Self-Monitoring Information of State-Controlled Enterprises at the Provincial Level in Guangdong and the National Pollutant Sources Monitoring Data Management System Platform according to the requirements of the *Measures for the Self-Monitoring and Information Disclosure by the Enterprises subject to Intensive Monitoring and Control of the State (for Trial Implementation)* (HF[2013] No. 81) and the *Work Scheme for the Self-Monitoring and Information Disclosure by the Enterprises subject to Intensive Monitoring and Control of the State*. The enterprise self-monitoring content includes: air pollutant emission monitoring at main exhaust emission outlets, water pollutant emission monitoring at main wastewater discharge outlets, and factory boundary noise monitoring, as follows:

1. Chemical oxygen demand and ammonia nitrogen shall be monitored every two hours every day and the values monitored shall be disclosed by monitoring value; biochemical oxygen demand, total phosphorus and total nitrogen shall be monitored once a week and the values monitored shall be disclosed; other pollutants in the wastewater shall be monitored once a month at least;
2. Sulfur dioxide, nitrogen oxides and particles shall be monitored every hour every day and the values monitored shall be disclosed; other pollutants in the exhaust shall be monitored once a season at least;
3. Factory boundary noise shall be monitored once a season at least;
4. Factory boundary odor concentration shall be monitored once a season.

If the self-monitoring shall be carried out by an entrusted institution, a social testing institution that is certified by the competent department of environmental protection at the provincial level or an environment monitoring institution to which the competent department of environmental protection belongs shall be entrusted to carry out the monitoring task. The environment monitoring institution to which the competent department of environmental protection belongs that has undertaken a supervisory monitoring task shall not undertake the self-monitoring entrustment business of the enterprise monitored.

The enterprise has an online monitoring system of chemical oxygen demand, an online monitoring system of ammonia-nitrogen containing wastewater and an online monitoring system of flue gas. The data of online monitoring systems of chemical oxygen demand, ammonia-nitrogen, sulfur dioxide, nitrogen oxides and particles shall be disclosed on the Integrated Management Platform of Key Pollution Sources in Guangdong Province every day; other pollutants shall be monitored by a qualified third party testing institution that is entrusted according to relevant requirements and then monitoring data shall be disclosed on the Integrated Management Platform of Key Pollution Sources in Guangdong Province and the Management System Platform of National Pollutant Sources Monitoring Data.

Zhuhai Huafeng

Zhuhai Huafeng prepared self-monitoring scheme, annual self-monitoring report and self-monitoring result information and disclosed the same on the Platform for Disclosure of Self-Monitoring Information of State-Controlled Enterprises at the Provincial Level in Guangdong and the National Pollutant Sources Monitoring Data Management System Platform according to the requirements of the *Measures for the Self-Monitoring and Information Disclosure by the Enterprises subject to Intensive Monitoring and Control of the State (for Trial Implementation)* (HF[2013] No. 81) and the *Work Scheme for the Self-Monitoring and Information Disclosure by the Enterprises subject to Intensive Monitoring and Control of the State*. The enterprise self-monitoring content includes: air pollutant emission monitoring at main exhaust emission outlets, water pollutant emission monitoring at main wastewater discharge outlets, and factory boundary noise monitoring, as follows:

1. Chemical oxygen demand and ammonia nitrogen shall be monitored every hour every day and the average values shall be disclosed; other pollutants in the wastewater shall be monitored once a month at least;
2. Sulfur dioxide, nitrogen oxides and particles shall be monitored every hour every day and the average values shall be disclosed; other pollutants in the exhaust shall be monitored once a season at least;
3. Factory boundary noise shall be monitored once a season at least;
4. Factory boundary odor concentration shall be monitored once a season.
- 5 The daily monitoring data of PH value, chroma and suspended solids in the wastewater and the weekly monitoring data of total

phosphorus and total nitrogen shall be disclosed on the Management System Platform of National Pollutant Sources Monitoring Data.

If the self-monitoring shall be carried out by an entrusted institution, a social testing institution that is certified by the competent department of environmental protection at the provincial level or an environment monitoring institution to which the competent department of environmental protection belongs shall be entrusted to carry out the monitoring task. The environment monitoring institution to which the competent department of environmental protection belongs that has undertaken a supervisory monitoring task shall not undertake the self-monitoring entrustment business of the enterprise monitored.

The enterprise has an online monitoring system of chemical oxygen demand, an online monitoring system of ammonia-nitrogen containing wastewater and an online monitoring system of flue gas. The data of online monitoring systems of chemical oxygen demand, ammonia-nitrogen, sulfur dioxide, nitrogen oxides and particles shall be disclosed on the Integrated Management Platform of Key Pollution Sources in Guangdong Province every day; other pollutants shall be monitored by a qualified third party institution that is entrusted according to relevant requirements and then monitoring data shall be disclosed on the Integrated Management Platform of Key Pollution Sources in Guangdong Province and the Management System Platform of National Pollutant Sources Monitoring Data.

Golden Pheasant Chemical

In accordance with the requirements of the *Work Scheme for the Self-Monitoring and Information Disclosure by the Enterprises subject to Intensive Monitoring and Control of the State*, Golden Pheasant Chemical entrusts a qualified third party testing institution to conduct wastewater and factory boundary noise test every year, as follows:

1. Biochemical oxygen demand, ammonia nitrogen, suspended solids and chemical oxygen demand test shall be conducted four times a year at least;
2. Factory boundary noise test shall be conducted once a year at least.
3. LDAR test shall be conducted once a quarter.

Huaxin Color Printing

Huaxin Color Printing entrusts a qualified third party testing institution to conduct wastewater, exhaust and factory boundary noise test every year, as follows:

- (1) Industrial wastewater (PH value, ammonia nitrogen, suspended solids, chemical oxygen demand, biochemical oxygen demand, chroma, sulfides, total nitrogen and total phosphorus) test shall be conducted twice a year at least;
- (2) Organized organic waste gases (Benzene, toluene, xylene and total VOCs) test shall be conducted twice a year at least;
- (3) Unorganized organic waste gases (Benzene, toluene, xylene and total VOCs) test shall be conducted once a year at least;
- (4) Factory boundary noise test shall be conducted four times a year at least.

Other environment-related information that should be disclosed:

None

Other information about environment protection

None

2. Measures Taken for Targeted Poverty Alleviation

(1) Plans

The Company will carry out the targeted poverty alleviation according to the poverty alleviation plan and arrangements of China Paper Corporation.

(2) Summary of the Related Work Done in the Reporting Period

The Company conscientiously implemented the strategic plans of the central government for poverty alleviation, and followed the arrangements of China Paper. First, it actively participated in the donation of anti-epidemic supplies to Yiyang County, including RMB40,000 in total on buying masks and protective clothing to assist in the epidemic prevention of the hospitals and government in Yiyang. Second, it arranged to appropriate poverty alleviation fund of RMB50,000 to the National Treasury Center of Yiyang County in Henan Province. Third, it organized to buy characteristic agricultural products worth of RMB61761 from targeted poverty alleviation areas.

(3) Results

Indicator	Measurement unit	Quantity/Progress
1. General results	——	——
Of which: 1.1 Funds	Ten thousand	9
1.2 Money converted from materials	Ten thousand	6.18
1.3 Number of poor persons with filing achieving poverty alleviation	Person	0
2. Itemized results	——	——
2.1 Out of poverty by industrial development	——	——
2.1.2 Number of industrial development programs for poverty alleviation	Piece	0
2.2.3 Input in industrial development programs for poverty alleviation	Ten thousand	6.18
2.2.4 Number of poor persons with filing achieving poverty alleviation	Person	0
2.2 Out of poverty by transferring employment	——	——
Of which: 2.2.1 Input in vocational training	Ten thousand	0
2.2.2 Number of persons with vocational training	Person	0
2.2.3 Number of poor persons with filing finding jobs with help	Person	0
2.3 Out of poverty by relocation	——	——
Of which: 2.3.1 Number of relocation persons finding jobs with help	Person	0
2.4 Out of poverty by education	——	——
Of which: 2.4.1 Amount for funding poor students	Ten thousand	0
2.4.2 Number of poor students funded	Person	0
2.4.3 Input in improving education resources in poor regions	Ten thousand	0
2.5 Out of poverty by improving health	——	——
Of which: 2.5.1 Input in health resources in poor regions	Ten thousand	0

2.6 Out of poverty by protecting ecological environment	—	—
Of which: 2.6.2 Input amount	Ten thousand	0
2.7 Subsidy for the poorest	—	—
Of which: 2.7.1 Input in left-behind elderly, women and children	Ten thousand	0
2.7.2 Number of helped left-behind elderly, women and children	Person	0
2.7.3 Input in poor persons with disabilities	Ten thousand	0
2.7.4 Number of poor persons with disabilities helped	Person	0
2.8 Social poverty alleviation	—	—
Of which: 2.8.1 Amount of input through East-West Poor Alleviation Cooperation	Ten thousand	0
2.8.2 Input in targeted poverty alleviation	Ten thousand	9
2.8.3 Input in public welfare fund for poverty alleviation	Ten thousand	0
2.9 Other items	—	—
Of which: 2.9.1 Number of items	Piece	0
2.9.2 Input amount	Ten thousand	0
2.9.3. Number of poor persons with filing achieving poverty alleviation	Person	0
3. Accolades received (for what and at what level)	—	—

(4) Subsequent Plans

The Company will continuously carry out the targeted poverty-relief work with China Paper Corporation according to the implementation plan of poverty alleviation project of China Paper Corporation, and continuously carry out the subsequent targeted poverty alleviation plan.

XVII Other Significant Events

Applicable Not applicable

No such cases in the Reporting Period.

XVIII Significant Events of Subsidiaries

Applicable Not applicable

Part VI Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease in the Reporting Period (+/-)					After	
	Shares	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Shares	Percentage (%)
1. Private shares	333,500,000	65.98%						333,500,000	65.98%
1.1 Promoter's shares	333,500,000	65.98%						333,500,000	65.98%
Of which: such shares held by state	0	0.00%						0	0.00%
Such shares held by domestic legal persons	332,930,290	65.87%						332,930,290	65.87%
Such shares held by foreign legal persons	0	0.00%						0	0.00%
Other	569,710	0.11%						569,710	0.11%
1.2. Legal persons' shares raised	0	0.00%						0	0.00%
1.3 Staff-held shares	0	0.00%						0	0.00%
1.4 Preferred shares or others	0	0.00%						0	0.00%
2. Public shares	171,925,000	34.02%						171,925,000	34.02%
2.1 RMB ordinary shares	0	0.00%						0	0.00%
2.2 Domestically listed foreign shares	171,925,000	34.02%						171,925,000	34.02%
2.3 Overseas listed foreign shares	0	0.00%						0	0.00%

2.4 Other	0	0.00%						0	0.00%
3. Total shares	505,425,000	100.00%						505,425,000	100.00%

Reasons for share changes:

Applicable Not applicable

Approval of share changes:

Applicable Not applicable

Transfer of share ownership:

Applicable Not applicable

Progress on any share repurchase:

Applicable Not applicable

Progress on reducing the repurchased shares by means of centralized bidding:

Applicable Not applicable

Effects of share changes on the basic and diluted earnings per share, equity per share attributable to the Company's ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively:

Applicable Not applicable

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

Applicable Not applicable

2. Changes in Restricted Shares

Applicable Not applicable

II Issuance and Listing of Securities

Applicable Not applicable

III Shareholders and Their Holdings as at the Period-End

Unit: share

Number of ordinary shareholders	12,553	Number of preferred shareholders with resumed voting rights (if any) (see note 8)		0				
5% or greater ordinary shareholders or top 10 ordinary shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage	Total ordinary shares held at the period-end	Increase/decrease in the Reporting Period	Private ordinary shares held	Public ordinary shares held	Shares in pledge or frozen	
							Status	Shares
FOSHAN	State-owned legal	65.20%	329,512,030	0	329,512,			

HUAXIN DEVELOPMENT CO., LTD.	person				030		
WU HAOYUAN	Foreign natural person	0.62%	3,127,291	0		3,127,291	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign legal person	0.43%	2,156,804	-1047206		2,156,804	
ZHAI YUZHEN	Domestic natural person	0.41%	2,066,800	12600		2,066,800	
CAI YUJIU	Domestic natural person	0.38%	1,940,400	-29200		1,940,400	
MIU JUN	Domestic natural person	0.30%	1,512,900	-39500		1,512,900	
NORGES BANK	Foreign legal person	0.27%	1,352,720	0		1,352,720	
ESSENCE INTERNATIONAL SECURITIES (HONG KONG) CO., LTD.	Foreign legal person	0.24%	1,205,252	0		1,205,252	
FOSHAN CHAN BEN DE ASSET MANAGEMENT CO., LTD	State-owned legal person	0.23%	1,139,420	0	1,139,420		
ZHANG LI	Domestic natural person	0.20%	1,011,300	0		1,011,300	
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						
Top 10 public ordinary shareholders							
Name of shareholder	Public ordinary shares held at the period-end		Shares by type				
			Type	Shares			
WU HAOYUAN	3,127,291		Domestically listed foreign stock	3,127,291			

GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	2,156,804	Domestically listed foreign stock	2,156,804
ZHAI YUZHEN	2,066,800	Domestically listed foreign stock	2,066,800
CAI YUJIU	1,940,400	Domestically listed foreign stock	1,940,400
MIU JUN	1,512,900	Domestically listed foreign stock	1,512,900
NORGES BANK	1,352,720	Domestically listed foreign stock	1,352,720
ESSENCE INTERNATIONAL SECURITIES (HONG KONG) CO., LTD.	1,205,252	Domestically listed foreign stock	1,205,252
ZHANG LI	1,011,300	Domestically listed foreign stock	1,011,300
HE WEI	986,103	Domestically listed foreign stock	986,103
MA ZEQU	959,762	Domestically listed foreign stock	959,762
Related or acting-in-concert parties among the top 10 unrestricted ordinary shareholders, as well as between the top 10 unrestricted ordinary shareholders and the top 10 ordinary shareholders	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.		
Top 10 ordinary shareholders involved in securities margin trading (if any) (see note 4)	None		

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes No

No such cases in the Reporting Period.

IV Change of the Controlling Shareholder or the De Facto Controller

Change of the controlling shareholder in the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

Change of the de facto controller in the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

Part VII Preference Shares

Applicable Not applicable

No preference shares in the Reporting Period.

Part VIII Convertible Corporate Bonds

Applicable Not applicable

No convertible corporate bonds in the Reporting Period.

Part IX Directors, Supervisors and Senior Management

I Change in Shareholdings of Directors, Supervisors and Senior Management

√ Applicable □ Not applicable

Name	Office title	Incumbent /Former	Beginning shareholding (share)	Increase in the Reporting Period (share)	Decrease in the Reporting Period (share)	Ending shareholding (share)	Restricted shares granted at the beginning of the period (share)	Restricted shares granted in the Reporting Period (share)	Restricted shares granted at the end of the period (share)
Huang Xin	Chairman of the Board	Former							
Zhong Tianqi	Chairman of the Board	Incumbent							
Ren Xiaoping	Vice Chairman of the Board, GM	Incumbent							
Zhang Qiang	Director	Former							
Ye Meng	Director	Incumbent							
Li Fei	Director, Vice GM	Incumbent							
Zhou Gaosong	Director	Incumbent							
Zhang Wenjing	Independent Director	Incumbent							
Li Jun	Independent Director	Incumbent							
Lu Guihua	Independent Director	Incumbent							
Ren Xiaomin	Chairman of the Supervisory Committee	Incumbent							
Zhang Hong	Supervisor	Incumbent	14,600	0	0	14,600			
Zhao	Employee	Incumbent							

Yaxing	supervisor								
Ding Guoqiang	Vice GM, CFO, and Board Secretary	Incumbent							
Wu Yirong	Vice GM	Incumbent	0	28,200	0	28,200			
Zhang Chunhua	Vice GM	Incumbent							
Total	--	--	14,600	28,200	0	42,800	0	0	0

II Change of Directors, Supervisors and Senior Management

√ Applicable □ Not applicable

Name	Office title	Type of change	Date of change	Reason for change
Huang Xin	Chairman of the Board	Left	10 March 2020	Resignation and arrangement from the Party
Zhong Tianqi	Chairman of the Board	Elected	24 March 2020	Elected by general meeting
Zhang Qiang	Director	Left	24 April 2020	Resignation and arrangement from the Party

Part X 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 XI Financial Statements

I Independent Auditor's Report

Are these interim financial statements audited by an independent auditor?

Yes No

These interim financial statements have not been audited by an independent auditor.

II Financial Statements

Currency unit for the financial statements and the notes thereto: RMB

1. Consolidated Balance Sheet

Prepared by Foshan Huaxin Packaging Co., Ltd.

Unit: RMB

Item	30 June 2020	31 December 2019
Current assets:		
Monetary assets	685,828,177.57	213,743,010.81
Settlement reserve		
Interbank loans granted		
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		1,101,664.07
Accounts receivable	604,995,966.23	861,496,771.58
Accounts receivable financing	561,162,410.89	573,333,722.20
Prepayments	93,568,865.59	31,443,452.10
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	63,463,113.64	41,390,516.58
Including: Interest receivable	20,206,542.99	
Dividends receivable	28,000,000.00	28,000,000.00
Financial assets purchased under resale agreements		

Inventories	649,651,989.90	660,926,072.21
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	229,498,035.35	237,644,272.39
Total current assets	2,888,168,559.17	2,621,079,481.94
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	669,501,198.91	655,312,367.55
Investments in other equity instruments		
Other non-current financial assets	288,700.00	288,700.00
Investment property	28,777,952.24	29,115,661.86
Fixed assets	2,000,531,709.38	2,067,109,815.77
Construction in progress	59,082,753.75	33,321,697.05
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	120,470,102.64	127,168,024.42
Development costs	3,552,425.84	3,550,832.92
Goodwill	11,547,305.29	11,547,305.29
Long-term prepaid expense	4,500,441.92	3,478,736.33
Deferred income tax assets	31,250,198.70	31,250,198.70
Other non-current assets	13,350.00	8,420,488.55
Total non-current assets	2,929,516,138.67	2,970,563,828.44
Total assets	5,817,684,697.84	5,591,643,310.38
Current liabilities:		
Short-term borrowings	879,070,896.82	1,163,487,459.95
Borrowings from the central bank		
Interbank loans obtained		
Held-for-trading financial liabilities		

Derivative financial liabilities		
Notes payable	698,959,029.44	312,234,422.87
Accounts payable	347,362,009.93	321,955,510.64
Advances from customers	16,944,581.70	23,303,552.10
Contract liabilities	16,680,827.04	
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	29,777,438.93	42,342,384.19
Taxes payable	17,476,292.94	13,467,917.06
Other payables	164,120,140.91	49,222,655.01
Including: Interest payable	255,713.64	
Dividends payable	238,138.78	229,593.13
Handling charges and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities		100,229,305.56
Other current liabilities		
Total current liabilities	2,170,391,217.71	2,026,243,207.38
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions	1,696,811.00	1,696,811.00

Deferred income	25,279,299.24	26,604,363.11
Deferred income tax liabilities	2,180,826.02	2,180,826.02
Other non-current liabilities		
Total non-current liabilities	29,156,936.26	30,482,000.13
Total liabilities	2,199,548,153.97	2,056,725,207.51
Owners' equity:		
Share capital	505,425,000.00	505,425,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	256,822,373.42	256,822,373.42
Less: Treasury stock		
Other comprehensive income	169,714.39	169,714.39
Specific reserve		
Surplus reserves	199,022,513.20	199,022,513.20
General reserve		
Retained earnings	1,085,200,342.99	1,045,211,890.50
Total equity attributable to owners of the Company as the parent	2,046,639,944.00	2,006,651,491.51
Non-controlling interests	1,571,496,599.87	1,528,266,611.36
Total owners' equity	3,618,136,543.87	3,534,918,102.87
Total liabilities and owners' equity	5,817,684,697.84	5,591,643,310.38

Legal representative: Ren Xiaoping

Chief Financial Officer: Ding Guoqiang

Financial Manager: Luo Jing

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 June 2020	31 December 2019
Current assets:		
Monetary assets	53,851,374.37	5,342,379.55
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	750.37	
Accounts receivable financing	4,245,280.00	

Prepayments	1,520,171.41	
Other receivables	29,861,865.51	53,371,168.86
Including: Interest receivable	584,375.00	
Dividends receivable	28,000,000.00	28,000,000.00
Inventories	10,568,258.89	
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	1,511,607.58	135,661.98
Total current assets	101,559,308.13	58,849,210.39
Non-current assets:		
Investments in debt obligations		
Investments in other debt obligations		
Long-term receivables		
Long-term equity investments	1,711,281,509.46	1,696,777,505.79
Investments in other equity instruments		
Other non-current financial assets	288,700.00	288,700.00
Investment property		
Fixed assets	60,873.21	69,775.81
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	61,581.69	72,990.24
Development costs		
Goodwill		
Long-term prepaid expense	101,046.81	123,501.67
Deferred income tax assets		
Other non-current assets		
Total non-current assets	1,711,793,711.17	1,697,332,473.51
Total assets	1,813,353,019.30	1,756,181,683.90
Current liabilities:		
Short-term borrowings	50,000,000.00	

Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	1,338,907.20	
Advances from customers	1,699,834.29	
Contract liabilities		
Employee benefits payable	20,758.25	114,646.21
Taxes payable	38,168.90	4,685.50
Other payables	328,073.50	280,301.76
Including: Interest payable		
Dividends payable	238,138.78	229,593.13
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	53,425,742.14	399,633.47
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	53,425,742.14	399,633.47
Owners' equity:		
Share capital	505,425,000.00	505,425,000.00
Other equity instruments		

Including: Preferred shares		
Perpetual bonds		
Capital reserves	250,531,482.00	250,531,482.00
Less: Treasury stock		
Other comprehensive income		
Specific reserve		
Surplus reserves	199,022,513.20	199,022,513.20
Retained earnings	804,948,281.96	800,803,055.23
Total owners' equity	1,759,927,277.16	1,755,782,050.43
Total liabilities and owners' equity	1,813,353,019.30	1,756,181,683.90

3. Consolidated Income Statement

Unit: RMB

Item	H1 2020	H1 2019
1. Revenue	1,849,582,374.70	1,733,126,237.68
Including: Operating revenue	1,849,582,374.70	1,733,126,237.68
Interest income		
Insurance premium income		
Handling charge and commission income		
2. Costs and expenses	1,781,696,068.57	1,752,775,592.86
Including: Cost of sales	1,512,306,706.55	1,539,779,030.57
Interest expense		
Handling charge and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	11,773,959.36	10,096,572.28
Selling expense	89,364,894.20	69,402,517.15
Administrative expense	48,672,339.16	50,498,247.03

R&D expense	90,479,878.01	52,474,320.32
Finance costs	29,098,291.29	30,524,905.51
Including: Interest expense	37,938,735.50	36,967,366.21
Interest income	11,469,676.77	8,948,675.02
Add: Other income	10,070,822.18	3,936,321.35
Return on investment (“-” for loss)	14,188,831.36	16,774,990.13
Including: Share of profit or loss of joint ventures and associates	14,188,831.36	16,774,990.13
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)		
Credit impairment loss (“-” for loss)	-465,085.02	
Asset impairment loss (“-” for loss)		-44,711.85
Asset disposal income (“-” for loss)	-69,442.59	-16,367.16
3. Operating profit (“-” for loss)	91,611,432.06	1,000,877.29
Add: Non-operating income	3,426,822.06	1,010,381.90
Less: Non-operating expense	1,079,186.63	873,583.84
4. Profit before tax (“-” for loss)	93,959,067.49	1,137,675.35
Less: Income tax expense	3,159,251.49	3,245,990.34
5. Net profit (“-” for net loss)	90,799,816.00	-2,108,314.99
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	90,799,816.00	-2,108,314.99
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	47,569,827.49	10,489,265.80
5.2.1 Net profit attributable to non-controlling interests	43,229,988.51	-12,597,580.79

6. Other comprehensive income, net of tax		
Attributable to owners of the Company as the parent		
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		
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 investments in other debt obligations		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for investments in other debt obligations		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	90,799,816.00	-2,108,314.99
Attributable to owners of the Company as the parent	47,569,827.49	10,489,265.80
Attributable to non-controlling interests	43,229,988.51	-12,597,580.79

interests		
8. Earnings per share		
8.1 Basic earnings per share	0.0941	0.0208
8.2 Diluted earnings per share	0.0941	0.0208

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 last year being RMB0.00.

Legal representative: Ren Xiaoping

Chief Financial Officer: Ding Guoqiang

Financial Manager: Luo Jing

4. Income Statement of the Company as the Parent

Unit: RMB

Item	H1 2020	H1 2019
1. Operating revenue	15,327,349.86	0.00
Less: Cost of sales	15,122,657.95	0.00
Taxes and surcharges		
Selling expense	189,514.86	
Administrative expense	2,916,376.08	1,666,382.33
R&D expense		
Finance costs	-121,415.60	-449,112.53
Including: Interest expense	526,763.89	361,440.69
Interest income	689,987.84	815,925.83
Add: Other income		50,000.00
Return on investment (“-” for loss)	14,504,003.67	16,714,852.01
Including: Share of profit or loss of joint ventures and associates	14,504,003.67	16,714,852.01
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		
Credit impairment loss (“-” for loss)	2,381.49	
Asset impairment loss (“-” for loss)		7,369.57
Asset disposal income (“-” for		

loss)		
2. Operating profit (“-” for loss)	11,726,601.73	15,554,951.78
Add: Non-operating income		
Less: Non-operating expense		
3. Profit before tax (“-” for loss)	11,726,601.73	15,554,951.78
Less: Income tax expense		
4. Net profit (“-” for net loss)	11,726,601.73	15,554,951.78
4.1 Net profit from continuing operations (“-” for net loss)	11,726,601.73	15,554,951.78
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for investments in other debt obligations		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the		

translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	11,726,601.73	15,554,951.78
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2020	H1 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	2,027,279,698.26	1,420,153,927.58
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	250,005.75	
Cash generated from other operating activities	21,463,578.42	17,859,351.29
Subtotal of cash generated from operating activities	2,048,993,282.43	1,438,013,278.87
Payments for commodities and	1,287,519,715.20	1,439,403,589.85

services		
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	106,682,764.90	103,603,715.32
Taxes paid	57,223,710.64	35,598,899.66
Cash used in other operating activities	50,335,082.14	208,567,873.83
Subtotal of cash used in operating activities	1,501,761,272.88	1,787,174,078.66
Net cash generated from/used in operating activities	547,232,009.55	-349,160,799.79
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment		10,000,000.00
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets		
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	116,700,000.00	132,200,000.00
Subtotal of cash generated from investing activities	116,700,000.00	142,200,000.00
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	35,332,114.48	9,759,873.97
Payments for investments		
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	672,700,000.00	15,000,000.00

Subtotal of cash used in investing activities	708,032,114.48	24,759,873.97
Net cash generated from/used in investing activities	-591,332,114.48	117,440,126.03
3. Cash flows from financing activities:		
Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings raised	721,433,076.78	1,278,585,742.47
Cash generated from other financing activities	400,000,000.00	
Subtotal of cash generated from financing activities	1,121,433,076.78	1,278,585,742.47
Repayment of borrowings	1,114,322,009.71	901,879,065.08
Interest and dividends paid	28,833,648.15	46,641,940.65
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities	32,064,764.25	26,501,660.17
Subtotal of cash used in financing activities	1,175,220,422.11	975,022,665.90
Net cash generated from/used in financing activities	-53,787,345.33	303,563,076.57
4. Effect of foreign exchange rates changes on cash and cash equivalents	7,815,630.53	999,215.04
5. Net increase in cash and cash equivalents	-90,071,819.73	72,841,617.85
Add: Cash and cash equivalents, beginning of the period	213,743,010.81	133,983,939.73
6. Cash and cash equivalents, end of the period	123,671,191.08	206,825,557.58

6. Cash Flow Statement of the Company as the Parent

Unit: RMB

Item	H1 2020	H1 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	14,723,709.34	
Tax rebates		
Cash generated from other operating	142,449.73	46,286,613.99

activities		
Subtotal of cash generated from operating activities	14,866,159.07	46,286,613.99
Payments for commodities and services	29,212,000.29	
Cash paid to and for employees	1,087,150.21	652,205.17
Taxes paid		-18,316.37
Cash used in other operating activities	2,214,368.84	40,031,650.81
Subtotal of cash used in operating activities	32,513,519.34	40,665,539.61
Net cash generated from/used in operating activities	-17,647,360.27	5,621,074.38
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment		10,000,000.00
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets		
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	24,258,390.01	
Subtotal of cash generated from investing activities	24,258,390.01	10,000,000.00
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets		
Payments for investments		
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	50,000,000.00	
Subtotal of cash used in investing activities	50,000,000.00	
Net cash generated from/used in investing activities	-25,741,609.99	10,000,000.00
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	50,000,000.00	
Cash generated from other financing		

activities		
Subtotal of cash generated from financing activities	50,000,000.00	
Repayment of borrowings		
Interest and dividends paid	8,134,433.16	221,339.99
Cash used in other financing activities		
Subtotal of cash used in financing activities	8,134,433.16	221,339.99
Net cash generated from/used in financing activities	41,865,566.84	-221,339.99
4. Effect of foreign exchange rates changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-1,523,403.42	15,399,734.39
Add: Cash and cash equivalents, beginning of the period	5,374,777.79	357,681.85
6. Cash and cash equivalents, end of the period	3,851,374.37	15,757,416.24

7. Consolidated Statements of Changes in Owners' Equity

H1 2020

Unit: RMB

Item	H1 2020														
	Equity attributable to owners of the Company as the parent											Non-controlling interests	Total owners' equity		
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings			Other	Subtotal
	Preferred shares	Perpetual bonds	Other												
1. Balance as at the end of the prior year	505,425,000.00				256,822,373.42		169,714.39		199,022,513.20		1,045,211,890.50		2,006,651,491.51	1,528,266,611.36	3,534,918,102.87
Add: Adjustment for change in accounting policy															
Adjustment for correction of															

reserves																			
3.3.2 Appropriation to general reserve																			
3.3.3 Appropriation to owners (or shareholders)																			
3.3.4 Other																			
3.4 Transfers within owners' equity																			
3.4.1 Increase in capital (or share capital) from capital reserves																			
3.4.2 Increase in capital (or share capital) from surplus reserves																			
3.4.3 Loss offset by surplus reserves																			
3.4.4 Changes in defined benefit schemes transferred to retained earnings																			
3.4.5 Other comprehensive income transferred to retained earnings																			
3.4.6 Other																			
3.5 Specific reserve																			
3.5.1																			

Increase in the period														
3.5.2 Used in the period														
3.6 Other														
4. Balance as at the end of the period	505,425,000.00			256,822,373.42		169,714.39		199,022,513.20		1,085,200,342.99		2,046,639,944.00	1,571,496,599.87	3,618,136,543.87

H1 2019

Unit: RMB

Item	H1 2019													Non-controlling interests	Total owners' equity
	Equity attributable to owners of the Company as the parent														
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General reserve	Retained earnings	Other	Subtotal		
		Preferred shares	Perpetual bonds	Other											
1. Balance as at the end of the prior year	505,425,000.00			256,822,373.42		169,714.39		196,399,250.80		1,012,130,481.68		1,970,946,820.29	1,552,505,499.55	3,523,452,319.84	
Add:															
Adjustment for change in accounting policy															
Adjustment for correction of previous error															
Adjustment for business combination under common control															
Other adjustments										18,316.37		18,316.37		18,316.37	
2. Balance as at the beginning of the year	505,425,000.00			256,822,373.42		169,714.39		196,399,250.80		1,012,148,798.05		1,970,965,136.66	1,552,505,499.55	3,523,470,636.21	
3. Increase/										-2,229.		-2,229.	-12,597.	-14,827.	

decrease in the period (“-” for decrease)										516.12		516.12	,580.79	,096.91
3.1 Total comprehensive income										10,489,265.80		10,489,265.80	-12,597,580.79	-2,108,314.99
3.2 Capital increased and reduced by owners														
3.2.1 Ordinary shares increased by owners														
3.2.2 Capital increased by holders of other equity instruments														
3.2.3 Share-based payments included in owners’ equity														
3.2.4 Other														
3.3 Profit distribution										-12,718,781.92		-12,718,781.92		-12,718,781.92
3.3.1 Appropriation to surplus reserves														
3.3.2 Appropriation to general reserve														
3.3.3 Appropriation to owners (or shareholders)										-12,718,781.92		-12,718,781.92		-12,718,781.92
3.3.4														

Other															
3.4 Transfers within owners' equity															
3.4.1 Increase in capital (or share capital) from capital reserves															
3.4.2 Increase in capital (or share capital) from surplus reserves															
3.4.3 Loss offset by surplus reserves															
3.4.4 Changes in defined benefit schemes transferred to retained earnings															
3.4.5 Other comprehensive income transferred to retained earnings															
3.4.6 Other															
3.5 Specific reserve															
3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Other															

4. Balance as at the end of the period	505,425,000.00				256,822,373.42		169,714.39		196,399,250.80		1,009,919,281.93		1,968,735,620.54	1,539,907,918.76	3,508,643,539.30
--	----------------	--	--	--	----------------	--	------------	--	----------------	--	------------------	--	------------------	------------------	------------------

8. Statements of Changes in Owners' Equity of the Company as the Parent

H1 2020

Unit: RMB

Item	H1 2020											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferr ed shares	Perpet ual bonds	Other								
1. Balance as at the end of the prior year	505,425,000.00				250,531,482.00				199,022,513.20	800,803,055.23		1,755,782,050.43
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments												
2. Balance as at the beginning of the year	505,425,000.00				250,531,482.00				199,022,513.20	800,803,055.23		1,755,782,050.43
3. Increase/decrease in the period ("-" for decrease)										4,145,226.73		4,145,226.73
3.1 Total comprehensive income										11,726,601.73		11,726,601.73
3.2 Capital increased and reduced by owners												
3.2.1 Ordinary shares												

increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners' equity												
3.2.4 Other												
3.3 Profit distribution										-7,581,375.00		-7,581,375.00
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)										-7,581,375.00		-7,581,375.00
3.3.3 Other												
3.4 Transfers within owners' equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes												

transferred to retained earnings													
3.4.5 Other comprehensive income transferred to retained earnings													
3.4.6 Other													
3.5 Specific reserve													
3.5.1 Increase in the period													
3.5.2 Used in the period													
3.6 Other													
4. Balance as at the end of the period	505,425,000.00				250,531,482.00				199,022,513.20	804,948,281.96		1,759,927,277.16	

H1 2019

Unit: RMB

Item	H1 2019											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Other	Total owners' equity
		Preferr ed shares	Perpet ual bonds	Other								
1. Balance as at the end of the prior year	505,425,000.00				250,531,482.00				196,399,250.80	777,193,693.64		1,729,549,426.44
Add: Adjustment for change in accounting policy												
Adjustment for correction of previous error												
Other adjustments										18,316.37		18,316.37

2. Balance as at the beginning of the year	505,425,000.00				250,531,482.00				196,399,250.80	777,212,010.01		1,729,567,742.81
3. Increase/decrease in the period (“-” for decrease)										15,554,951.78		15,554,951.78
3.1 Total comprehensive income										15,554,951.78		15,554,951.78
3.2 Capital increased and reduced by owners												
3.2.1 Ordinary shares increased by owners												
3.2.2 Capital increased by holders of other equity instruments												
3.2.3 Share-based payments included in owners’ equity												
3.2.4 Other												
3.3 Profit distribution												
3.3.1 Appropriation to surplus reserves												
3.3.2 Appropriation to owners (or shareholders)												
3.3.3 Other												
3.4 Transfers within owners’												

equity												
3.4.1 Increase in capital (or share capital) from capital reserves												
3.4.2 Increase in capital (or share capital) from surplus reserves												
3.4.3 Loss offset by surplus reserves												
3.4.4 Changes in defined benefit schemes transferred to retained earnings												
3.4.5 Other comprehensive income transferred to retained earnings												
3.4.6 Other												
3.5 Specific reserve												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Other												
4. Balance as at the end of the period	505,425,000.00				250,531,482.00				196,399,250.80	792,766,961.79		1,745,122,694.59

III Company Profile

Foshan Huaxin Packaging Co., Ltd. (hereinafter referred to as the Company) was sponsored and set by Foshan

Huaxin Development Co., Ltd., Foshan Municipal Investment General Corporation, Foshan Xinhui Industrial Development Co., Ltd., China Packaging General Corporation, China Material Development & Investment General Corporation, Guangdong Technical Reforming & Investment Co., Ltd., China Chemistry & Light Industry General Corporation, and Foshan Light Industry Company under approval of People's Government of Guangdong Province with YBH (1999) No. 297 document and Economic System Reform Committee of Guangdong Province with YTG (1999) No. 032 document, and was registered in Administration Bureau for Commerce & Industry of Guangdong Province on 21 June 1999. The Company holds the business license with the unified social credit code of 914406007076822793. And its registered capital is RMB505,425,000.00 with total 505,425,000.00 shares (RMB1 per share), among which, there are unrestricted public 171,925,000.00 B shares and unrestricted private 333,500,000.00 B shares. The Company's stocks were listed in Shenzhen Stock Exchange for trade in 2000.

The Company is in the industry of papermaking, paper packaging and printing. Main business scope: mainly manufactures (operated by subsidiary companies under the Company) and sells packaging materials, and packaging products, materials for decoration and aluminum and plastic compound materials; sells and maintains package machinery; invests in industry in terms of package and printing. Main products or services include high-grade coated white cardboard and color packages printing products, and etc.

The Company included four subsidiaries, Zhuhai Hongta Renheng Packaging Co., Ltd (hereinafter referred to as Hongta Renheng), Zhuhai Huafeng Paper Co., Ltd (hereinafter referred to as Huafeng Paper), Zhuhai Golden Pheasant Chemical Co., Ltd (hereinafter referred to as Golden Pheasant Chemical), and Huaxin (Foshan) Color Printing Co., Ltd. (hereinafter referred to as Foshan Color Printing) into the scope of consolidated financial statement in the Reporting Period. For details, see changes in consolidation scope of the notes to financial statement and the explanation for equities in other entities.

IV. Basis for the Preparation of Financial Statements

1. Preparation Basis

The financial statement of the Company was prepared on the base of the assumption of continuation.

2. Continuation

There was no such case where the sustainable operation ability within 12 months since the end of the Reporting Period was highly doubted.

V. Important Accounting Policies and Estimations

Indication of specific accounting policies and estimations:

Naught

1. Statement for Complying with the Accounting Standard for Business Enterprise

The financial statements for the Reporting Period prepared by the Company are in compliance with the requirements of the accounting standard for business enterprise, and have reflected the Company's financial status, operating results and cash flows in an accurate and complete way.

2. Fiscal Period

The fiscal year of the Company is a solar calendar year, which is from 1 January to 31 December.

3. Operating Cycle

The operating cycle of the Company's business is comparatively short with 12 months as the classification standard for the mobility of assets and liabilities.

4. Standard Currency of Accounts

The Company adopts Renminbi as a standard currency of accounts.

5. Accounting Process of Business Combinations under the Same Control and not under the Same Control

1. Accounting Process of Business Combinations under the Same Control

The assets and liabilities that the Company obtains in a business combination shall be measured on the basis of their carrying amount combined party in the consolidated financial statements of the final controller on the combining date. As for the balance between the carrying amount of combined party's owners equities in the consolidated financial statements of the final controller and the carrying amount of the consideration paid by it or the total par value of the shares issued), the additional paid-in capital shall be adjusted. If the additional paid-in capital is not sufficient to be offset, the retained earnings shall be adjusted.

2. Accounting Process of Business Combinations not under the Same Control

The Company shall recognize the positive balance between the combination costs and the fair value of the identifiable net assets obtained from the acquiree on purchase date as goodwill. If the combination costs are less than the fair value of the identifiable net assets obtained from the acquire, the Company shall recheck the various identifiable assets and liabilities obtained from the acquire, fair value with liabilities, and measurement of combination costs. If the combination costs are less than the fair value of the identifiable net assets obtained from the acquire after recheck, the Company shall the record the balance into the profit and loss of the current period.

6. Methods for Preparing Consolidated Financial Statements

The Company as the parent included its all subsidiaries into the consolidation scope of consolidated financial statements. Based on the financial statements of the Company as the parent and its subsidiaries and other related materials, the consolidated financial statements were prepared by the Company as the parent according to Accounting Standards for Enterprises No. 33 –Consolidated Financial Statements.

7. Classification of Joint arrangements and Accounting Treatment of Joint Operations

1. Joint arrangement is classified into joint operation and joint ventures.
2. When the Company is a party of a joint operation, recognize the following items related to the profits in the joint operation:
 - (1) Recognize the assets held independently, and recognize the assets held jointly in the holding portion;
 - (2) Recognize the liabilities borne independently, and recognize the liabilities held jointly in the holding portion;
 - (3) Recognize the revenue generated from the output portion of joint operation shared for selling the Company;

- (4) Recognize the revenue generated from the sale of assets in joint operation in the holding portion of the Company;
- (5) Recognize the expenses incurred independently, and recognize the expenses incurred in joint operation in the holding portion of the Company.

8. Recognition Standard for Cash and Cash Equivalents

The term “cash” listed and presented in the cash flow statement refers to cash on hand and deposits that are available for payment at any time. The term “cash equivalents” refers to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

9. Foreign Currency Businesses and Translation of Foreign Currency Financial Statements

As for a foreign currency transaction in its initial recognition, the amount in the foreign currency shall be translated into the amount in the Renminbi at the spot exchange rate of the transaction date. On balance sheet date, the foreign currency monetary items shall be translated as the spot exchange rate on the balance sheet date, the balance occurred thereof shall be recorded into the profits and losses at the current period except that the balance of exchange arising from the principal and interests of foreign currency borrowings for the purchase and construction or production of assets eligible for capitalization. The foreign currency non-monetary items measured at the historical cost shall still be translated at the spot exchange rate on the transaction date, of which the amount of functional currency shall not be changed. The foreign currency non-monetary items measured at the fair value shall be translated at the spot exchange rate on the confirming date of fair value, of which the balance of exchange shall be included into the profit and loss of the current period or other comprehensive income.

10. Financial Instruments

1. Classification of Financial Assets and Financial Liabilities

Financial assets shall be classified into the following three categories when they are initially recognized: (1) financial assets measured at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

Financial liabilities shall be classified into the following four categories when they are initially recognized: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities generated from transfer of financial assets not conforming to requirements of derecognition or continuous involvement of transferred financial assets; (3) financial guarantee contracts not belonging to above (1) or (2), and loan commitments not belonging to above (1) and at lower interest rate than the market interest rate; (4) financial liabilities measured at amortized cost.

2. Recognition Basis, Calculation Method, and Termination of Recognition of Financial Assets and Liabilities

(1) Recognition basis and initial calculation method of financial assets and liabilities

When the Company becomes a party to a financial instrument, it shall recognize a financial asset or financial liability. The financial assets and financial liabilities initially recognized shall be measured at their fair values. For the financial assets and liabilities measured at their fair values and of which the variation is recorded into the profits and losses of the current period, the transaction expenses thereof shall be directly recorded into the profits and losses of the current period; for other categories of financial assets and financial liabilities, the transaction expenses thereof shall be included into the initially recognized amount. However, when the accounts receivable

initially recognized by the Company do not include significant financing or the Company does not consider the financing in contracts not over one year, it shall be initially calculated at the transaction price.

(2) Subsequent calculation method of financial assets

1) Financial assets at amortized cost

The Company shall make subsequent measurement on its financial assets at amortized cost by adopting the actual interest rate method. The gains or losses generated from the financial assets at amortized cost and not belonging to any hedging relationship shall be recorded into the current profit or loss when derecognized, reclassified, amortized with the actual interest rate method or recognizing impairments.

2) Investments in debt instruments at fair value through other comprehensive income

The Company shall make subsequent measurement at fair value. The interest calculated by adopting the actual interest rate method, impairment losses or profits and foreign exchange gains shall be recorded into the current profit or loss, and other profits or losses shall be recorded into other comprehensive income. When derecognized, the accumulative profits or losses thereof originally recorded into other comprehensive income shall be transferred out and then recorded into the current profit or loss.

3) Investments in equity instruments at fair value through other comprehensive income

The Company shall make subsequent measurement at fair value. The dividends obtained (exclude those belong to recovery of investment cost) shall be recorded into the current profit or loss, and other gains or losses recorded into other comprehensive income. When derecognized, the accumulative gains or losses thereof originally recorded into other comprehensive income shall be transferred out and then recorded into the retained earnings.

4) Financial assets at fair value through profit or loss

The Company shall make subsequent measurement at fair value. The gains or losses generated (include interest and dividend income) shall be recorded into the current profit or loss, unless the financial asset is one part of a hedging relationship.

(3) Subsequent calculation method of financial liabilities

1) Financial liabilities at fair value through profit or loss

Such financial liabilities include trading financial liabilities (include derivative instruments belonging to financial liabilities) and those designated as financial liabilities at fair value through profit or loss. For such financial liabilities, the subsequent measurement shall be conducted at fair value. The amount of changes in fair value of designated financial liabilities at fair value through profit or loss due to the Company's credit risk changes shall be recorded into other comprehensive income, unless this treatment will result in or enlarge accounting mismatch of the profit or loss. The other gains or losses generated from such financial liabilities (including interest expense, changes of fair value not caused by the Company's credit risk changes) shall be recorded into the current profit or loss, unless the they are one part of a hedging relationship. And when derecognized, the accumulative gains or losses thereof originally recorded into other comprehensive income shall be transferred out and then recorded into the retained earnings.

2) Financial liabilities generated from financial assets transfer not conforming to derecognition conditions or continuous involvement of transferred financial assets

They shall be measured in accordance with regulations of Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets

3) financial guarantee contracts not belonging to above (1) or (2), and loan commitments not belonging to above (1) and at lower interest rate than the market interest rate;

The subsequent measurement shall be conducted according to the higher of the following two amounts after initial recognition: ① amount of allowance for impairments recognized in accordance with the impairment provisions of financial instruments; ② the residual of initial recognized amount after deducted accumulative amortized

amount recognized as relevant regulations.

4) Financial liabilities at amortized cost

The Company shall measure at amortized cost by adopting actual interest rate method. The gains or losses generated from financial liabilities at amortized cost and not belonging to any hedging relationship shall be recorded into the current profit or loss when derecognized or amortized with actual interest rate method.

(4) Derecognition of financial assets and financial liabilities

1) Derecognize financial assets when meeting one of the following conditions:

① The contract rights for collecting cash flow of financial assets have terminated;
② Financial asset has been transferred and the transfer meets the provisions of Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets governing the derecognition of financial assets.

2) When the current obligation of the financial liability (or some of it) has been relieved, the financial liability (or some of it) shall be accordingly derecognized.

3. Recognition Basis and Measurement of Transfer of Financial Assets

Where the Company has transferred nearly all of the risks and rewards related to the ownership of the financial asset to the transferee, it shall stop recognizing the financial asset and separately recognize the rights and obligations generated retained from the transfer as assets or liabilities. If it retained nearly all of the risks and rewards related to the ownership of the financial asset, it shall continue to recognize the transferred financial asset. Where the Company does not transfer or retain nearly all of the risks and rewards related to the ownership of a financial asset, it shall deal with it according to the circumstances as follows, respectively: (1) If it gives up its control over the financial asset, it shall stop recognizing the financial asset and separately recognize the rights and obligations generated retained from the transfer as assets or liabilities; (2) If it does not give up its control over the financial asset, it shall, according to the extent of its continuous involvement in the transferred financial asset, recognize the related financial asset and recognize the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for stopping recognition, the difference between the amounts of the following 2 items shall be recorded in the profits and losses of the current period: (1) The carrying value of the transferred financial asset on the derecognition date; (2) The sum of consideration received from the transfer of financial assets, and derecognition amount among the accumulative amount of the changes of the fair value originally recorded in the other comprehensive income (the financial assets involve transfer are investments in debt instruments at fair value through other comprehensive income. If the transfer of partial financial asset satisfies the conditions to stop the recognition, the entire carrying value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped, be apportioned according to their respective relative fair value on the transfer date, and the difference between the amounts of the following two items shall be included into the profits and losses of the current period: (1)The carrying value of the portion whose recognition has been stopped; (2)The sum of consideration of the portion whose recognition has been stopped, and derecognition amount among the accumulative amount of the changes of the fair value originally recorded in the other comprehensive income (the financial assets involve transfer are investments in debt instruments at fair value through other comprehensive income.

4. Recognition Method of Financial Assets and Financial Liabilities' Fair Value

The Company adopts the valuation technique with sufficient useful data and supported by other information which is suitable for the current situation to recognize the fair value of related financial assets and liabilities. The Company classifies the input value used in the valuation technique into the following levels and uses them in sequence:

(1) The first level of input value is the non-adjustable offer of the same assets or liabilities in the active market on

the calculation date;

(2) The second level of input value is the directly or indirectly observable input value of related assets or liabilities except the input value on the first level, including: offer of similar assets or liabilities in the active market; offer of identical or similar assets or liabilities in the non-active market; other observable input value except offer, including the observable interest rate during the interval period of common offer, profit rate curve, etc.; the input value for market verification etc..

(3) The third level of input value is the non-observable input value of related assets or liabilities, including interest rates that cannot be observed directly or verified by the data of observable market, stock fluctuation rate, future cash flow of the disposal obligation borne in corporate mergers, financial forecast based on self-data, etc..

5. Impairment of financial instrument

(1) Impairment measurement and accounting handling of financial instrument

Based on expected credit loss, the Company conducts impairment handling and confirms loss reserve for financial assets which is measured by amortized cost, debt instrument investment which is measured by fair value and whose change is calculated into other comprehensive profits, accounts receivable of rental, loan commitment which is beyond financial debt classified as the one which is measured by fair value and whose change is calculated into current profits and losses, financial debt which does not belong to the one which is measured by fair value and whose change is calculated into current profits or losses, or financial guarantee contract of financial debt which is formed when it does not belong to financial asset transfer and doesn't conform to confirmation condition of termination or keeps on being involved in transferred financial asset.

Expected credit loss refers to weighted average of credit loss of financial instrument which takes the risk of contract breach occurrence as the weight. Credit loss refers to the difference between all contract cash flow which is converted into cash according to actual interest rate and receivable according to contract and all cash flow which to be charged as expected, i.e. current value of all cash shortage. Among it, as for financial asset purchased or original which has had credit impairment, it should be converted into cash according actual interest rate of this financial asset after credit adjustment.

As for financial asset purchased or original which has had credit impairment, the Company only confirms cumulative change of expected credit loss within the whole duration after initial confirmation on the balance sheet date as loss reserve.

As for accounts receivable which don't include major financing contents or the Company does not consider financing contents in contract which is less than one year, the Company applies simplified measurement method, and measures loss reserve according to amount of expected credit loss within the whole duration.

As for account receivable of rental and accounts receivable including major financing contents, the Company applies simplified measurement method, and measure loss reserve according to amount of expected credit loss within the whole duration.

As for financial asset beyond above mentioned measurement methods, the Company evaluates whether its credit risk has increased obviously since the initial confirmation on each balance sheet date. In case credit risk has increased obviously, the Company measures the loss reserve according to amount of expected credit loss within the whole duration; in case the credit risk does not increase obviously, the Company measures loss reserve according to the amount of expected credit loss in next 12 months.

By utilizing obtainable rational and well grounded information, including forward-looking information, comparing the risk of contract breach on balance sheet date and risk of contract breach on initial confirmation date, the Company confirms whether the credit risk of financial instrument has increased obviously from initial confirmation. On balance sheet date, in case the Company judges that the financial instrument just has relatively low credit risk, then it will be assumed that credit risk of the financial instrument has not increased obviously.

Based on single financial instrument or financial portfolio, the Company evaluates expected credit risk and measures expected credit loss. When based on financial instrument portfolio, the Company takes common risk characteristics as the basis, and divides financial instruments into different portfolios.

The Company measures expected credit loss again on each balance sheet date, the increase of loss reserve or amount which is transfer back generated by it is calculated into current profits and losses as impairment profits or losses. As for financial asset which is measured by amortized cost, loss reserve offsets the carrying value of the financial asset listed in the balance sheet; as for debt investment which is measured by fair value and whose change is calculated into other comprehensive profits, the Company confirms its loss reserve in other comprehensive profits and does not offset the carrying value of the financial asset.

(2) Financial instruments assessing expected credit risk by groups and measuring expected credit losses

Item	Recognition basis	Method of measuring expected credit losses
Other receivables-intercourse funds among related party group within the consolidation scope	Related party within the combination scope	Consulting historical experience in credit losses, combining actual situation and prediction for future economic situation, the group's expected credit loss rate shall be 0% through exposure at default and the expected credit loss rate within the entire life
Other receivables-dividends receivable group	Accounts nature	
Other receivables-interest receivable group	Accounts nature	
Other receivables-margin and cash deposits group	Accounts nature	
Other receivables-petty cash		
Other receivables-suspense payment group		
Other receivables-advance compensation group		

(3) Accounts receivable with expected credit losses measured by groups

1) Specific groups and method of measuring expected credit loss

Item	Recognition basis	Method of measuring expected credit losses
Bank's acceptance bills receivable	Bill type	Consulting historical experience in credit losses, combining actual situation and prediction for future economic situation, the group's expected credit loss rate is 0% through exposure at default and the expected credit loss rate over the entire life
Trade acceptance bills receivable	Bill type	Prepare the comparative list between aging of accounts receivable and expected credit loss rate over the entire life and account the expected credit

		losses by consulting historical experience in credit losses, combining actual situation and prediction for future economic situation
Accounts receivable-related party within the consolidation scope group	Related party within the consolidation scope	Consulting historical experience in credit losses, combining actual situation and prediction for future economic situation, the group's expected credit loss rate is 0% through exposure at default and the expected credit loss rate over the entire life
Accounts receivable-credit risk characteristics group	Aging group	Prepare the comparative list between aging of accounts receivable and expected credit loss rate over the entire life by consulting historical experience in credit losses, combining actual situation and prediction for future economic situation

2) Accounts receivable-the comparative list between aging of common customer group and expected credit loss rate over the entire life

Aging	Expected credit loss rate of accounts receivable and note receivable (%)
1 to 3 months (inclusive, the same below)	
4 to 12 months	5.00
1 to 2 years	10.00
2 to 3 years	20.00
Over 3 years	50.00

6. Offset between financial asset and financial debt

Financial asset and financial debt are listed in the balance sheet separately and don't offset each other. However, when the following conditions are met at the same time, the Company will list the net amount after mutual offset in the balance sheet: (1) The Company has the legal right to offset the confirmed amount, and the legal right is executable currently; (2) The Company plans to settle by net amount, or monetize the financial asset and liquidate the financial debt at the same time.

For those transfers of financial assets not meeting the derecognition conditions, the Company does not offset the transferred financial assets and relative liabilities.

11. Notes Receivable**12. Accounts Receivable****13. Accounts Receivable Financing****14. Other Receivables**

Recognition and accounting treatment methods regarding expected credit losses of other receivables

15. Inventory

1. Category

Inventory was referred to the finished goods or commodities for sale, products in the process, materials in production or providing services in daily activities, etc.

2. Pricing Method for Outgoing Inventories

Adopting the weighted average method for pricing at the end of the month at a time

3. Recognition basis of Net Realizable Value of Inventory

On the balance sheet date, inventory shall be measured at the lower of cost or net realizable value, and provision shall be made for falling price of inventories on the ground of the difference between the cost of each item of inventories and the net realizable value. Inventories directly for sale, under normal producing process, to the amount after deducting the estimated sale expense and relevant taxes from the estimated sell price of the inventory, the net realizable value has been recognized; inventories which need to be processed, under normal producing process, to the amount after deducting the estimated cost of completion, estimated sale expense and relevant taxes from the estimated sale price of produced finished goods, the net realizable value has been recognized; on the balance sheet date, in the same item of inventories, if some have contractual price agreement while others do not, the net realizable value shall be recognized respectively and compared with their cost, and the amount of provision withdrawal or reversal for falling price of inventories shall be recognized respectively.

4. Inventory System for Inventories:

Inventory system: Perpetual inventory system

5. Amortization Method of the Low-value Consumption Goods and Packing Articles

(1) Low-value Consumption Goods

One-off amortization method

(2) Packing Articles

One-off amortization method

16. Contractual Assets**17. Contractual Costs****18. Assets Held for Sale**

1. Classification of Non-current assets or disposal group Held for Sale

Non-current assets or disposal group are confirmed to be the components held for sale when the following conditions are simultaneously satisfied: (1) According to the convention of similar transactions selling this kind of

assets or disposal group, they can be sold instantly in such conditions. (2) Sale is extremely likely to happen, that is, the Company has made the decision of a sale plan, and got the confirmed purchase commitment. It is estimated that the sale will be finished within 1 year.

Non-current assets or disposal groups specifically obtained by the Company for resale will be classified as held-for-sale on the acquisition date when they meet the stipulated conditions of “expected to be sold within one year” on the acquisition date, and may well satisfy the category of held-for-sale within a short time (which is usually 3 months).

If any transaction between non-related parties fails to complete within one year due to one of the following reasons outside the Company’s control, and the Company still commits to sell non-current assets or disposal groups, the non-current assets or disposal groups shall be still classified as the held-for-sale category: (1) For conditions of sale delay resulting from the accidental setting by the buyer or another party, the Company has duly taken actions against those conditions and it is expected that the delay factors can be smoothly solved within one year since the conditions of sale delay resulting from the setting; (2) Non-current assets or disposal groups held for sale fail to be sold within one year due to rare circumstances, and the Company has taken necessary measures against those new situations within the first year and re-satisfied the conditions for classifying them into the held-for-sale category.

2. Measurement of held-for-sale non-current assets or disposal groups

(1) Initial measurement and subsequent measurement

For the initial measurement and the re-measurement of held-for-sale non-current assets or disposal groups on the balance sheet date, if the carrying value is higher than the net amount of the fair value deducting the selling expenses, the carrying value shall be written down to the net amount of the fair value deducting the selling expenses. The written down amount shall be recognized as asset impairment losses and recorded into current profits or losses, and at the same time, the held-for-sale asset impairment provision shall be withdrawn.

In respect of non-current assets or disposal groups classified into the held-for-sale category on the date of obtainment, when initially measuring them, compare the initially measured amount supposing that they are not classified into the held-for-sale category and the amount of the fair value deducting the selling expenses, and measure them at the lower amount. Other than the non-current assets or disposal groups obtained in corporate mergers, the difference generated from the net amount of the fair value of non-current assets or disposal groups deducting the selling expenses as the initially measured amount shall be recorded into current profits or losses.

For the amount of asset impairment losses recognized in respect of held-for-sale disposal groups, first write off the carrying value of goodwill in the disposal groups, and then write off their carrying value in proportion according to the percentage of the carrying value of each non-current asset in the disposal groups.

Depreciation or amortization shall not be withdrawn for held-for-sale non-current assets or the non-current assets in disposal groups, while the interests of liabilities and other expenses in held-for-sale disposal groups shall still be recognized.

(2) Accounting Methods for the Recovery of Assets Impairment Losses

If the net amount that the fair value of the non-current assets held for sale on the follow-up balance sheet date minus the sale costs increases, the previous written-down amount will be restored, and reversed to the asset impairment loss confirmed after the assets being classified as held-for-sale. The reversed amount will be included in the current profit or loss. Impairment losses on assets recognized prior to classification as held for sale are not reversed.

If the net amount that the fair value of the disposal groups held for sale on the follow-up balance sheet date minus the sale costs increases, the previous written-down amount will be restored, and reversed to the asset impairment loss confirmed after the assets being classified as held-for-sale. The reversed amount will be included in the

current profit or loss. The carrying value of deducted goodwill and the non-current assets applicable to the measurement of held-for-sale categories will not be reversed if the asset impairment loss is recognized before it is classified as held for sale.

For the subsequent reversal amount of the asset impairment loss recognized by the disposal group held for sale, its carrying value shall be increased proportionately to the proportion of the carrying value of various non-current assets measured by the disposal group in addition to goodwill.

(3) Accounting Methods for Ceasing to be classified as held-for-sale and Termination of Recognition

When a non-current asset or disposal group ceases to be classified as held-for-sale or a non-current asset is removed out from the held-for-sale disposal group due to failure in meeting the classification conditions for the category of held-for-sale, it will be measured by one of the followings whichever is lower: ① The carrying value before being classified as held for sale will be adjusted according to the depreciation, amortization or impairment that would have been recognized under the assumption that it was not classified as held for sale; ② The recoverable amount.

When terminating the recognition of non-current assets or disposal group held for sale, the unconfirmed gains or losses shall be recorded into the current profits and losses.

19. Investments in Debt Obligations

20. Investments in other Debt Obligations

21. Long-term Accounts Receivable

22. Long-term Equity Investments

1. Judgment of Joint Control and Significant Influences

The term "joint control" refers to the joint control over an arrangement in accordance with the related agreements, which does not exist unless the participants sharing the control power agree with each other about the related arranged activity. The term "significant influences" refers to the power to participate in making decisions on the financial and operating policies of an enterprise, but not to control or do joint control together with other parties over the formulation of these policies.

2. Recognition of Investment Cost

(1) If the business combination is under the common control and the acquirer obtains long-term equity investment in the consideration of cash, non-monetary asset exchange, bearing acquiree's liabilities, or the issuance of equity securities, the initial cost is the carrying amount of the proportion of the acquiree's owner's equity at the acquisition date. The difference between the initial cost of the long-term equity investment and the carrying amount of the paid combination or the total amount of the issued shares should be adjusted to capital surplus. If the capital surplus is not sufficient for adjustment, retained earnings are adjusted respectively.

When a long-term equity investment is formed from the business combination under common control through the Company's multiple transactions step by step, the treatment shall be carried out based on whether the transactions constitute the "package deal". If they do, the accounting treatment shall be carried out on the basis of assuming all transactions as one transaction with the acquisition of control. If they do not, the initial investment cost shall be the portion of the carrying value of acquiree's net assets entitled in the consolidated financial statements of the final controller after the consolidation. The difference between the initial investment cost of the long-term equity

investment on the combination date and the carrying value of the investment before the combination plus the carrying value of the newly-paid consideration for the acquisition of the shares on the consolidation date shall be adjusted to capital reserve; if the capital reserve is insufficient for the adjustment, retained earnings should be adjusted accordingly.

(2) For those formed from the business combination under different control, the initial investment cost is the fair value of the combination consideration paid on the acquisition date.

When a long-term equity investment is formed from the business combination under different control through the Company's multiple transactions step by step, the accounting treatment shall be carried out based on whether the financial statements are individual or consolidated:

1) In individual financial statements, the initial investment cost accounted in cost method is the sum of the carrying value of the equity investment originally held and the cost of new investment.

2) In consolidate financial statements, judge whether the transactions constitute the "package deal". If they do, the accounting treatment shall be carried out on the basis of assuming all transactions as one transaction with the acquisition of control. If they do not, for the acquiree's equity held before the acquisition date, re-measurement shall be carried out according to the fair value of the equity on the acquisition date and the difference between the fair value and the carrying value shall be recorded into current investment income; if the acquiree's equity held before the acquisition date involves other comprehensive income accounted in equity method, other comprehensive income related to it shall be transferred into the income for the period in which the acquisition date falls, with the exception of the other comprehensive incomes occurred because of the changes of net liabilities or net assets of the defined benefit pension plans be re-measured for setting by the investees.

3) For those formed other than from business combination: If they are acquired in cash payment, the initial investment cost is the purchase price actually paid; if they are acquired in the issue of equity securities, the initial investment cost is the fair value of the issued equity securities; if they are acquired in debt restructuring, the initial investment cost shall be recognized according to the Accounting Standards for Enterprises No. 12 - Debt Restructuring; if they are acquired in the exchange of non-monetary assets, the initial investment shall be recognized according to the Accounting Standards for Enterprises No. 7 - Exchange of Non-Monetary Assets.

3. Method of subsequent measurement and recognition of profits and losses

Long-term equity investment with control over investees shall be accounted in cost method; long-term equity investment on associated enterprises and joint ventures shall be accounted in equity method.

4. Method of treating the disposal of the investment in a subsidiary stem by step through multiple transactions until the loss of the controlling right

(1) Individual financial statements

For the disposed equity, the difference between its fair value and the actually obtained price shall be recorded into current profits or losses. For the residual equity, the part that still has significant effects on investees or with common control jointly with other parties shall be accounted in equity method; the part that has no more control, common control or significant effects on investees shall be accounted in accordance with the relevant regulation of the Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments.

(2) Consolidated financial statements

1) For the disposal of the investment in subsidiaries step by step until the loss of the controlling right through multiple transactions, which do not constitute the “package deal”

Before the loss of the controlling right, for the balance between the disposal remuneration and the shares of net assets in the subsidiaries that have been calculated since the acquisition date or combination date corresponding to the disposal of long-term equity investment, capital reserve (capital premium) shall be adjusted, and if the capital premium is not sufficient for the write-down, the retained earnings shall be written down.

At the loss of the controlling right over the original subsidiaries, the residual equity shall be re-measured at its fair value on the date of losing the controlling right. The difference between the consideration obtained in the equity disposal, plus the fair value of the remaining equities, less the Company’s share of net assets enjoyed of the former subsidiary that has been calculated since the acquisition date or combination date according to the former shareholding ratio, shall be recorded into the investment gains for the period when the control ceases; meanwhile, goodwill shall be written down. Other comprehensive income related to former subsidiary's equity investment shall be transferred into current investment income when the control ceases.

2) For the disposal of the investment in subsidiaries step by step until the loss of the controlling right through multiple transactions, which constitute the “package deal”

The accounting treatment shall be carried out on the basis of considering each transaction as a transaction of disposing the subsidiary and losing control. However, before losing control, the difference between each disposal price before losing the control, and the corresponding net assets share enjoyed of subsidiary when disposing long-term equity investment, shall be recognized as other comprehensive income in the consolidated financial statements and when the control ceases, transferred into current profits or losses of the period of losing control.

23. Investment Property

Measurement mode of investment real estates

Measurement of cost method

Depreciation or amortization method

1. The term "investment real estate" includes the right to use any land which has already been rented, the right to use any land which is held and prepared for transfer after appreciation, and the right to use any building which has already been rented.

2. The Company initially measures the investment property according to the costs, and adopts the cost method in the subsequent measurement of investment property, and adopts the same methods with fixed assets and intangible assets to withdraw depreciation or amortization.

24. Fixed Assets

(1) Recognized Standard of Fixed Assets

The term "fixed assets" refers to the tangible assets that simultaneously possess the features as follows: they are held for the sake of producing commodities, rendering labor service, renting or business management; and their useful life is in excess of one fiscal year. No fixed asset may be recognized unless it simultaneously meets the conditions as follows: (1) The economic benefits are likely to flow into the enterprise; (2) The cost of the fixed asset can be measured reliably.

(2) Depreciation Method

Category	Depreciation method	Useful life	Expected net salvage value	Annual depreciation
Houses and buildings	Straight-line depreciation	30-40	5%	2.375%-3.17%
Machinery equipment	Straight-line depreciation	25 October	5%	3.8%-9.5%
Transportation	Straight-line depreciation	5	5%	19%
Electronic equipment and other	Straight-line depreciation	10 May	5%	9.5%-19%

(3) Recognition Basis and Pricing Method of Fixed Assets by Finance Lease

Where one of the following provisions is regulated in the rental agreement, it shall be recognized as an asset acquired under finance leases: (1) the ownership of the leased asset is transferred to the lessee after the term of lease expires; (2) the lessee has the option to buy the asset at a price which is far lower than the fair value of the asset at the date when the option becomes exercisable; (3) the lease term covers the major part of the use life of the leased asset [usually accounting for 75%(75% inclusive) of the use life of the leased asset]; (4) in the case of the lessee, the present value of the minimum lease payments on the lease beginning date amounts to substantially all of the fair value of the leased asset [above 90% (90% inclusive)]; in the case of the lessor, the present value of the minimum lease payments on the lease beginning date amounts to substantially all of the fair value of the leased asset [above 90% (90% inclusive)] (5) When nature of the leased asset is special, if there is no great transform, only the Company can use it, As for the fixed assets by finance lease, the Company shall record the lower one of the fair value of the leased asset and the present value of the minimum lease payments as the entering value in an account, and make provision for depreciation according to the depreciation policy of self-owned fixed assets.

25. Construction in Progress

1. No construction in progress may be recognized unless it simultaneously meets the conditions as follows: (1) The economic benefits are likely to flow into the enterprise; (2) The cost of the fixed asset can be measured reliably. Construction in progress shall be measured according to the occurred actual costs before the assets available for the intended use.

2. When the construction in progress is available for the intended use, it shall be transferred to fixed assets according to the actual cost of the project. For construction in progress available for the intended use but not dealing with final accounts of completed project, it shall be transferred to fixed assets according to the estimated value first, and then adjust original temporarily estimated value based on the actual costs after the final accounts of completed project, but not adjust the depreciation that was already calculated.

26. Borrowing Costs**1. Recognition Principle of Capitalization of Borrowing Costs**

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it shall be capitalized and recorded into the costs of relevant assets. Other borrowing costs shall be recognized as expenses when it occurred, and shall be recorded into the current profits and losses.

2. Capitalization Period of Borrowings Costs

(1) The borrowing costs shall not be capitalized unless they simultaneously meet the following requirements: 1) The asset disbursements have already incurred; 2) The borrowing costs have already incurred; 3) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

(2) Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended. The borrowing costs incurred during such period shall be recognized as expenses, and shall be recorded into the profits and losses of the current period, till the acquisition and construction or production of the asset restarts.

(3) When the acquisition and construction or production of a qualified asset eligible for capitalization are available for its intended use or sale, the capitalization of borrowing costs shall be stopped.

3. Capitalized rate and amount of borrowing costs

To the extent that funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset is determined as the actual interest costs (including amortization of discount and premium confirmed according to effective interest method) incurred on that borrowing during the period less any investment income on the temporary investment of the borrowing. To the extent that funds are borrowed generally and used for the purpose of acquiring or constructing a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the weighted average of excess of accumulated expenditures on qualifying asset over that on specific purpose borrowing.

27. Biological Assets

28. Oil and Gas Assets

29. Right-of-Use Assets

30. Intangible Assets

(1) Pricing Method, Useful Life and Impairment Test

1. Intangible assets include right to use land sites, non-patented right, software and others, and conduct the initial measurement according to the costs.

2. With regard to intangible assets with limited service life, it shall be amortized systematically and reasonably within their service life according to the expected implementation of economic interests related to the intangible assets. If it can't recognize the expected implementation reliably, it shall be amortized by straight-line method. The specific useful lives are as follows:

Items	Useful life for amortization (years)
Right to use land sites	50
Non-patented technology	10
Software and others	2-10

The intangible assets with uncertain service life shall not be amortized, and the Company rechecks the service life of the intangible assets in every accounting period.

(2) Accounting Policies of Internal R&D Expenses

The expenses in research stage for its internal research and development projects shall be recorded into the current profits and losses when it occurred. The expenses in development stage for its internal research and development projects of the Company may be capitalized when they satisfy the following conditions simultaneously: (1) It is feasible technically to finish intangible assets for use or sale; (2) It is intended to finish and use or sell the intangible assets; (3) The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally; (4) It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and (5) The development expenditures of the intangible assets can be reliably measured.

Standard for Classifying the Expenses of Research Phase and Development Phase of the Company's R&D Projects

The term "research" refers to the creative and planned investigation to acquire and understand new scientific or technological knowledge.

The term "development" refers to the application of research achievements and other knowledge to a certain plan or design, prior to the commercial production or use, so as to produce any new material, device or product, or substantially improved material, device and product.

The expenditures of R&D stage in internal R&D project, was recorded into current profits or losses.

31. Impairment of Long-term Assets

For long-term assets, such as long-term equity investment, investment property measured by cost model, fixed assets, construction in progress, and intangible assets with limited service life, the Company shall estimate the recoverable amount if there are signs of impairment on balance sheet date. For intangible assets with uncertain goodwill or service life formed by enterprise combination, whether or not there is sign of impairment, impairment test shall be conducted every year. Goodwill combination and its related assets group or combination of assets group shall be conducted the impairment test.

If the recoverable amount of the above-mentioned long-term assets is lower than its carrying value, it shall make the preparation for assets impairment based on its balance and be recorded into current profits and losses.

32. Long-term Prepaid Expenses

Long-term deferred expenses refer to general expenses with the amortized period over one year (one year excluded) that have occurred. Long-term prepaid expense shall be recorded into the account according to the actual accrual. Long-term prepaid expense shall be amortized averagely within benefit period or specified period. In case of no benefit in the future accounting period, the amortized value of such project that fails to be amortized shall be transferred into the profits and losses of the current period.

33. Contractual Liabilities

34. Payroll

(1) Accounting Treatment of Short-term Compensation

During the accounting period when the employees providing the service for the Company, the actual short-term compensation shall be recognized as liabilities, and be recorded into the current profits and losses or related assets costs.

(2) Accounting Treatment of the Welfare after Demission

The Company's welfare after demission plans is divided into defined contribution plans and defined benefit plans (1) During the accounting period when the employee providing service for the Company, the amount paid in line with the setting drawing plan will be recognized as liabilities and recorded into current profits or losses or cost of relevant assets.

(2) The accounting treatment of defined benefit plans usually consists of the following steps:

1) According to the expected cumulative welfare unit method, adopt unbiased and mutually consistent actuarial assumptions to evaluate related demographic variables and financial variables, measure the obligations generated from defined benefit plans and recognize the period in respect of related obligations. Meanwhile, discount the obligations generated from defined benefit plans to recognize their present value and the current service costs;

2) If there are any assets in a defined benefit plan, the deficit or surplus formed from the present value of the defined benefit plan obligations less the fair value of the defined benefit plan assets shall be recognized as net liabilities or net assets of a defined benefit plan. If there is any surplus in a defined benefit plan, the net assets of the plan shall be measured at the lower of the surplus or the upper asset limit;

3) At the end of the period, the staff remuneration costs generated from a defined benefit plan shall be recognized as services costs, net interests of the net liabilities or net assets of the plan and changes from the re-measurement of the net liabilities or net assets of the plan. Service costs and net interests of the net liabilities or net assets of the plan shall be recorded into the current profits or losses or related asset costs, while changes from the re-measurement of the net liabilities or net assets of the plan shall be recorded into other comprehensive income and shall not be transferred back to profits or losses in subsequent accounting periods. But the amounts recognized in other comprehensive income may be transferred within the equity scope.

(3) Accounting Treatment of Demission Welfare

When the Company is unable to unilaterally withdraw the plan on the cancellation of labor relationship or the layoff proposal, or when recognizing the costs or expenses (the earlier one between the two) related to the reorganization of paying the demission welfare, should recognize the payroll liabilities from the demission welfare and include in the current gains and losses.

(4) Accounting Treatment of other Welfare of the Long-term Employees

The Company provides the other long-term employee benefits for the employees, and for those met with the defined contribution plans, accounting treatment should be conducted according to the related regulations of the defined contribution plans; the for the others long-term employee benefits except for the former, accounting treatment

should be conducted according to the related regulations of the defined benefit plans. In order to simplify the related accounting treatment, the payrolls shall be recognized as service costs, the net amount of interest of net liabilities and net assets of other welfare of the long-term employees. The total net amounts made up from the changes of measuring the net liabilities and net assets of other welfare of the long-term employees again shall be recorded into the current profits and losses or related assets costs.

35. Lease Liabilities

36. Provisions

1. The obligation such as external guaranty, litigation or arbitration, product quality assurance, loss contract, pertinent to a contingencies shall be recognized as the provisions when the following conditions are satisfied simultaneously: ① That obligation is a current obligation of the enterprise; ② It is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation; and ③ The amount of the obligation can be measured in a reliable way.

2. The Company shall conduct the initial measurement to provisions according to the best estimate number needed for performing the related current obligation and recheck the carrying value of accrued liabilities on balance sheet date.

37. Share-based Payment

38. Other Financial Instruments such as Preferred Shares and Perpetual Bonds

39. Revenue

Accounting policy adopted for recognition and measurement of revenue

1. Revenue Recognition Principle

(1) Sale of goods

No revenue from selling goods may be recognized unless the following conditions are met simultaneously: 1) The significant risks and rewards of ownership of the goods have been transferred to the buyer by the Company; 2) The Company retains neither continuous management right that usually keeps relation with the ownership nor effective control over the sold goods; 3) The revenue amount could be reliably measured; 4) The relevant economic benefits may flow into the Company; and 5) the relevant cost which had occurred or will occur could be reliably measured.

(2) Providing labor services

If the provision of labor services can be reliably estimated (all the following conditions are met: ① The amount of income can be measured reliably; ② The relevant economic benefits are likely to inflow to the Company; ③ The progress of the transaction can be reliably determined; ④ The cost incurred and to be incurred in the transaction can be measured reliably), it shall recognize the revenue from providing services employing the percentage-of-completion method, and confirm the completion of labor service according to the costs incurred as a percentage of the total estimated costs. If the Company can't, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labor services it provides, it shall be handled under the following conditions: If the cost of labor services incurred is expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount; If the cost of labor services incurred is not

expected to compensate, the cost incurred should be included in the current profits and losses, and no revenue from the providing of labor services may be recognized.

(3) Transferring the Right to Use Assets

The revenue of transferring the right to use assets may not be recognized unless the following conditions are both met: the relevant economic benefits are likely to inflow to the Company; and the revenue can be reliably measured. The interest income shall be recognized according to the time and actual interest rate in which other people use the Company's monetary funds. Royalty revenue shall be recognized according to the chargeable time and method stipulated in related contracts and agreements.

2. Confirmation methods of sales revenues

(1) Confirmation methods of domestic sales revenue

Shall satisfy following conditions: products should be delivered according to customer's requirements and signed by customers; amount of sales revenues is determined, received or respected to receive; sales slip should be invoiced; costs of sold products should be calculated;

(2) Confirmation methods of export sales revenue

Shall satisfy following conditions: products should be produced according to export sales agreement signed with customers, received export declaration and obtained bill of lading (waybill); amount of sales revenues is determined, received or respected to receive; sales slip should be invoiced; costs of sold products should be calculated.

If the collection of the price as stipulated in the contract or agreement is delayed and if it has the financing nature, the revenue incurred by selling goods shall be ascertained in accordance with the fair value of the receivable price as stipulated in the contract or agreement.

Differences in accounting policies for the recognition of revenue caused by different business models for the same type of business

40. Government Subsidies

1. If the government subsidies meet with the following conditions at the same, it should be recognized: (1) The entity will comply with the condition attaching to them; (2) The grants will be received from government. If a government subsidy is a monetary asset, it shall be measured according to the amount received or receivable. If a government subsidy is a non-monetary asset, it shall be measured at its fair value, and shall be measured at a nominal amount when the fair value cannot be obtained reliably.

2. Judgment basis and accounting methods of government subsidies related to assets

The government subsidies that are acquired for construction or form long-term assets in other ways according to government documents shall be defined as asset-related government subsidies. For those not specified in government documents, the judgment shall be made based on the compulsory fundamental conditions for acquiring the subsidies. If the subsidies are acquired with construction or the formation of long-term assets in other ways as fundamental conditions, they shall be recognized as asset-related government subsidies. For asset-related government subsidies, the carrying value of related assets shall be written down or recognized as deferred income. If asset-related government subsidies are recognized as deferred income, it shall be recorded into profits or losses by period in a reasonable and systemic manner within the life of related assets. Government subsidies measured at the nominal amount shall be directly recorded into current profits or losses. If related assets are sold, transferred, disposed of or destroyed before the end of their life, the undistributed balance of related deferred income shall be transferred into the profits or losses for the period of the asset disposal.

3. Judgment basis and accounting treatment of profits-related government subsidies

Government subsidies other than asset-related government subsidies shall be defined as profits-related

government subsidies. For government subsidies consisting of both asset-related parts and profits-related parts, which is difficult to judge whether they are related to assets or profits, the entirety shall be classified as profits-related government subsidies. Profits-related government subsidies that are used to compensate the related future expenses or losses shall be recognized as deferred income and shall be included into the current profit/losses or write down related costs during the period when the relevant expenses or losses are recognized; those subsidies used to compensate the related expenses or losses incurred shall be directly included into the current profits/losses or write down related costs.

4. Government subsidies related to the Company's routine operating activities shall be included into other income or write down related costs according to the economic business nature. Government subsidies not related to the Company's routine activities shall be included into non-operating income and expenditure.

41. Deferred Income Tax Assets/Deferred Income Tax Liabilities

1. In accordance with the balance (the item not recognized as assets and liabilities can confirm their tax bases according to the tax law, the balance between the tax bases and its carrying amount) between the carrying amount of assets or liabilities and their tax bases, deferred tax assets and deferred tax liabilities should be recognized at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

2. A deferred tax asset shall be recognized within the limit of taxable income that is likely to be obtained to offset the deductible temporary differences. At the balance sheet date, where there is strong evidence showing that sufficient taxable profit will be available against which the deductible temporary difference can be utilized, the deferred tax asset unrecognized in prior period shall be recognized.

3. The Company assesses the carrying amount of deferred tax asset at the balance sheet date. If it's probable that sufficient taxable profit will not be available against which the deductible temporary difference can be utilized, the Company shall write down the carrying amount of deferred tax asset, or reverse the amount written down later when it's probable that sufficient taxable profit will be available.

4. The current income tax and deferred income tax of the Company are recorded into the current gains and losses as income tax expenses or revenue, except in the following circumstances:

- (1) Business combination
- (2) The transaction or event directly included in owner's equity

42. Lease

(1) Accounting Treatment of Operating Lease

As a Lessee, the Company shall record the rent into relevant assets cost or recognize it as the current profit or loss on a straight-line basis over the lease term. The initial direct costs incurred shall be recognized as the current profit or loss; Contingent rents shall be charged into the current profit or loss when they are incurred.

As a lessor, the Company shall recognize the rent as the current profit or loss on a straight-line basis over the lease term. Initial direct costs incurred by the lessor shall be directly recognized as the current profit or loss except that costs with larger amounts shall be capitalized and recorded into the current profit and loss by stages; Contingent rents shall be charged into the current profit or loss when they are incurred.

(2) Accounting Treatments of Financial Lease

For the lessee, a fixed asset acquired under finance lease shall be valued at the lower of the fair value of the leased

asset and the present value of the minimum lease payments at the inception of lease. The minimum lease payments as the entering value in long-term account payable, the difference as unrecognized financing charges; the initial direct costs shall be directly recorded into leasing asset value. At each period during the lease term, the effective interest rate method shall be adopted to calculate and confirm the current financing charge.

On the initial date of financial lease, lessee of the financial lease shall record the sum of the minimum lease payments and initial direct costs as the financing lease accounts receivable, and also record the non-guaranteed residual value; recognize the difference between the total minimum lease payments, initial direct costs, non-guaranteed residual value and sum of the present value as the unrealized financing income; At each period during the lease term, the effective interest rate method shall be adopted to calculate and confirm the current financing income.

43. Other Important Accounting Policies and Accounting Estimations

1. Confirmation standard and accounting handling method for operation termination

Components which meet one of the following conditions, have been disposed or divided as held for sale category and can be distinguished separately are confirmed as operation termination.

- (1) The component represents one important independent main business or one single main operation area.
- (2) The component is one part of a related plan which plans to dispose one independent main business or one single main operation area.
- (3) The component is a subsidiary which is obtained for resale specially.

Refer to description of operation termination of other important affairs in notes of the financial statement for detailed situation of the Company operation termination.

2. Basis and accounting handling method of adopting hedging accounting

- (1) Hedging includes fair value hedging, cash flow hedging, and overseas operation net investment hedging.
- (2) Adopt hedging accounting method to dispose for hedging meeting the following conditions: 1) hedging relationship is just composed by hedging instruments and hedged instruments; 2) when the hedging starts, the Company designates the hedging instruments and hedged projects, and prepares written documents about hedging relationship, risk management strategy for hedging of the Company, and risk management objective; 3) the hedging relationship meets the validity requirements of hedging.

When the hedging meets all the following conditions, the Company will confirm that hedging relationship meets the validity requirements of hedging: 1) There is economic relationship between the hedged project and hedging instrument; 2) In value change generated by the hedged project and hedging instrument, credit risk does not take a dominant position; 3) Hedging rate of the hedging relationship equals to the ratio between quantity of hedged projects of actual hedging of the Company and actual quantity of hedging instrument of hedging for it, but not reflects the imbalance between the hedged projects and relative weight of hedging instrument.

The Company will constantly evaluate whether the hedging relationship meets validity requirements of hedging from hedging start date on. In case hedging relationship does not meet the validity requirements of hedging because of hedging ratio, but the risk management objective of the designated hedging relationship does not change, the Company will re-balance the hedging relationship.

(3) Accounting handling of hedging

1) Fair value hedging

- ① Profit or loss generated by hedging instrument will be calculated into current profits and losses. In case hedging instrument conducts hedging for non transaction equity instrument (or its components) which selects to measure by fair value and whose change is calculated into other comprehensive profits, profits or losses generated by hedging

instrument is calculated into other comprehensive profits.

② Profits or losses of hedged projects generated by risk exposure is calculated into current profits and losses, meanwhile confirmed carrying value of hedged projects which is not measured by fair value will be adjusted. In case the hedged project is financial asset which is measured by fair value and its change is calculated into other comprehensive profits according to Article XVIII of NO.22 of Enterprise Accounting Codes--Confirmation of Financial instrument and Measurement, because the profits or losses generated by hedged risk exposure is calculated into current profits and losses, its carrying value has been measured according to fair value, it will not be adjusted again. In case the Company selects non-transaction equity instrument investment (or its components) which measures by fair value and whose change is calculated into other comprehensive profits, because the profits or losses generated by hedged risk exposure is calculated into current profits and losses and its carrying value has been measured according to fair value, it will not be adjusted any more.

In case the hedged project is firm commitment (or its components) which has not been confirmed, its cumulative change of fair value generated by hedging risk after the hedging relationship is designated is confirmed as one asset or one debt, and relevant profits or losses are calculated into profits or losses of corresponding period. When asset is obtained or debt is undertaken in firm commitment fulfillment, initial confirmation amount of the asset or debt needs to be adjusted to include cumulative change value of fair value of the hedged project.

In case the hedged project is financial instrument (or its components) measured by amortized cost, adjustment to carrying value of the hedged project made by the Company will be amortized according to actual interest rate which is re-calculated on amortization start date and will be calculated into current profits and losses. In case the hedged project is financial asset (or its components) which is measured by fair value and its change is calculated into other comprehensive profits according to Article XVIII of NO.22 of Enterprise Accounting Codes--Confirmation of Financial Instrument and Measurement, cumulative confirmed profits or losses will be amortized in the same way and be calculated into current profits and losses, but carrying value of financial asset (or its components) will not be adjusted.

2) Cash flow hedging

① Valid hedging part in profits or losses of hedging instrument is calculated into other comprehensive profits as cash flow hedging reserve, and the invalid part is calculated into current profits and losses. The amount of cash flow hedging reserve is confirmed according to the lower one of absolute amount of the following two items: A. Cumulative profits or losses of the hedging instrument since the hedging start; B. Cumulative change amount of current value of estimated future cash flow of the hedged project since the hedging start.

② In case the hedged project is forecast transaction, and the forecast transaction enables the Company to confirm one non-financial asset or non-financial debt later, or forecast transaction of non-financial asset or non-financial debt forms a firm commitment which is applicable for hedging accounting of fair value, the transfer-out of reserve amount of cash flow hedging confirmed in other comprehensive profits is calculated into initial confirmation amount of the asset or debt.

③ As for other cash flow hedging and reserve amount of cash flow hedging which was originally calculated into other comprehensive profits and losses, transfer out during the same period of influence of transaction on profits and losses is calculated into current profits and losses.

3) Overseas operation net investment hedging

Valid hedging part in profits or losses of hedging instrument is confirmed as other comprehensive profits , and its transfer out is calculated into current profits and losses in disposing overseas operation; invalid hedging part in profits or losses of hedging instrument is calculated into current profits and losses.

3. Accounting handling method relating to stocks repurchasing of the Company

In case of stock purchasing of the Company because of registration capital reduction or employee reward, it will be

handled as treasury stock according to actual paid amount and it will be registered for future reference at the same time. In case the repurchased stocks are canceled, the difference between total face value of carrying value of canceled stocks and stock face value calculated by canceled stock quantity and the actual paid amount for repurchasing will offset capital reserve; in case the capital reserve is insufficient to offset, it will offset the retained earnings. In case the repurchased stocks awarded to the Company employees, they are stock payment settled by equity; while the employee exercises the right to purchase the Company stocks and the payment is received, charge off the cumulative amount of the cost of treasury stocks delivered to the employee and capital reserve (other capital reserve) in waiting period, and capital reserve (share premium) is adjusted by referring to the difference.

44. Changes in Main Accounting Policies and Estimates

(1) Change of Accounting Policies

Applicable Not applicable

(2) Changes in Accounting Estimates

Applicable Not applicable

(3) Adjustments to the Financial Statements at the Beginning of the First Execution Year of any New Standards Governing Revenue or Leases since 2020

Applicable

Whether items of balance sheets at the beginning of the year need to be adjusted

Yes No

Reason why items of balance sheets at the beginning of the year do not need to be adjusted

No changes

(4) Retroactive Adjustments to Comparative Data of Prior Years when First Execution of any New Standards Governing Revenue or Leases since 2020

Applicable Not applicable

45. Other

VI. Taxation

1. Main Taxes and Tax Rate

Category of taxes	Tax basis	Tax rate
VAT	Sale of goods or rendering taxable services	5%、6%、9%、10%、13%、16%
Urban maintenance and construction tax	Turnover tax actually paid	7%、5%
Enterprise income tax	Taxable income	25%、15%

Property tax	For taxation according to price, it shall pay 1.2% of the residual value of original property value subtracting 30%; for taxation according to rent, it shall pay 12% of rental income	1.2%、12%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%

Notes of the disclosure situation of the taxpaying bodies with different enterprises income tax rate

Name	Income tax rate
The Company	25%
Hongta Renheng	15%
Zhuhai Huafeng	15%
Golden Pheasant Chemical	15%
Huaxin Color Printing	15%

2. Tax Preference

(1) According to the Notice on Issuing the First Name List of Proposed Hi-tech Enterprise in Guangdong Province for Y2018 published issued by Science & Technology Department of Guangdong Province, Hongta Renheng, the Company's subsidiary, passed the reaffirmation of First Batch of Hi-tech Enterprise in Guangdong Province for Y2018, and gained Certificate for Hi-tech Enterprise (Certificate No.: GR201844005432, with three years of validity). Hongta Renheng shall pay the corporate income tax according to the corporate income tax rate of 15% in 2020.

(2) According to the First Name List of Proposed Hi-tech Enterprise in Guangdong Province for Y2019 published by the National Leading Group Office for the Management of High-tech Enterprises Recognition, Zhuhai Huafeng Paper, the Company's subsidiary, passed the affirmation of First Batch of Proposed Hi-tech Enterprise in Guangdong Province for Y2019, and gained Certificate for Hi-tech Enterprise (Certificate No.: GR201944002868, with three years of validity). Zhuhai Huafeng Paper shall pay the corporate income tax according to the corporate income tax rate of 15% in 2020.

(3) According to the Notice on Issuing the First Name List of Proposed Hi-tech Enterprise in Guangdong Province for Y2019 published by the National Leading Group Office for the Management of High-tech Enterprises Recognition, Golden Pheasant Chemical, the Company's subsidiary, passed the reaffirmation of Hi-tech Enterprise, and gained Certificate for Hi-tech Enterprise (Certificate No.: GR201944000753, with three years of validity). Golden Pheasant Chemical shall pay the corporate income tax according to the corporate income tax rate of 15% in 2020.

(4) According to the Notice on Issuing the Second Name List of Proposed Hi-tech Enterprise in Guangdong Province for Y2018 jointly issued by Science & Technology Department of Guangdong Province, Department of Finance of Guangdong Province, Guangdong Provincial Office, SAT, Guangdong Local Taxation Bureau, the subsidiary of the Company Huaxin (Foshan) Color Printing, passed the reaffirmation of high-tech enterprise of 2018 and the gained the Certification of Hi-tech Enterprise (Certificate No.: GR201844009816, with three years of validity). Thus Huaxin (Foshan) Color Printing shall pay the corporate income tax according to the corporate income tax rate of 15% in 2020.

3. Other

VII. Notes to Major Items in the Consolidated Financial Statements of the Company

1. Monetary Assets

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	157,267.74	215,289.12
Bank deposits	673,513,923.34	211,843,857.53
Other monetary assets	12,156,986.49	1,683,864.16
Total	685,828,177.57	213,743,010.81

Other notes:

The Company pledged the fixed time deposit of RMB550 million in bank deposits to open the bank acceptance bill, and other monetary assets at the period-end were cash deposits for bank acceptance bill of RMB12,156,986.49. For the money with restriction on usage, the Company has already gotten rid of it from the cash and cash equivalents at the period-end when prepared the cash flow statement.

2. Trading Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
Of which:		
Of which:		

Other notes:

3. Derivative Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Other notes:

4. Notes Receivable

(1) Notes Receivable Listed by Category

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Commercial acceptance bill		1,101,664.07
Total		1,101,664.07

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Of which:										
Notes receivable with bad debt provision withdrawn by groups:						1,101,664.07	100.00%			1,101,664.07
Of which:										
Commercial acceptance bill						1,101,664.07	100.00%			1,101,664.07
Total						1,101,664.07	100.00%			1,101,664.07

Bad debt provision separately accrued: 0

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason

Bad debt provision separately accrued: 0

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason

Bad debt provision separately accrued: 0

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason

Bad debt provision separately accrued: 0

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason

Bad debt provision separately accrued: 0

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason

Bad debt provision separately accrued: 0

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason

Bad debt provision separately accrued: 0

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason

Bad debt provision separately accrued: 0

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Withdrawal reason

Bad debt provision withdrawn according to groups: 0

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Commercial acceptance bill	1,101,664.07		
Total	1,101,664.07		--

Notes of the basis of recognizing the group:

Bad debt provision withdrawn according to groups:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion

Notes of the basis of recognizing the group:

If the bad debt provision for notes receivable was withdrawn in accordance with the general model of expected credit losses, information related to bad debt provision shall be disclosed by reference to the disclosure method of other receivables:

Applicable Not applicable

(2) Bad Debt Provision Withdrawn, Reversed or Collected during the Reporting Period

Bad debt provision withdrawn in the Reporting Period:

Unit: RMB

Category	Beginning balance	Increase/decrease				Ending balance
		Withdrawn	Reversed or collected	Verified	Other	

Of which, bad debt provision collected or reversed with significant amount:

Applicable Not applicable

(3) Notes Receivable Pledged by the Company at the Period-end

Unit: RMB

Item	Amount pledged
------	----------------

(4) Notes Receivable which Had Endorsed by the Company or had Discounted and had not Due on the Balance Sheet Date at the Period-end

Unit: RMB

Item	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
------	---	--

(5) Notes Transferred to Accounts Receivable because Drawer of the Notes Failed to Execute the Contract or Agreement

Unit: RMB

Item	Amount of the notes transferred to accounts receivable at the period-end
------	--

Other notes

(6) Notes Receivable with Actual Verification for the Reporting Period

Unit: RMB

Item	Amount verified
------	-----------------

Of which, verification of significant notes receivable:

Unit: RMB

Name of the entity	Nature	Amount verified	Reason for verification	Procedure	Whether occurred because of related-party transactions
--------------------	--------	-----------------	-------------------------	-----------	--

Notes of the verification of notes receivable:

5. Accounts Receivable

(1) Accounts Receivable Classified by Category

Unit: RMB

Category	Ending balance	Beginning balance
----------	----------------	-------------------

	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Accounts receivable for which bad debt provision accrued separately	41,085,850.41	6.32%	41,085,850.41	100.00%		40,889,593.47	4.51%	40,889,593.47	1.00%	
Of which:										
Accounts receivable withdrawn bad debt provision by group	609,473,048.46	93.68%	4,477,082.23	0.73%	604,995,966.23	865,968,470.25	95.49%	4,471,698.67	0.01%	861,496,771.58
Of which:										
Total	650,558,898.87	100.00%	45,562,932.64	7.00%	604,995,966.23	906,858,063.72	100.00%	45,361,292.14	5.00%	861,496,771.58

Accounts receivable for which bad debt provision accrued separately: RMB41,085,850.41

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdrawal
Guangdong Yuejing Group Co., Ltd.	9,919,562.58	9,919,562.58	100.00%	Expected unrecoverable
HONG KONG C&K DEVELOPMENT LIMITED	5,240,432.66	5,240,432.66	100.00%	Expected unrecoverable
Shenzhen Xieji Industrial Co., Ltd.	3,760,350.10	3,760,350.10	100.00%	Expected unrecoverable
Foshan Jiahe Paper Trading Co., Ltd.	3,152,239.70	3,152,239.70	100.00%	Expected unrecoverable
Foshan Nanhai Gurunxuan Co., Ltd.	1,225,359.43	1,225,359.43	100.00%	Expected unrecoverable
Shenzhen Yutong Packing & Printing Co., Ltd.	1,087,171.61	1,087,171.61	100.00%	Expected unrecoverable
Guangdong Jiangnan Paper Co., Ltd.	1,070,324.24	1,070,324.24	100.00%	Expected unrecoverable
Zhuhai Gongbei Ronghui Trading Co., Ltd.	1,016,655.73	1,016,655.73	100.00%	Expected unrecoverable
Kaifeng Bokai Printing	922,328.60	922,328.60	100.00%	Expected unrecoverable

Co., Ltd.				
Hongta Tobacco (Group) Co., Ltd.	760,608.54	760,608.54	100.00%	Expected unrecoverable
Shaanxi Annie Paper Co., Ltd.	720,710.90	720,710.90	100.00%	Expected unrecoverable
Dongguan Mainchoice Paper Co., Ltd.	718,639.99	718,639.99	100.00%	Expected unrecoverable
Nanjing Rende Paper Co., Ltd.	660,577.18	660,577.18	100.00%	Expected unrecoverable
Chongqing Jiufa Packing & Printing Co., Ltd.	626,717.90	626,717.90	100.00%	Expected unrecoverable
Chengdu Mingrong Paper Co., Ltd.	546,824.90	546,824.90	100.00%	Expected unrecoverable
Other	9,657,346.35	9,657,346.35	100.00%	Expected unrecoverable
Total	41,085,850.41	41,085,850.41	--	--

Accounts receivable for which bad debt provision accrued separately:

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdrawal

Accounts receivable withdrawal of bad debt provision by groups: RMB4,477,082.23

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Aging group	609,473,048.46	4,477,082.23	0.73%
Total	609,473,048.46	4,477,082.23	--

Notes of the basis of recognizing the group:

Withdrawal of bad debt provision by group:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion

Notes of the basis of recognizing the group:

Please refer to the relevant information of disclosure of bad debt provision of other accounts receivable if adopting the general mode of expected credit loss to withdraw bad debt provision of accounts receivable.

Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
-------	----------------

Within 1 year (including 1 year)	606,333,886.83
1-3 months	522,551,513.10
4-12 months	83,782,373.73
1 to 2 years	1,303,539.26
2 to 3 years	1,796,073.68
Over 3 years	41,125,399.10
3 to 4 years	39,548.69
Over 5 years	41,085,850.41
Total	650,558,898.87

(2) Bad Debt Provision Withdrawn, Reversed or Recovered in the Reporting Period

Information of withdrawal of bad debt provision:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period				Ending balance
		Withdrawal	Reversal or recovery	Write-off	Other	
Bad debt provision withdrawn separately	40,889,593.47	196,256.94				41,085,850.41
Bad debt provision withdrawn by groups	4,471,698.67	5,383.56				4,477,082.23
Total	45,361,292.14	201,640.50				45,562,932.64

Of which bad debt provision recovered or reversed with significant amount:

Unit: RMB

Name of the entity	Amount	Method

(3) Particulars of the Actual Verification of Accounts Receivable during the Reporting Period

Unit: RMB

Item	Amount

Of which significant actual verification of accounts receivable

Unit: RMB

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of

					related-party transactions
--	--	--	--	--	----------------------------

Notes of the verification of accounts receivable:

(4) Top 5 of Account Receivable of Ending Balance Collected by Arrears Party

Unit: RMB

Name of the entity	Ending balance	Proportion to total balance of accounts receivable (%)	Ending balance of bad debt provision
No.1	34,028,533.43	5.62%	
No.2	25,110,742.35	4.15%	
No.3	22,064,918.84	3.65%	
No.4	17,581,586.55	2.91%	
No.5	16,522,190.06	2.73%	
Total	115,307,971.23	19.06%	

(5) Derecognition of Account Receivable due to the Transfer of Financial Assets

(6) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Accounts Receivable

Other notes:

6. Accounts Receivable Financing

Unit: RMB

Item	Ending balance	Beginning balance
Notes receivable	561,162,410.89	573,333,722.20
Total	561,162,410.89	573,333,722.20

Changes in accounts receivable financing and fair value in the Reporting Period

Applicable Not applicable

Please refer to the relevant information of disclosure of bad debt provision of other accounts receivable if adopting the general mode of expected credit loss to withdraw bad debt provision of accounts receivable financing.

Applicable Not applicable

Other notes:

7. Prepayment

(1) List by Aging Analysis

Unit: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	91,502,040.02	97.79%	28,122,703.79	89.44%
1 to 2 years	1,346,027.54	1.44%	2,766,586.31	8.80%
2 to 3 years	333,733.00	0.36%	430,705.50	1.37%
Over 3 years	387,065.03	0.41%	123,456.50	0.39%
Total	93,568,865.59	--	31,443,452.10	--

Notes of the reasons of the prepayment ages over 1 year with significant amount but failed settled in time:

(2) Top 5 of the Ending Balance of the Prepayment Collected according to the Prepayment Target

Name of the entity	Ending balance	Proportion to the balance of prepayments (%)	Time	Reason for unsettlement
No.1	26,248,083.83	28.05%	Within 1year	Not reaching the settlement date
No.2	9,735,253.49	10.40%	Within 1year	Not reaching the settlement date
No.3	5,472,456.69	5.85%	Within 1year	Not reaching the settlement date
No.4	4,140,818.02	4.43%	Within 1year	Not reaching the settlement date
No.5	3,646,372.16	3.90%	Within 1year	Not reaching the settlement date
Total	49,242,984.19	52.63%		

Other notes:

8. Other Receivables

Unit: RMB

Item	Ending balance	Beginning balance
Interest receivable	20,206,542.99	
Dividends receivable	28,000,000.00	28,000,000.00
Other receivables	15,256,570.65	13,390,516.58
Total	63,463,113.64	41,390,516.58

(1) Interest Receivable**1) Category of Interest Receivable**

Unit: RMB

Item	Ending balance	Beginning balance
Fixed time deposits	20,206,542.99	
Total	20,206,542.99	

2) Significant Overdue Interest

Unit: RMB

Entity	Ending balance	Overdue time	Overdue reason	Whether occurred impairment and the judgment basis

Other notes:

3) Withdrawal of Bad Debt Provision Applicable Not applicable**(2) Dividends Receivable****1) Category of Dividends Receivable**

Unit: RMB

Item (or investees)	Ending balance	Beginning balance
Dividends receivable	28,000,000.00	28,000,000.00
Total	28,000,000.00	28,000,000.00

2) Significant Dividend Receivable Aged over 1 Year

Unit: RMB

Item (or investees)	Ending balance	Aging	Reason	Whether occurred impairment and its judgment basis

3) Withdrawal of Bad Debt Provision Applicable Not applicable

Other notes:

(3) Other Receivables**1) Other Receivables Classified by Nature**

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Margin	2,134,018.49	2,557,766.50
Petty cash	1,637,524.67	549,296.72
Freight and miscellaneous charges on behalf		113,941.24
Compensation for victim's families on behalf	6,513,995.15	6,696,000.00
Other intercourse funds	33,035,923.95	31,274,959.21
Total	43,321,462.26	41,191,963.67

2) Withdrawal of Bad Debt Provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2020	169,121.91	1,925,536.86	25,706,788.32	27,801,447.09
Balance of 1 January 2020 in the Current Period	—	—	—	—
Withdrawal of the Current Period		-4,762.98	265,826.01	261,063.03
Balance of 30 June 2020	169,121.91	1,920,773.88	25,972,614.33	28,062,510.12

Changes of carrying amount with significant amount changed of loss provision in the Current Period

 Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	7,289,991.53
1 to 3 months	4,061,311.27
4 to 12 months	3,228,680.26

1 to 2 years	1,935,227.10
2 to 3 years	7,600,086.98
Over 3 years	26,496,156.65
3 to 4 years	523,542.32
Over 5 years	25,972,614.33
Total	43,321,462.26

3) Bad Debt Provision Withdrawal, Reversed or Recovered in the Reporting Period

Withdrawal of Bad Debt Provision:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period				Ending balance
		Withdrawal	Reversal or recovery	Write-off	Other	
Bad debt provision of other receivables	27,801,447.09	261,063.03				28,062,510.12
Total	27,801,447.09	261,063.03				28,062,510.12

Of which bad debt provision reversed or recovered with significant amount during the Reporting Period:

Unit: RMB

Name of the entity	Reversed or collected amount	Method

4) Particulars of the Actual Verification of Other Receivables during the Reporting Period

Unit: RMB

Item	Amount

Of which the verification of other receivables:

Unit: RMB

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related-party transactions

Notes of verification of other receivables:

5) Top 5 of the Ending Balance of the Other Receivables Collected according to the Arrears Party

Unit: RMB

Name of the entity	Nature	Ending balance	Aging	Proportion to ending balance of other	Ending balance of bad debt provision

				receivables (%)	
No.1	Other intercourse funds	13,749,496.51	Over 3 years	31.74%	13,749,496.51
No.2	Borrowings	6,000,000.00	Over 3 years	13.85%	6,000,000.00
No.3	Payment of compensation on behalf	2,232,000.00	2 to 3 years	5.15%	446,400.00
No.4	Payment of compensation on behalf	2,232,000.00	2 to 3 years	5.15%	446,400.00
No.5	Payment of compensation on behalf	2,049,995.15	2 to 3 years	4.73%	409,999.03
Total	--	26,263,491.66	--	60.62%	21,052,295.54

6) Accounts Receivable Involving Government Subsidies

Unit: RMB

Name of the entity	Project of government subsidies	Ending balance	Aging at the period-end	Estimated recovering time, amount and basis

7) Derecognition of Other Receivables due to the Transfer of Financial Assets

8) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Other Receivables

Other notes:

9. Inventory

Whether the Company needs to comply with the disclosure requirements for real estate industry

No

(1) Category of Inventory

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Falling price reserves of inventory or depreciation	Carrying value	Carrying amount	Falling price reserves of inventory or depreciation	Carrying value

		reserves of contract performance cost			reserves of contract performance cost	
Raw materials	277,025,310.36	4,159,204.71	272,866,105.65	329,199,695.38	4,159,204.71	325,040,490.67
Goods in process	25,790,906.05		25,790,906.05	42,393,859.68		42,393,859.68
Inventory goods	312,620,099.27	2,169,737.93	310,450,361.34	266,701,629.28	2,169,737.93	264,531,891.35
Goods in transit	40,544,616.86		40,544,616.86	28,959,830.51		28,959,830.51
Total	655,980,932.54	6,328,942.64	649,651,989.90	667,255,014.85	6,328,942.64	660,926,072.21

(2) Falling Price Reserves of Inventory and Depreciation Reserves of Contract Performance Cost

Unit: RMB

Item	Beginning balance	Increase		Decrease		Ending balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	4,159,204.71					4,159,204.71
Inventory goods	2,169,737.93					2,169,737.93
Total	6,328,942.64					6,328,942.64

Particular basis of net realizable value and reason for reversal or write-off of falling price reserves of inventory:

Item	Particular basis of net realizable value	Reason for reversal of falling price reserves of inventory	Reason for write-off of falling price reserves of inventory
Raw materials	Net realizable value shall be the amount after the estimated sale price of relevant finished goods minus the cost estimated to be incurred till completion and estimated selling expenses and relevant taxes	Net realizable value of inventory withdrawn falling price reserves of inventory in prior period increased	The inventory withdrawn falling price reserves of inventory at the period-beginning has been sold
Inventory goods/goods in transit	Net realizable value shall be the amount after the estimated sale price or contract price of relevant finished goods minus estimated selling expenses and relevant taxes	Net realizable value of inventory withdrawn falling price reserves of inventory in prior period increased	The inventory withdrawn falling price reserves of inventory at the period-beginning has been sold

(3) Notes to the Ending Balance of Inventory Including Capitalized Borrowing Expense**(4) Notes to Amortization of the Contract Performance Cost****10. Contract Assets**

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserve	Carrying value	Carrying amount	Depreciation reserve	Carrying value

Significant changes in amount of carrying value of contract assets and reason in the Reporting Period:

Unit: RMB

Item	Amount changed	Reason
------	----------------	--------

Please refer to the relevant information of disclosure of bad debt provision of other accounts receivable if adopting the general mode of expected credit loss to withdraw bad debt provision of contract assets.

Applicable Not applicable

Information of impairment provision withdrawn of contract assets:

Unit: RMB

Item	Withdrawal	Reversal	Write-off	Reason
------	------------	----------	-----------	--------

Other notes:

11. Held-for-sale Assets

Unit: RMB

Item	Ending carrying amount	Depreciation reserve	Ending carrying value	Fair value	Estimated disposal expense	Estimated disposal time
------	------------------------	----------------------	-----------------------	------------	----------------------------	-------------------------

Other notes:

12. Current Portion of Non-current Assets

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Significant creditors' investment/other creditors' investment

Unit: RMB

Item	Ending balance				Beginning balance			
	Par value	Coupon rate	Actual rate	Due date	Par value	Coupon rate	Actual rate	Due date

Other notes:

13. Other Current Assets

Unit: RMB

Item	Ending balance	Beginning balance
The VAT deduction	9,498,035.35	8,216,317.40
Structured deposits	220,000,000.00	214,000,000.00
Accrued interests		4,453,333.32
Prepaid expense		10,974,621.67
Total	229,498,035.35	237,644,272.39

Other notes:

14. Creditors' Investment

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value

Significant creditors' investment

Unit: RMB

Item	Ending balance				Beginning balance			
	Par value	Coupon rate	Actual rate	Due date	Par value	Coupon rate	Actual rate	Due date

Withdrawal of impairment provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2020 in the Current Period	—	—	—	—

Changes of carrying amount with significant amount changed of loss provision in the Current Period

 Applicable Not applicable

Other notes:

15. Other Creditors' Investment

Unit: RMB

Item	Beginning balance	Accrued interest	Changes in fair value	Ending balance	Cost	Accumulative changes in	Accumulative loss	Notes

							fair value	provision recognized in other comprehensive income	
--	--	--	--	--	--	--	------------	--	--

Significant other creditors' investment

Unit: RMB

Item	Ending balance				Beginning balance			
	Par value	Coupon rate	Actual rate	Due date	Par value	Coupon rate	Actual rate	Due date

Information of withdrawal of impairment provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2020 in the Current Period	—	—	—	—

Changes of carrying amount with significant amount changed of loss provision in the Current Period

 Applicable Not applicable

Other notes:

16. Long-term Receivables**(1) List of Long-term Receivables**

Unit: RMB

Item	Ending balance			Beginning balance			Interval of discount rate
	Carrying amount	Bad debt provision	Carrying value	Carrying amount	Bad debt provision	Carrying value	

Impairment of bad debt provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2020 in the Current Period	—	—	—	—

Changes of carrying amount with significant amount changed of loss provision in the current period

□ Applicable √ Not applicable

(2) Derecognition of Long-term Receivables due to the Transfer of Financial Assets**(3) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Long-term Receivables**

Other notes

17. Long-term Equity Investment

Unit: RMB

Investees	Beginning balance (carrying value)	Increase/decrease								Ending balance (carrying value)	Ending balance of depreciation reserves
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of depreciation reserves	Other		
I. Joint ventures											
II. Associated enterprises											
Guangdong Chengton Logistics Co., Ltd.	8,642,303.90			-315,172.31						8,327,131.59	
China Chengton Finance Corporation Ltd.	646,670,063.65			14,504,003.67						661,174,067.32	
Subtotal	655,312,367.55			14,188,831.36						669,501,198.91	
Total	655,312,367.55			14,188,831.36						669,501,198.91	

Other notes

18. Other Equity Instrument Investment

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Non-trading equity instrument investment in the Reporting Period disclosed by items

Unit: RMB

Item	Dividend income recognized	Accumulative gains	Accumulative losses	Amount of other comprehensive income transferred to retained earnings	Reason for assigning to measure in fair value of which changes included other comprehensive income	Reason for other comprehensive income transferred to retained earnings

Other notes:

19. Other Non-current Financial Assets

Unit: RMB

Item	Ending balance	Beginning balance
Classified to financial assets measured by fair value through profit or loss	288,700.00	288,700.00
Total	288,700.00	288,700.00

Other notes:

20. Investment Property

(1) Investment Property Adopting the Cost Measurement Mode

Applicable Not applicable

Unit: RMB

Item	Houses and buildings	Land use right	Construction in progress	Total
I. Original carrying value				
1. Beginning balance	46,541,207.59			46,541,207.59
2. Increased amount of the period				
(1) Outsourcing				
(2) Transfer from inventories/fixed assets/construction in progress				
(3) Enterprise combination increase				

3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance	46,541,207.59			46,541,207.59
II. Accumulative depreciation and accumulative amortization				
1. Beginning balance	17,425,545.73			17,425,545.73
2. Increased amount of the period	337,709.62			337,709.62
(1) Withdrawal or amortization	337,709.62			337,709.62
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance	17,763,255.35			17,763,255.35
III. Depreciation reserves				
1. Beginning balance				
2. Increased amount of the period				
(1) Withdrawal				
3. Decreased amount of the period				
(1) Disposal				
(2) Other transfer				
4. Ending balance				
IV. Carrying value				

1. Ending carrying value	28,777,952.24			28,777,952.24
2. Beginning carrying value	29,115,661.86			29,115,661.86

(2) Investment Property Adopting the Fair Value Measurement Mode

Applicable Not applicable

(3) Investment Property Failed to Accomplish Certification of Property

Unit: RMB

Item	Carrying value	Reason
------	----------------	--------

Other notes

21. Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	2,000,531,709.38	2,067,109,815.77
Total	2,000,531,709.38	2,067,109,815.77

(1) List of Fixed Assets

Unit: RMB

Item	Houses and buildings	Machinery equipment	Transportation	Electronic equipment and others	Total
I. Original carrying value					
1. Beginning balance	1,167,028,654.32	2,871,770,577.46	45,322,148.01	144,118,405.59	4,228,239,785.38
2. Increased amount of the period	378,817.99	7,388,023.70	235,459.36	2,641,073.69	10,643,374.74
(1) Purchase	378,817.99	4,115,390.28	235,459.36	2,641,073.69	7,370,741.32
(2) Transfer from construction in progress		3,272,633.42			3,272,633.42
(3) Enterprise combination increase					

3. Decreased amount of the period	1,073,003.87	967,773.19		1,471.52	2,042,248.58
(1) Disposal or scrap	1,073,003.87	967,773.19		1,471.52	2,042,248.58
4. Ending balance	1,166,334,468.44	2,878,190,827.97	45,557,607.37	146,758,007.76	4,236,840,911.54
II. Accumulative depreciation					
1. Beginning balance	466,945,628.57	1,464,896,139.69	39,472,399.77	113,136,044.58	2,084,450,212.61
2. Increased amount of the period	17,473,936.12	54,294,922.34	635,002.17	3,412,523.79	75,816,384.42
(1) Withdrawal	17,473,936.12	54,294,922.34	635,002.17	3,412,523.79	75,816,384.42
3. Decreased amount of the period	455,289.47	180,464.46		1,397.94	637,151.87
(1) Disposal or scrap	455,289.47	180,464.46		1,397.94	637,151.87
4. Ending balance	483,964,275.22	1,519,010,597.57	40,107,401.94	116,547,170.43	2,159,629,445.16
III. Depreciation reserves					
1. Beginning balance		76,679,757.00			76,679,757.00
2. Increased amount of the period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal or scrap					
4. Ending balance		76,679,757.00			76,679,757.00
IV. Carrying value					
1. Ending carrying value	682,370,193.22	1,282,500,473.40	5,450,205.43	30,210,837.33	2,000,531,709.38

2. Beginning carrying value	700,083,025.75	1,330,194,680.77	5,849,748.24	30,982,361.01	2,067,109,815.77
-----------------------------	----------------	------------------	--------------	---------------	------------------

(2) List of Temporarily Idle Fixed Assets

Unit: RMB

Item	Original carrying value	Accumulative depreciation	Depreciation reserves	Carrying value	Note
------	-------------------------	---------------------------	-----------------------	----------------	------

(3) Fixed Assets Leased in by Financing Lease

Unit: RMB

Item	Original carrying value	Accumulative depreciation	Depreciation reserves	Carrying value
Houses and buildings	12,212,610.00	11,601,979.50		610,630.50
Machinery equipment	3,160,000.00	3,002,000.00		158,000.00
Total	15,372,610.00	14,603,979.50		768,630.50

(4) Fixed Assets Leased out by Operation Lease

Unit: RMB

Item	Ending carrying value
------	-----------------------

(5) Fixed Assets Failed to Accomplish Certification of Property

Unit: RMB

Item	Carrying value	Reason
Houses and buildings	93,639,423.89	Property right certificate was under process
Total	93,639,423.89	

Other notes

(6) Proceeds from Disposal of Fixed Assets

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Other notes

22. Construction in Progress

Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	59,082,753.75	33,321,697.05
Total	59,082,753.75	33,321,697.05

(1) List of Construction in Progress

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value
Latex phase II matching raw material tank farm project	17,953,703.52		17,953,703.52	17,621,170.82		17,621,170.82
Heidelberg six-color offset press	10,958,970.75		10,958,970.75			
Treatment system for industrial waste gas	4,746,736.94		4,746,736.94	3,723,869.66		3,723,869.66
Capping and deodorization project for sewage pool	4,033,997.11		4,033,997.11			
Protection and treatment equipment for waste gas	2,830,000.00		2,830,000.00			
Advanced waste-water treatment and water reuse project	2,477,929.63		2,477,929.63	2,477,929.63		2,477,929.63
Equipment renovation of BM3 bag ventilation system	2,322,438.15		2,322,438.15			
Ink-jet printing equipment	1,964,601.72		1,964,601.72			

Other	11,794,375.93		11,794,375.93	9,498,726.94		9,498,726.94
Total	59,082,753.75		59,082,753.75	33,321,697.05		33,321,697.05

(2) Changes in Significant Construction in Progress during the Reporting Period

Unit: RMB

Item	Budget	Beginning balance	Increase amount	Transferred in fixed assets	Other decrease amount	Ending balance	Proportion of accumulated investment in constructions to budget	Job schedule	Accumulated amount of interest capitalization	Of which: Amount of capitalized interests for the Reporting Period	Capitalization rate of interests for the Reporting Period	Capital resources
Latex phase II matching raw material tank farm project	20,000,000.00	17,621,170.82	332,532.70			17,953,703.52	89.77%	89.77%				Other
Heidelberg six-color offset press	13,000,000.00		10,958,970.75			10,958,970.75	84.30%	84.30%				Other
Treatment system for industrial waste gas	6,020,000.00	3,723,869.66	1,022,867.28			4,746,736.94	78.85%	78.85%				Other
Capping and deodorization project for	6,305,000.00		4,033,997.11			4,033,997.11	63.98%	63.98%				Other

sewage pool												
Protection and treatment equipment for waste gas	5,220,000.00		2,830,000.00			2,830,000.00	54.21%	54.21%				Other
Advanced waste-water treatment and water reuse project	18,000,000.00	2,477,929.63				2,477,929.63	13.77%	13.77%				Other
Equipment renovation of BM3 bag ventilation system	3,000,000.00		2,322,438.15			2,322,438.15	77.41%	77.41%				Other
Ink-jet printing equipment	1,400,000.00		1,964,601.72			1,964,601.72	140.33%	140.33%				Other
Other		9,498,726.94	5,568,282.41	3,272,633.42		11,794,375.93						Other
Total	72,945,000.00	33,321,697.05	29,033,690.12	3,272,633.42		59,082,753.75	--	--				--

(3) List of the Withdrawal of the Depreciation Reserves for Construction in Progress

Unit: RMB

Item	Amount withdrawn	Reason for withdrawal
------	------------------	-----------------------

Other notes

(4) Engineering Materials

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserves	Carrying value	Carrying amount	Depreciation reserves	Carrying value

Other notes:

23. Productive Living Assets**(1) Productive Living Assets Adopting Cost Measurement Mode** Applicable Not applicable**(2) Productive Living Assets Adopting Fair Value Measurement Mode** Applicable Not applicable**24. Oil and Gas Assets** Applicable Not applicable**25. Right-of-use Assets**

Unit: RMB

Item	Total
------	-------

Other notes:

26. Intangible Assets**(1) List of Intangible Assets**

Unit: RMB

Item	Land use right	Patent right	Non-patent technology	Software and other	Total
I. Original carrying value					
1. Beginning balance	132,437,333.89		70,829,002.85	15,323,772.53	218,590,109.27
2. Increased amount of the period				447,153.14	447,153.14
(1) Purchase				447,153.14	447,153.14

(2) Internal R&D					
(3) Business combination increase					
3. Decreased amount of the period					
(1) Disposal					
4. Ending balance	132,437,333.89		70,829,002.85	15,770,925.67	219,037,262.41
II. Accumulated amortization					
1. Beginning balance	54,371,141.70		30,065,283.17	6,985,659.98	91,422,084.85
2. Increased amount of the period	3,184,380.78		2,849,751.18	1,110,942.96	7,145,074.92
(1) Withdrawal	3,184,380.78		2,849,751.18	1,110,942.96	7,145,074.92
3. Decreased amount of the period					
(1) Disposal					
4. Ending balance	57,555,522.48		32,915,034.35	8,096,602.94	98,567,159.77
III. Depreciation reserves					
1. Beginning balance					
2. Increased amount of the period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal					
4. Ending balance					
IV. Carrying value					

1. Ending carrying value	74,881,811.41		37,913,968.50	7,674,322.73	120,470,102.64
2. Beginning carrying value	78,066,192.19		40,763,719.68	8,338,112.55	127,168,024.42

The proportion of intangible assets formed from the internal R&D of the Company at the Period-end to the ending balance of intangible assets was 0.00%.

(2) Land Use Right with Certificate of Title Uncompleted

Unit: RMB

Item	Carrying value	Reason
------	----------------	--------

Other notes:

27. Development Costs

Unit: RMB

Item	Beginning balance	Increase			Decrease			Ending balance
		Internal development	Other		Recognized as intangible assets	Transfer to current gains and losses		
R&D of tobacco stem board	2,799,715.49							2,799,715.49
Renovation and R&D of BM1 product line	503,329.83	1,592.92						504,922.75
Microporous patterns test roll	247,787.60							247,787.60
Total	3,550,832.92	1,592.92						3,552,425.84

Other notes

28. Goodwill

(1) Original Carrying Value of Goodwill

Unit: RMB

Name of the invested units or events generating	Beginning balance	Increase		Decrease		Ending balance
		Formed by business		Disposal		

goodwill		combination				
Zhuhai Hongta Renheng Paper Co., Ltd.	9,129,025.01					9,129,025.01
Zhuhai Golden Pheasant Chemicals Co., Ltd.	2,418,280.28					2,418,280.28
Total	11,547,305.29					11,547,305.29

(2) Depreciation Reserves of Goodwill

Unit: RMB

Name of the invested units or events generating goodwill	Beginning balance	Increase		Decrease		Ending balance
		Withdrawal		Disposal		
Total						

Information on the assets group or combination of assets groups which goodwill belongs to

Notes of the testing process of goodwill impairment, parameters (such as growth rate of the forecast period, growth rate of stable period, rate of profit, discount rate, forecast period and so on for prediction of future present value of cash flows) and the recognition method of goodwill impairment losses:

Influence of goodwill impairment testing

Other notes

29. Long-term Prepaid Expense

Unit: RMB

Item	Beginning balance	Increased amount	Amortization amount of the period	Other decreased amount	Ending balance
Decoration expense for rent-in plant	123,501.67	1,035,088.17	31,080.59		1,127,509.25
Fee for technical service	58,201.56		43,651.32		14,550.24
Maintaining renovation of construction project	3,297,033.10	800,000.00	738,650.67		3,358,382.43
Total	3,478,736.33	1,835,088.17	813,382.58		4,500,441.92

Other notes

30. Deferred Income Tax Assets/Deferred Income Tax Liabilities**(1) Deferred Income Tax Assets that Had not Been Off-set**

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	155,967,724.07	23,395,158.61	155,967,724.07	23,395,158.61
Unrealized profit of internal transactions	2,681,803.60	402,270.54	2,681,803.60	402,270.54
Accrued expenses	49,685,130.33	7,452,769.55	49,685,130.33	7,452,769.55
Total	208,334,658.00	31,250,198.70	208,334,658.00	31,250,198.70

(2) Deferred Income Tax Liabilities Had Not Been Off-set

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Assets evaluation appreciation in the business combination not under the same control	14,538,840.13	2,180,826.02	14,538,840.13	2,180,826.02
Total	14,538,840.13	2,180,826.02	14,538,840.13	2,180,826.02

(3) Deferred Income Tax Assets or Liabilities Listed by Net Amount after Off-set

Unit: RMB

Item	Mutual set-off amount of deferred income tax assets and liabilities at the period-end	Ending balance of deferred income tax assets or liabilities after off-set	Mutual set-off amount of deferred income tax assets and liabilities at the period-begin	Beginning balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets		31,250,198.70		31,250,198.70
Deferred income tax liabilities		2,180,826.02		2,180,826.02

(4) List of Unrecognized Deferred Income Tax Assets

Unit: RMB

Item	Ending balance	Beginning balance
Deductible losses	260,851,721.46	260,851,721.46
Provision for impairment of assets	203,714.86	203,714.86
Total	261,055,436.32	261,055,436.32

(5) Deductible Losses of Unrecognized Deferred Income Tax Assets will Due in the Following Years

Unit: RMB

Years	Ending amount	Beginning amount	Notes
Y2020	72,934,938.44	72,934,938.44	
Y2021	1,734,170.90	1,734,170.90	
Y2022	9,996,774.57	9,996,774.57	
Y2023	114,385,480.74	114,385,480.74	
Y2024	61,800,356.81	61,800,356.81	
Total	260,851,721.46	260,851,721.46	--

Other notes:

31. Other Non-current Assets

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserve	Carrying value	Carrying amount	Depreciation reserve	Carrying value
Prepayment of equipment	13,350.00		13,350.00	8,420,488.55		8,420,488.55
Total	13,350.00		13,350.00	8,420,488.55		8,420,488.55

Other notes:

32. Short-term Borrowings**(1) Category of Short-term Borrowings**

Unit: RMB

Item	Ending balance	Beginning balance
Guaranteed borrowings	879,070,896.82	933,181,293.29
Credit borrowings		230,306,166.66

Total	879,070,896.82	1,163,487,459.95
-------	----------------	------------------

Notes of short-term loans category:

(2) List of the Short-term Borrowings Overdue but Not Returned

The amount of the overdue unpaid short-term borrowings at the period-end was of RMBXXX, of which the significant overdue unpaid short-term borrowings are as follows:

Unit: RMB

Borrower	Ending balance	Interest rate	Overdue time	Overdue charge rate
----------	----------------	---------------	--------------	---------------------

Other notes:

33. Trading Financial Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Of which:		
Of which:		

Other notes:

34. Derivative Financial Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Other notes:

35. Notes Payable

Unit: RMB

Category	Ending balance	Beginning balance
Trade acceptance bill	50,000,000.00	
Bank acceptance bill	648,959,029.44	312,234,422.87
Total	698,959,029.44	312,234,422.87

The total amount of the due but not paid notes payable at the end of the period was of RMB0.00.

36. Accounts Payable

(1) List of Accounts Payable

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Payment of materials	286,025,171.75	272,330,279.37
Payment of equipment	2,540,630.26	4,126,064.70
Payment of freight	41,130,818.27	44,252,556.51
Other	17,665,389.65	1,246,610.06
Total	347,362,009.93	321,955,510.64

(2) Significant Accounts Payable Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason
------	----------------	------------------------------

Other notes:

37. Advances from Customers

(1) List of Advances from Customers

Unit: RMB

Item	Ending balance	Beginning balance
Advances on sales	16,944,581.70	23,303,552.10
Total	16,944,581.70	23,303,552.10

(2) Significant Advances from Customers Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/ Un-carry-over reason
------	----------------	------------------------------

Other notes:

38. Contract Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Contract liabilities	16,680,827.04	
Total	16,680,827.04	

Significant changes in amount of carrying value and the reason in the Reporting Period

Unit: RMB

Item	Amount changed	Reason
------	----------------	--------

39. Payroll Payable**(1) List of Payroll Payable**

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
I. Short-term salary	42,209,286.31	89,232,324.66	102,107,424.71	29,334,186.26
II. Post-employment benefit-defined contribution plans	133,097.88	1,547,689.71	1,237,534.92	443,252.67
III. Termination benefits		2,634,825.00	2,634,825.00	
Total	42,342,384.19	93,414,839.37	105,979,784.63	29,777,438.93

(2) List of Short-term Salary

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Salary, bonus, allowance, subsidy	31,673,430.59	81,082,979.54	94,297,900.38	18,458,509.75
2. Employee welfare		2,707,255.10	2,707,255.10	
3. Social insurance		1,765,797.40	1,765,797.40	
Of which: Medical insurance premiums		1,473,448.02	1,473,448.02	
Work-related injury insurance		25,691.59	25,691.59	
Maternity insurance		266,657.79	266,657.79	
4. Housing fund		2,197,722.68	2,197,722.68	
5. Labor union budget and employee education budget	10,535,855.72	1,478,569.94	1,138,749.15	10,875,676.51
Total	42,209,286.31	89,232,324.66	102,107,424.71	29,334,186.26

(3) List of Defined Contribution Plans

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
1. Basic pension benefits		999,984.78	999,984.78	
2. Unemployment		32,561.04	32,561.04	

insurance				
3. Annuity	133,097.88	515,143.89	204,989.10	443,252.67
Total	133,097.88	1,547,689.71	1,237,534.92	443,252.67

Other notes:

40. Taxes Payable

Unit: RMB

Item	Ending balance	Beginning balance
VAT	8,431,505.53	7,708,757.58
Corporate income tax	2,680,073.99	3,974,465.87
Personal income tax	644,729.87	263,130.54
Urban maintenance and construction tax	542,158.47	641,488.51
Property tax	3,321,155.13	55,672.21
Land use tax	1,176,365.42	
Education surcharge	232,353.63	274,923.65
Local education surcharge	154,902.42	183,282.43
Stamp tax	193,422.31	325,271.46
Other	99,626.17	40,924.81
Total	17,476,292.94	13,467,917.06

Other notes:

41. Other Payables

Unit: RMB

Item	Ending balance	Beginning balance
Interest payable	255,713.64	
Dividends payable	238,138.78	229,593.13
Other payables	163,626,288.49	48,993,061.88
Total	164,120,140.91	49,222,655.01

(1) Interest Payable

Unit: RMB

Item	Ending balance	Beginning balance
Interest payable of short-term borrowings	255,713.64	
Total	255,713.64	

List of the significant overdue unpaid interest:

Unit: RMB

Borrower	Overdue amount	Overdue reasons
----------	----------------	-----------------

Other notes:

(2) Dividends Payable

Unit: RMB

Item	Ending balance	Beginning balance
Ordinary share dividends	238,138.78	229,593.13
Total	238,138.78	229,593.13

Other notes, including significant dividends payable unpaid for over one year, the unpaid reason shall be disclosed:

(3) Other Payables

1) Other Payables Listed by Nature

Unit: RMB

Item	Ending balance	Beginning balance
Pledged and margin	18,512,440.56	16,008,042.64
Prepayment	21,415,190.22	12,283,948.35
Capital of related parties	103,271,947.85	15,266,830.85
Final payment of engineering	472,704.26	442,889.51
Other	19,954,005.60	4,991,350.53
Total	163,626,288.49	48,993,061.88

2) Significant Other Payables Aging over One Year

Unit: RMB

Item	Ending balance	Unpaid/Un-carry-over reason
------	----------------	-----------------------------

Other notes

42. Liabilities Held for Sale

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Other notes:

43. Current Portion of Non-current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Current portion of long-term borrowings		100,229,305.56
Total		100,229,305.56

Other notes:

44. Other Current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Increase/decrease of the short-term bonds payable:

Unit: RMB

Bonds name	Par value	Issuing date	Duration	Issuing amount	Beginning balance	The current issue	Withdrawal of interest by par value	Amortization of premium and depreciation	Repayment in the Reporting Period	Ending balance
------------	-----------	--------------	----------	----------------	-------------------	-------------------	-------------------------------------	--	-----------------------------------	----------------

Other notes:

45. Long-term Borrowings**(1) Category of Long-term Borrowings**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Notes to the category of long-term borrowings:

Other notes, including the interval of interest rate:

46. Bonds Payable**(1) List of Bonds Payable**

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

(2) Increase/Decrease of Bonds Payable (Excluding Other Financial Instrument Classified as Financial Liabilities such as Preferred Shares and Perpetual Bonds)

Unit: RMB

Bonds name	Par value	Issuing date	Duration	Issuing amount	Beginning balance	The current issue	Withdrawal of interest by par value	Amortization of premium and depreciation	Repayment in the Reporting Period		Ending balance
Total	--	--	--								

(3) Notes to the Conditions and Time of the Shares Transfer of the Convertible Corporate Bonds

(4) Notes to Other Financial Instruments Classified as Financial Liabilities

Basic situation of other financial instruments such as preferred shares and perpetual bonds outstanding at the period-end

Changes in financial instruments such as preferred shares and perpetual bonds outstanding at the period-end

Unit: RMB

Outstanding financial instrument	Period-beginning		Increase		Decrease		Period-end	
	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value

Notes to basis for the classification of other financial instruments as financial liabilities

Other notes

47. Lease Liabilities

Unit: RMB

Item	Ending balance	Beginning balance

Other notes

48. Long-term Payables

Unit: RMB

Item	Ending balance	Beginning balance

(1) Long-term Payables Listed by Nature

Unit: RMB

Item	Ending balance	Beginning balance

Other notes:

(2) Specific Payables

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Reason for formation

Other notes:

49. Long-term Payroll Payable

(1) List of Long-term Payroll Payable

Unit: RMB

Item	Ending balance	Beginning balance

(2) Changes in Defined Benefit Plans

Obligation present value of defined benefit plans:

Unit: RMB

Item	Reporting Period	Same period of last year

Plan assets:

Unit: RMB

Item	Reporting Period	Same period of last year

Net liabilities (net assets) of defined benefit plans:

Unit: RMB

Item	Reporting Period	Same period of last year

Notes of influence of content of defined benefit plans and its relevant risks to the future cash flow, time and uncertainty of the Company:

Notes to the results of significant actuarial assumptions and sensitivity analysis of defined benefit plans:

Other notes:

50. Provision

Unit: RMB

Item	Ending balance	Beginning balance	Reason for formation
Product quality guarantee	1,696,811.00	1,696,811.00	Predicted losses resulting from any product quality problem
Total	1,696,811.00	1,696,811.00	--

Other notes, including notes to related significant assumptions and evaluation of significant provisions:

51. Deferred Income

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance	Reason for formation
Government grants	26,604,363.11		1,325,063.87	25,279,299.24	
Total	26,604,363.11		1,325,063.87	25,279,299.24	--

Item involving government grants:

Unit: RMB

Item	Beginning balance	Amount of newly subsidy	Amount recorded into non-operating income in the Reporting Period	Amount recorded into other income in the Reporting Period	Amount offset cost in the Reporting Period	Other changes	Ending balance	Related to assets/related to income
Renovation project of the information system of paper-making enterprise energy management center	656,000.00			16,000.00			640,000.00	Related to assets
No. 1 paper machine update & renovation project	204,800.00			4,800.00			200,000.00	Related to assets
Liquid paper renovation project	163,333.12			17,500.02			145,833.10	Related to assets
Renovation project of the information system of energy management center	536,666.79			139,999.98			396,666.81	Related to assets
Steam condensation	768,000.00			192,000.00			576,000.00	Related to assets

water recycling and energy saving projects								
BM1 ink-jet printer system and drive system upgrade	9,136,612.59			223,753.78			8,912,858.81	Related to assets
synthesis technique transformation project								
Zhuhai Gaolan Port national treasury equipment renewal (Robot Application) special fund subsidies	877,066.36			20,799.87			856,266.49	Related to assets
Energy management center energy-saving technological innovation support fund	436,386.79			113,839.98			322,546.81	Related to assets
Post-awarded subsidies of Automatic packaging line technical innovation	3,910,150.04			89,502.84			3,820,647.20	Related to assets
Post-awarded subsidies of HCB-Turn Nozzle optimization and	1,608,435.89			36,417.42			1,572,018.47	Related to assets

technological transformation project								
Post-awarded subsidies of TP liquid food packing board synthesis technique transformation project	4,921,289.50			98,754.96			4,822,534.54	Related to assets
Post-awarded subsidies of MES technical renovation project of Zhuhai Huafeng Paper Co., Ltd.	594,970.91			324,529.62			270,441.29	Related to assets
Subsidy for migration of high voltage cable	2,224,599.79			47,165.40			2,177,434.39	Related to assets
Specific project subsidy for a new round of technical renovation in Finance Bureau of Chancheng District	295,151.33						295,151.33	Related to assets
2017 provincial industrial and information specific funds of Foshan Finance	270,900.00						270,900.00	Related to assets

Bureau (technical renovation)								
Total	26,604,363.1 1			1,325,063.87			25,279,299.2 4	

Other notes:

52. Other Non-current Liabilities

Unit: RMB

Item	Ending balance	Beginning balance
------	----------------	-------------------

Other notes:

53. Share Capital

Unit: RMB

	Beginning balance	Increase/decrease (+/-)					Ending balance
		New shares issued	Bonus shares	Bonus issue from profit	Other	Subtotal	
The sum of shares	505,425,000.00						505,425,000.00

Other notes:

54. Other Equity Instruments

(1) The Basic Information of Other Financial Instruments such as Preferred Stock and Perpetual Bond Outstanding at the End of the Period

(2) Changes in Financial Instruments such as Preferred Stock and Perpetual Bond Outstanding at the End of the Period

Unit: RMB

Outstanding financial instruments	Period-beginning		Increase		Decrease		Period-end	
	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value	Amount	Carrying value

The current changes in other equity instruments and the corresponding reasons and the basis of the relevant accounting treatment:

Other notes:

55. Capital Reserves

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Capital premium (premium on stock)	256,362,525.38			256,362,525.38
Other capital reserves	459,848.04			459,848.04
Total	256,822,373.42			256,822,373.42

Other notes, including changes and reason of change:

56. Treasury Shares

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
------	-------------------	----------	----------	----------------

Other notes, including changes and reason of change:

57. Other Comprehensive Income

Unit: RMB

Item	Beginning balance	Reporting Period						Ending balance
		Income before taxation in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred in profit or loss in the Current Period	Less: Recorded in other comprehensive income in prior period and transferred to retained earnings in the Current Period	Less: Income tax expense	Attributable to owners of the Company as the parent after tax	Attributable to non-controlling interests after tax	
II. Other comprehensive income that may subsequently be reclassified to profit or loss	169,714.39							169,714.39
Of which: Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method	169,714.39							169,714.39
Total of other comprehensive income	169,714.39							169,714.39

Other notes, including the adjustment of the effective gain/loss on cash flow hedges to the initial recognized amount:

58. Specific Reserve

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
------	-------------------	----------	----------	----------------

Other notes, including changes and reason of change:

59. Surplus Reserves

Unit: RMB

Item	Beginning balance	Increase	Decrease	Ending balance
Statutory surplus reserves	199,022,513.20			199,022,513.20
Total	199,022,513.20			199,022,513.20

Notes, including changes and reason of change:

60. Retained Earnings

Unit: RMB

Item	Reporting Period	Same period of last year
Beginning balance of retained earnings before adjustments	1,045,211,890.50	1,012,130,481.68
Total beginning balance of retained earnings before adjustment (increase+, decrease-)		18,316.37
Beginning balance of retained earnings after adjustments	1,045,211,890.50	1,012,148,798.05
Add: Net profit attributable to owners of the Company as the parent	47,569,827.49	10,489,265.80
Dividend of ordinary shares payable	7,581,375.00	12,718,781.92
Ending retained earnings	1,085,200,342.99	1,009,919,281.93

List of adjustment of beginning retained earnings:

- (1) RMB0.00 beginning retained earnings was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- (2) RMB0.00 beginning retained earnings was affected by changes in accounting policies.
- (3) RMB0.00 beginning retained earnings was affected by correction of significant accounting errors.
- (4) RMB0.00 beginning retained earnings was affected by changes in combination scope arising from same control.
- (5) RMB0.00 beginning retained earnings was affected totally by other adjustments.

61. Operating Revenue and Cost of Sales

Unit: RMB

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	1,829,581,089.37	1,497,681,444.57	1,717,953,710.89	1,529,428,697.30
Other operations	20,001,285.33	14,625,261.98	15,172,526.79	10,350,333.27
Total	1,849,582,374.70	1,512,306,706.55	1,733,126,237.68	1,539,779,030.57

Relevant information of revenue:

Unit: RMB

Category of contracts	Segment 1	Segment 2	Segment 3	Other	Internal offset	Total
Type of products	1,507,925,688.07	154,484,467.81	207,482,570.21	15,327,349.86	-55,638,986.58	1,829,581,089.37
Of which:						
Ivory board	1,507,925,688.07			15,327,349.86	-3,889,544.09	1,519,363,493.84
Presswork		154,484,467.81				154,484,467.81
Chemical industry			207,482,570.21		-51,749,442.49	155,733,127.72
Of which:						
Of which:						
Of which:						
Of which:						
Of which:						
Of which:						

Information related to performance obligations:

None

Information related to transaction value assigned to residual performance obligations:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet was RMB0.00 at the period-end, among which RMB0.00 was expected to be recognized in the year, RMB0.00 in the year and RMB0.00 in the year.

Other notes

62. Taxes and Surtaxes

Unit: RMB

Item	Reporting Period	Same period of last year
Urban maintenance and construction tax	3,460,447.25	1,508,336.46

Education surcharge	2,471,748.04	1,077,315.27
Property tax	3,358,948.67	5,065,418.19
Land use tax	1,176,365.42	1,176,365.41
Vehicle and vessel use tax	14,233.88	9,979.92
Stamp duty	1,155,625.65	1,143,510.07
Environmental tariff	136,590.45	115,646.96
Total	11,773,959.36	10,096,572.28

Other notes:

63. Selling Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Salary and benefits	9,806,704.48	7,366,815.16
Freight and miscellaneous charges	61,072,870.40	48,262,353.07
Business entertainment fees	2,890,896.82	1,836,962.11
Warehousing fees/rental fees	2,422,312.21	5,096,953.57
Packing charges	5,712,946.78	4,504,350.08
Other	7,459,163.51	2,335,083.16
Total	89,364,894.20	69,402,517.15

Other notes:

64. Administrative Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Salary and benefits	17,528,753.72	12,615,979.27
Social insurance	1,094,771.81	2,112,371.73
Taxation		
Depreciation	7,680,536.47	10,526,421.84
Office expenses	8,282,548.08	9,103,954.42
Business entertainment fees	785,608.71	1,327,451.32
Other	13,300,120.37	14,812,068.45
Total	48,672,339.16	50,498,247.03

Other notes:

65. Development Costs

Unit: RMB

Item	Reporting Period	Same period of last year
Labor charges	16,546,112.87	4,403,748.04
Direct input expense	69,295,245.53	44,018,181.80
Depreciation and long-term amortization	3,978,889.33	3,764,946.64
Amortization of intangible assets	47,844.50	50,636.17
Other expanses	611,785.78	236,807.67
Total	90,479,878.01	52,474,320.32

Other notes:

66. Finance Costs

Unit: RMB

Item	Reporting Period	Same period of last year
Interest expense	38,058,626.34	36,967,366.21
Less: Interest income	11,589,567.61	8,948,675.02
Foreign exchange gains or losses	-445,411.55	294,385.55
Other	3,074,644.11	2,211,828.77
Total	29,098,291.29	30,524,905.51

Other notes:

67. Other Income

Unit: RMB

Sources	Reporting Period	Same period of last year
Government grant related to assets	1,325,063.87	1,576,007.68
Government grant related to income	8,745,758.31	2,360,313.67
Total	10,070,822.18	3,936,321.35

68. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	14,188,831.36	16,774,990.13
Total	14,188,831.36	16,774,990.13

Other notes:

69. Net Gains on Exposure Hedges

Unit: RMB

Item	Reporting Period	Same period of last year
------	------------------	--------------------------

Other notes:

70. Gain on Changes in Fair Value

Unit: RMB

Sources	Reporting Period	Same period of last year
---------	------------------	--------------------------

Other notes:

71. Credit Impairment Loss

Unit: RMB

Item	Reporting Period	Same period of last year
Bad debt loss of other receivables	-465,085.02	
Total	-465,085.02	

Other notes:

72. Assets Impairment Loss

Unit: RMB

Item	Reporting Period	Same period of last year
I. Bad debt loss		-44,711.85
Total		-44,711.85

Other notes:

73. Asset Disposal Income

Unit: RMB

Sources	Reporting Period	Same period of last year
Gain on disposal of fixed assets	-69,442.59	-16,367.16
Total	-69,442.59	-16,367.16

74. Non-operating Income

Unit: RMB

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Other	3,426,822.06	1,010,381.90	3,426,822.06
Total	3,426,822.06	1,010,381.90	3,426,822.06

Government grants recorded into current profit or loss

Unit: RMB

Item	Distribution entity	Distribution reason	Nature	Whether influence the profits or losses of the year or not	Special subsidy or not	Reporting Period	Same period of last year	Related to assets/related to income

Other notes:

75. Non-operating Expense

Unit: RMB

Item	Reporting Period	Same period of last year	Amount recorded in the current non-recurring profit or loss
Donations	95,000.00		95,000.00
Other	984,186.63	873,583.84	984,186.63
Total	1,079,186.63	873,583.84	1,079,186.63

Other notes:

76. Income Tax Expense

(1) List of Income Tax Expense

Unit: RMB

Item	Reporting Period	Same period of last year
Current income tax expense	3,159,251.49	3,245,990.34
Total	3,159,251.49	3,245,990.34

(2) Adjustment Process of Accounting Profit and Income Tax Expense

Unit: RMB

Item	Reporting Period
Profit before taxation	93,959,067.49
Current income tax expense accounted at statutory/applicable tax rate	23,558,133.91

Influence of applying different tax rates by subsidiaries	-8,223,246.58
Influence of adjusting prior income tax	-1,592,439.26
Influence of deductible temporary difference or deductible losses of unrecognized deferred income tax in the Reporting Period	-10,583,196.58
Income tax expense	3,159,251.49

Other notes

77. Other Comprehensive Income

Refer to Note 57 for details.

78. Cash Flow Statement

(1) Cash Generated from Other Operating Activities

Unit: RMB

Item	Reporting Period	Same period of last year
Government grants	8,919,466.34	4,596,222.43
Interest income from deposits in banks	2,555,455.52	5,696,016.77
Cash pledge	2,171,000.00	2,048,398.35
Intercourse funds	5,358,804.55	2,763,480.33
Insurance indemnity	148,466.75	418,862.33
Other	2,310,385.26	2,336,371.08
Total	21,463,578.42	17,859,351.29

Notes:

(2) Cash Used in Other Operating Activities

Unit: RMB

Item	Reporting Period	Same period of last year
Utilities	1,006,751.10	1,161.07
Repair charge	525,648.46	844,795.51
Transport charge	117,784.26	60,564.00
Business entertainment expenses	3,321,731.39	3,099,479.30
Rental fees	2,893,127.05	3,068,354.58
Business travel charge	2,710,047.70	2,597,471.04
Emission charges	4,097,059.38	4,680,416.02
Handling charge for banks	3,260,184.89	2,208,131.81

Premium	333,899.68	383,015.68
Charge for the agency	4,277,366.99	1,830,675.38
Intercourse funds	11,527,772.60	176,201,527.91
Correspondence	779,531.26	661,127.22
Vehicle charge	780,574.83	1,067,817.82
Other	14,703,602.55	11,863,336.49
Total	50,335,082.14	208,567,873.83

Notes:

(3) Cash Generated from Other Investing Activities

Unit: RMB

Item	Reporting Period	Same period of last year
Principal of structural deposits	116,700,000.00	132,200,000.00
Total	116,700,000.00	132,200,000.00

Notes:

(4) Cash Used in Other Investing Activities

Unit: RMB

Item	Reporting Period	Same period of last year
Principal of structural deposits, etc.	672,700,000.00	15,000,000.00
Total	672,700,000.00	15,000,000.00

Notes:

(5) Cash Generated from Other Financing Activities

Unit: RMB

Item	Reporting Period	Same period of last year
Note financing	300,000,000.00	
Internal current account	100,000,000.00	
Total	400,000,000.00	

Notes:

(6) Cash Used in Other Financing Activities

Unit: RMB

Item	Reporting Period	Same period of last year
------	------------------	--------------------------

Restricted monetary capital as margin or pledge	12,156,986.49	10,501,660.17
Repayment for borrowings from external parties	12,600,000.00	16,000,000.00
Note financing and commission charges	7,307,777.76	
Total	32,064,764.25	26,501,660.17

Notes:

79. Supplemental Information for Cash Flow Statement

(1) Supplemental Information for Cash Flow Statement

Unit: RMB

Supplemental information	Reporting Period	Same period of last year
1. Reconciliation of net profit to net cash flows generated from operating activities	--	--
Net profit	90,799,816.00	-2,108,314.99
Add: Provision for impairment of assets	465,085.02	44,711.85
Depreciation of fixed assets, oil and gas assets, and productive living assets	75,816,384.42	75,489,459.11
Amortization of intangible assets	7,145,074.92	6,885,243.83
Amortization of long-term prepaid expenses	813,382.58	875,824.12
Losses from disposal of fixed assets, intangible assets and other long-lived assets (gains: negative)	69,442.59	16,367.16
Finance costs (gains: negative)	29,098,291.29	30,524,905.51
Investment loss (gains: negative)	-14,188,831.36	-16,774,990.13
Decrease in inventories (increase: negative)	11,274,082.31	237,646,511.02
Decrease in accounts receivable generated from operating activities (gains: negative)	203,870,009.33	-229,865,830.03
Increase in accounts payable used in operating activities (decrease: negative)	142,069,272.45	-451,894,687.24
Net cash generated from/used in operating activities	547,232,009.55	-349,160,799.79
2. Significant investing and financing activities without involvement of cash receipts and payments	--	--
3. Net increase/decrease of cash and cash	--	--

equivalent:		
Ending balance of cash	123,671,191.08	206,825,557.58
Less: Beginning balance of cash	213,743,010.81	133,983,939.73
Net increase in cash and cash equivalents	-90,071,819.73	72,841,617.85

(2) Net Cash Paid For Acquisition of Subsidiaries

Unit: RMB

	Amount
Of which:	--
Of which:	--
Of which:	--

Other notes:

(3) Net Cash Received from Disposal of the Subsidiaries

Unit: RMB

	Amount
Of which:	--
Of which:	--
Of which:	--

Other notes:

(4) Cash and Cash Equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	123,671,191.08	213,743,010.81
Including: Cash on hand	157,267.74	215,289.12
Bank deposit on demand	673,513,923.34	111,843,857.53
III. Ending balance of cash and cash equivalents	123,671,191.08	213,743,010.81

Other notes:

80. Notes to Items of the Statements of Changes in Owners' Equity

Notes to the name of "Other" of ending balance of the same period of last year adjusted and the amount adjusted:

81. Assets with Restricted Ownership or Right of Use

Unit: RMB

Item	Ending carrying value	Reason for restriction
Monetary assets	562,156,986.49	Deposit for fixed time deposit and bank acceptance bill
Other current assets	220,000,000.00	Structural deposit
Total	782,156,986.49	--

Other notes:

82. Foreign Currency Monetary Items**(1) Foreign Currency Monetary Items**

Unit: RMB

Item	Ending foreign currency balance	Exchange rate	Ending balance converted to RMB
Monetary assets	--	--	
Of which: USD	3,158,608.95	7.08	22,361,372.09
EUR			
HKD	12,016.72	0.91	10,976.56
GBP	11.72	8.71	102.13
Accounts receivable	--	--	
Of which: USD	6,563,520.35	7.08	46,466,442.31
EUR			
HKD	2,982,178.46	0.91	2,724,041.09
Long-term borrowings	--	--	
Of which: USD			
EUR			
HKD			
Short-term borrowings		--	
Of which: USD	23,758,580.18	7.08	168,198,868.39
Prepayment		--	
Of which: USD	16,040,080.36	7.08	113,555,748.90
EUR	131,241.00	7.96	1,044,809.60
Other receivables		--	

Of which: HKD	15,052,435.31	0.91	13,749,496.51
Accounts payable		--	
Of which: USD	89,493.00	7.08	633,565.69

Other notes:

(2) Notes to Overseas Entities Including: for Significant Oversea Entities, Main Operating Place, Recording Currency and Selection Basis Shall Be Disclosed; if there Are Changes in Recording Currency, Relevant Reasons Shall Be Disclosed.

Applicable Not applicable

83. Arbitrage

Qualitative and quantitative information of relevant arbitrage instruments, hedged risk in line with the type of arbitrage to disclose:

84. Government Grants

(1) Basic Information on Government Grants

Unit: RMB

Category	Amount	Listed items	Amount recorded in the current profit or loss
Government grant related to assets	1,325,063.87	Other income	1,325,063.87
Government grant, related to income, and used to compensate accrual cost expense or losses of the Company	8,745,758.31	Other income	8,745,758.31
Total	10,070,822.18		10,070,822.18

(2) Return of Government Grants

Applicable Not applicable

Other notes:

85. Other**VIII. Changes of Consolidation Scope****1. Business Combination Not under the Same Control****(1) Business Combination Not under the Same Control during the Reporting Period**

Unit: RMB

Name of acquiree	Time and place of gaining the equity	Cost of gaining the equity	Proportion of equity	Way to gain the equity	Purchase date	Recognition basis of purchase date	Income of acquiree from the purchase date to period-end	Net profits of acquiree from the purchase date to period-end

Other notes:

(2) Combination Cost and Goodwill

Unit: RMB

Combination cost	

Note to determination method of the fair value of the combination cost, consideration and changes:

The main formation reason for the large goodwill:

Other notes:

(3) The Identifiable Assets and Liabilities of Acquiree on Purchase Date

Unit: RMB

	Fair value on purchase date	Carrying value on purchase date

The determination method of the fair value of identifiable assets and liabilities

Contingent liability of acquiree undertaken in the business combination

Other notes:

(4) Gains or losses from Re-measurement of Equity Held before the Purchase Date at Fair Value

Whether there is a transaction that through multiple transaction step by step to realize business combination and gaining the control during the Reporting Period

 Yes No

(5) Notes to Reasonable Consideration or Fair Value of Identifiable Assets and Liabilities of the Acquiree that Cannot Be Determined on the Acquisition Date or during the Period-end of the Merger

(6) Other Notes

2. Business Combination under the Same Control

(1) Business Combination under the Same Control during the Reporting Period

Unit: RMB

Combined party	Proportion of the equity	Basis	Combination date	Recognition basis of combination date	Income from the period-beginning to the combination date of the acquiree	Net profits from the period-beginning to the combination date of the acquiree	Income of the acquiree during the period of comparison	Net profits of the acquiree during the period of comparison

Other notes:

(2) Combination Cost

Unit: RMB

Combination cost

Note to contingent consideration and the changes:

Other notes:

(3) The Carrying Value of Assets and Liabilities of the Combined Party on the Combination Date

Unit: RMB

	Combination date	Period-end of the last period

Contingent liabilities of the combined party undertaken in the business combination

Other notes:

3. Counter Purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process:

4. Disposal of Subsidiary

Whether there is a single disposal of the investment to the subsidiary and lost control?

Yes No

Whether there are several disposals of the investment to the subsidiary and lost controls?

Yes No

5. Changes in Combination Scope for Other Reasons

Note to changes in combination scope for other reasons (such as new establishment or liquidation of subsidiaries, etc.) and relevant information:

6. Other

IX. Equity in Other Entities

1. Equity in Subsidiary

(1) Subsidiaries

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Way of gaining
				Directly	Indirectly	
Zhuhai Hongta Renheng Paper Co., Ltd.	Zhuhai	Zhuhai	Manufacturing industry	41.97%		Business combination not under the same control
Zhuhai Huafeng Paper Co., Ltd.	Zhuhai	Zhuhai	Manufacturing industry		100.00%	Business combination under the same control
Zhuhai Golden Pheasant Chemical Co., Ltd.	Zhuhai	Zhuhai	Manufacturing industry		51.00%	Business combination not under the same control
Huaxin (Foshan) Color Printing Co., Ltd.	Foshan	Foshan	Manufacturing industry	100.00%		Establishment

Notes: Holding proportion in subsidiary different from voting proportion:

Basis of holding half or less voting rights but still controlling the investee and holding more than half of the voting rights but not controlling the investee:

The Company holds 41.9653% shares of Hongta Renheng, and in accordance with the contract and articles, there is seven directors in Hongta Renheng, of which four directors are sent by the Company, two sent by Yunnan Hongta Group Co., Ltd. (now renamed to Yunnan Hehe (Group) Co., Ltd.) and one sent by Renheng Industrial Co., Ltd. Dragon State International Limited didn't send any director. The Company still controls Hongta Renheng, and will continue to include it into the consolidated financial statements of the Company in this year.

Significant structural entities and controlling basis in the scope of combination:

Basis of determining whether the Company is the agent or the principal:

Other notes:

(2) Significant Non-wholly-owned Subsidiary

Unit: RMB

Name	Shareholding proportion of non-controlling interests	The profit or loss attributable to the non-controlling interests	Declaring dividends distributed to non-controlling interests	Balance of non-controlling interests at the period-end
Zhuhai Hongta Renheng Packaging Co., Ltd.	58.03%	8,659,925.35		103,376,055.13

Holding proportion of non-controlling interests in subsidiary different from voting proportion:

Other notes:

(3) The Main Financial Information of Significant Not Wholly-owned Subsidiary

Unit: RMB

Name	Ending balance						Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Zhuhai Hongta Renheng Packaging Co., Ltd.	2,639,68	2,075.63	4,715.32	1,869,98	149,350,	2,019,33	2,461,92	2,141,70	4,603,63	1,925,20	50,675,5	1,975,87
	9,852.79	6,054.41	5,907.20	7,838.70	522.66	8,361.36	6,612.57	9,928.17	6,540.74	1,252.84	86.53	6,839.37

Unit: RMB

Name	Reporting Period				Same period of last year			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Zhuhai Hongta Renheng Packaging Co., Ltd.	1,676,028,76	68,227,844.4	68,227,844.4	547,127,849.	1,580,350,48	-25,461,242.3	-25,461,242.3	-346,508,511.
	5.27	7	7	96	1.08	0	0	07

Other notes:

(4) Significant Restrictions on Using the Assets and Liquidating the Liabilities of the Company**(5) Financial Support or Other Supports Provided to Structural Entities Incorporated into the Scope of Consolidated Financial Statements**

Other notes:

2. The Transaction of the Company with Its Owner's Equity Share Changed but Still Controlling the Subsidiary**(1) Note to the Owner's Equity Share Changed in Subsidiary****(2) The Transaction's Influence on the Equity of Non-controlling Interests and the Owner's Equity Attributable to the Company as the Parent**

Unit: RMB

--	--

Other notes

3. Equity in Joint Ventures or Associated Enterprises**(1) Significant Joint Ventures or Associated Enterprises**

Name	Main operating place	Registration place	Nature of business	Holding percentage (%)		Accounting treatment of the investment to joint venture or associated enterprise
				Directly	Indirectly	
China Chengtong Finance Corporation Ltd.	Beijing	Beijing	Financial industry	10.00%		Accounted by equity method

Notes to holding proportion of joint venture or associated enterprise different from voting proportion:

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

During the Reporting Period, the voting proportion in China Chengtong Finance Corporation Ltd. enjoyed by the Company is less than 20%. Since the Company has sent directors to participate in its operation and decision-making, the Company still has significant influence on it.

(2) Main Financial Information of Significant Joint Ventures

Unit: RMB

	Ending balance/Reporting Period	Beginning balance/The same period of last year

Other notes

(3) Main Financial Information of Significant Associated Enterprise

Unit: RMB

	Ending balance/Reporting Period	Beginning balance/The same period of last year
	China Chengtong Finance Corporation Ltd.	China Chengtong Finance Corporation Ltd.
Current assets	15,820,908,479.35	12,200,783,753.87
Non-current assets	5,967,565,016.26	10,740,612,707.36
Total assets	21,788,473,495.61	22,941,396,461.23
Current liabilities	15,176,732,822.38	16,474,695,824.73
Total liabilities	15,176,732,822.38	16,474,695,824.73
Equity attributable to owners of the Company as the parent	6,611,740,673.23	6,466,700,636.51
Portion of net assets calculated according to proportion of shareholdings	661,174,067.32	646,670,063.65
Carrying value of equity investment to associated enterprise	661,174,067.32	646,670,063.65
Operating revenue	219,013,940.57	274,100,890.45
Net profit	145,037,968.00	167,148,315.55
Total comprehensive income	145,037,968.00	167,148,315.55
Dividend received from associated enterprises in the current year		10,000,000.00

Other notes

(4) Summary Financial Information of Insignificant Joint Ventures or Associated Enterprise

Unit: RMB

	Ending balance/Reporting Period	Beginning balance/The same period of last year
Joint ventures:	--	--
The total of following items according to the shareholding proportions	--	--

Associated enterprises:	--	--
Total carrying value of investment	8,327,131.59	8,642,303.90
The total of following items according to the shareholding proportions	--	--
--Net profit	862,163.18	187,931.62
--Total comprehensive income	862,163.18	187,931.62

Other notes

(5) Note to the Significant Restrictions on the Ability of Joint Ventures or Associated Enterprises to Transfer Funds to the Company

(6) The Excess Loss of Joint Ventures or Associated Enterprises

Unit: RMB

Name	The cumulative recognized losses in previous accumulatively derecognized	The derecognized losses (or the share of net profit) in Reporting Period	The accumulative unrecognized losses in Reporting Period

Other notes

(7) The Unrecognized Commitment Related to Investment to Joint Ventures

(8) Contingent Liabilities Related to Investment to Joint Ventures or Associated Enterprises

4. Significant Common Operation

Name	Main operating place	Registration place	Nature of business	Proportion /share portion	
				Directly	Indirectly

Notes to holding proportion or share portion in common operation different from voting proportion:

For common operation as a single entity, basis of classifying as common operation

Other notes

5. Equity in the Structured Entity Excluded in the Scope of Consolidated Financial Statements

Notes to the structured entity excluded in the scope of consolidated financial statements:

6. Other

X. The Risk Related to Financial Instruments

The Company is engaged in risk management to achieve balance between risks and returns, minimizing the negative effects of risks on its operation performance and maximizing the interests of its shareholders and other equity investors. Based on that risk management goal, the fundamental strategy of its risk management is to

identify and analyze various risks facing the Company, establish an appropriate risk bottom line, carry out risk management and monitor various risks in a timely and reliable manner to control them within a restricted scope. The Company faces various risks related to financial instruments in its routine activities, mainly including credit risk, liquidity risk market risk. The management has reviewed and approved the policies of managing those risks, which are summarized as follows.

(I) Credit Risk

Credit risk means the risk of financial losses incurred to the other party when one party of a financial instrument is unable to fulfill its obligations.

The Company's credit risk mainly comes from bank deposits and accounts receivable. To control the aforementioned relevant risks, the Company has adopted the following measures.

1. Bank deposits

The Company places its bank deposits with financial institutions of high credit ratings. Thus, its credit risk is low.

2. Accounts receivable

The Company conducts credit assessment on the customers trading in the mode of credit on a regular basis. Based on the credit assessment result, the Company chooses to trade with recognized customers with good credit and monitor the balance of the accounts receivable from them to ensure that the Company will not face any significant bad debt risk.

(II) Liquidity Risk

Liquidity risk refers to the risk of fund shortage occurring when the Company fulfills the settlement obligation in the mode of cash delivery or other financial assets. Liquidity risk may originate from the failure to sell financial assets at fair value as soon as possible; or from the other party's failure to pay off its contractual debts; or from the earlier maturity of debts; or from the failure to generate the expected cash flow.

To control the risk, the Company comprehensively adopts multiple financing approaches including notes clearing and bank loans, appropriately combine long-term and short-term financing modes and optimize the financing structure to maintain the balance between financing sustainability and flexibility. The Company has obtained the line of credit from a number of commercial banks to satisfy its operation fund needs and capital expenditure.

(III) Market Risk

Market risk means the fluctuation risk of the fair value of financial instruments or the future cash flow due to market price changes.

1. Interest rate risk

Interest rate risk means the fluctuation risk of the fair value of financial instruments or the future cash flow due to changes of market interest rate. The risk of changes of market interest rate facing the Company is mainly related to its borrowings with interests calculated in floating interest rates.

2. Foreign exchange risk

XI. The Disclosure of Fair Value

1. Ending Fair Value of Assets and Liabilities at Fair Value

Unit: RMB

Item	Ending fair value			Total
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	

I. Consistent fair value measurement	--	--	--	--
II. Inconsistent fair value measurement	--	--	--	--

2. Market Price Recognition Basis for Consistent and Inconsistent Fair Value Measurement Items at Level 1

3. Valuation Technique Adopted and Nature and Amount Determination of Important Parameters for Consistent and Inconsistent Fair Value Measurement Items at Level 2

4. Valuation Technique Adopted and Nature and Amount Determination of Important Parameters for Consistent and Inconsistent Fair Value Measurement Items at Level 3

5. Sensitiveness Analysis on Unobservable Parameters and Adjustment Information between Beginning and Ending Carrying Value of Consistent Fair Value Measurement Items at Level 3

6. Explain the Reason for Conversion and the Governing Policy when the Conversion Happens if Conversion Happens among Consistent Fair Value Measurement Items at Different Levels

7. Changes in the Valuation Technique in the Current Period and the Reason for Such Changes

8. Fair Value of Financial Assets and Liabilities Not Measured at Fair Value

9. Other

XII. Related Party and Related-party Transactions

1. Information Related to the Company as the Parent of the Company

Name	Registration place	Nature of business	Registered capital	Proportion of share held by the Company as the parent against the Company (%)	Proportion of voting rights owned by the Company as the parent against the Company (%)
Foshan Huaxin Development Co., Ltd.	Foshan	Manufacturing industry	RMB457.93 million	65.20%	65.20%

Notes: Information on the Company as the parent

China Paper Corporation, the actual controller of the Company, directly holds 0.11% shares of the Company. The total shares of the Company directly held by China Paper Corporation and indirectly held through Foshan Huaxin Development Co., Ltd. are 65.31%. China Chengtong Holdings Group Co., Ltd., the ultimate controller of the Company, enjoys all shares of China Paper Corporation.

The ultimate controller of the Company is China Chengtong Holdings Group Co., Ltd.

Other notes:

2. Subsidiaries of the Company

Refer to Note IX for details of subsidiaries of the Company.

3. Information on the Joint Ventures and Associated Enterprises of the Company

Refer to Note IX for details of significant joint ventures or associated enterprises of the Company.

Information on other joint venture or associated enterprise of occurring related-party transactions with the Company in Reporting Period, or forming balance due to related-party transactions made in previous period:

Name	Relationship with the Company
Guangdong Chengtong Logistics Co., Ltd.	Associated enterprise

Other notes

4. Information on Other Related Parties

Name	Relationship with the Company
Foshan Huaxin Import & Export Co., Ltd.	Under the control of the same actual controller
Guangdong Guanhao High-tech Co., Ltd.	Under the control of the same actual controller
Dragon State International Limited	Under the control of the same actual controller
Yueyang Forest & Paper Co., Ltd.	Under the control of the same actual controller
Yueyang Antai industrial Co., Ltd	Under the control of the same actual controller
Zhejiang Guanhao Advanced Materials Co., Ltd.	Under the control of the same actual controller
Guangdong Guanhao High-tech Industrial Co., Ltd.	Under the control of the same actual controller
Dragon State Investment Development Co., Ltd.	Under the control of the same actual controller
Zhanjiang Guanhao Paper Co., Ltd.	Under the control of the same actual controller
Tianjin CMST Chuangshi Logistics Co., Ltd.	Under the control of the same actual controller

Other notes

5. List of Related-party Transactions

(1) Information on Acquisition of Goods and Reception of Labor Service

Information on acquisition of goods and reception of labor service

Unit: RMB

Related party	Content	Reporting Period	The approval trade	Whether exceed trade	Same period of last
---------------	---------	------------------	--------------------	----------------------	---------------------

			credit	credit or not	year
China Paper Corporation	Purchase of raw material	4,378,629.35	218,000,000.00	No	126,507,408.64
Yueyang Forest & Paper Co., Ltd.	Purchase of raw material	6,584,644.32	26,000,000.00	No	177,773.88
Zhejiang Guanbao Advanced Materials Co., Ltd.	Purchase of raw material	236,880.08		Yes	177,467.34
Tianjin CMST Chuangshi Logistics Co., Ltd.	Providing logistics service	24,647,532.18	50,000,000.00	No	25,831,228.51
Total		35,847,685.93	294,000,000.00		152,693,878.37

Information of sales of goods and provision of labor service

Unit: RMB

Related party	Content	Reporting Period	Same period of last year
Zhuhai Guanbao Barcode Technology Co., Ltd.	Sales of products	111,910.30	
Yueyang Forest & Paper Co., Ltd.	Sales of products	5,286,421.67	9,773,533.31
Guangdong Guanbao High-tech Co., Ltd.	Sales of products	3,047,497.36	3,913,339.14
Total		8,445,829.33	13,686,872.45

Information of sales/purchase of goods and provision/reception of labor service

(2) Information on Related-party Trusteeship/Contract

Lists of trusteeship/contract:

Unit: RMB

Name of the entruster/contractee	Name of the trustee/contractor	Type	Start date	Due date	Pricing basis	Income recognized in this Reporting Period
----------------------------------	--------------------------------	------	------------	----------	---------------	--

Notes:

Lists of entrust/contractee

Unit: RMB

Name of the entruster/contractee	Name of the trustee/contractor	Type	Start date	Due date	Pricing basis	Charge recognized in this Reporting Period
----------------------------------	--------------------------------	------	------------	----------	---------------	--

Notes

(3) Information on Related-party Lease

The Company was lessor:

Unit: RMB

Name of lessee	Category of leased assets	The lease income confirmed in the Reporting Period	The lease income confirmed in the same period of last year

The Company was lessee:

Unit: RMB

Name of lessor	Category of leased assets	The lease fee confirmed in the Reporting Period	The lease fee confirmed in the same period of last year

Notes

(4) Information on Related-party Guarantee

The Company was guarantor

Unit: RMB

Secured party	Guarantee amount	Start date	End date	Execution accomplished or not

The Company was secured party

Unit: RMB

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not

Notes

(5) Information on Inter-bank Lending of Capital of Related Parties

Unit: RMB

Related party	Amount	Start date	End date	Note
Borrowing				
China Chengtong Finance Corporation Ltd.	200,000,000.00	15 October 2019	13 March 2020	
Lending				

(6) Information on Assets Transfer and Debt Restructuring by Related Party

Unit: RMB

Related party	Content	Reporting period	Same period of last year

(7) Information on Remuneration for Key Management Personnel

Unit: RMB

Item	Reporting period	Same period of last year
------	------------------	--------------------------

(8) Other Related-party Transactions**6. Accounts Receivable and Payable of Related Party****(1) Accounts Receivable**

Unit: RMB

Item	Related party	Ending balance		Beginning balance	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Accounts receivable	Foshan Huaxin Import & Export Co., Ltd.	549,882.60	549,882.60	549,882.60	549,882.60
Accounts receivable	Guangdong Guanhao High-tech Co., Ltd.	1,763,056.03	2,427.75	2,708,860.03	2,427.75
Accounts receivable	Yueyang Forest & Paper Co., Ltd.	1,191,761.78		3,018,105.34	
Accounts receivable	China Paper Corporation	3,824,037.81	191,201.89	3,824,037.81	191,201.89
Accounts receivable	Yueyang Antai Industrial Co., Ltd	5,302.10	5,302.10	5,302.10	5,302.10
Accounts receivable	Zhanjiang Guanhao Paper Co., Ltd.			75,977.76	416.64
Accounts receivable	Zhuhai Guanhao Barcode Technology Co., Ltd.	126,458.64			
Subtotal		7,460,498.96	748,814.34	10,182,165.64	749,230.98
Prepayments	China Paper Corporation	24,037.26		2,861,546.97	
Subtotal		24,037.26		2,861,546.97	
Other accounts receivable	Guangdong Chengtong Logistics Co., Ltd.	515,666.66	51,519.74	515,666.66	51,519.74
Other accounts receivable	Yueyang Forest & Paper Co., Ltd.	37,934.00	2,381.49	63,297.98	2,381.49

Other accounts receivable	Tianjin CMST Chuangshi Logistics Co., Ltd.	69,579.49			
Subtotal		623,180.15	53,901.23	578,964.64	53,901.23

(2) Accounts Payable

Unit: RMB

Item	Related party	Ending carrying amount	Beginning carrying amount
Accounts payable	Guangdong Chengtong Logistics Co., Ltd.	656,380.63	611,068.48
Accounts payable	China Paper Corporation	2,308,149.01	280,461.45
Accounts payable	Zhejiang Guan hao Advanced Materials Co., Ltd.	99,011.04	26,491.26
Accounts payable	Tianjin CMST Chuangshi Logistics Co., Ltd.	19,161,520.70	19,714,358.38
Accounts payable	Yueyang Forest & Paper Co., Ltd.		208,180.00
Subtotal		22,225,061.38	20,840,559.57
Other payables	China Paper Corporation	100,000,000.00	
Other accounts payable	Foshan Huaxin Development Co., Ltd.	665,332.50	13,155,712.50
Other accounts payable	Guangdong Chengtong Logistics Co., Ltd.	170,384.98	170,384.98
Other accounts payable	Tianjin CMST Chuangshi Logistics Co., Ltd.	4,900,000.00	2,100,000.00
Other accounts payable	Foshan Huaxin Import & Export Co., Ltd.	545,090.67	
Subtotal		106,280,808.15	15,426,097.48

7. Commitments of Related Party**8. Other****XIII. Stock Payment****1. The Overall Situation of Stock Payment**

Applicable Not applicable

2. The Stock Payment Settled in Equity

Applicable Not applicable

3. The Stock Payment Settled in Cash

Applicable Not applicable

4. Modification and Termination of the Stock Payment**5. Other****XIV. Commitments and Contingency****1. Significant Commitments**

Significant Contingency on Balance Sheet Date

As of 30 June 2020, there was no significant commitment for the Company to disclose.

2. Contingency**(1) Significant Contingency on Balance Sheet Date**

As of 30 June 2020, there was no significant contingency for the Company to disclose.

(2) In Despite of no Significant Contingency to Disclose, the Company Shall Also Make Relevant Statements

There was no significant contingency in the Company.

3. Other**XV. Events after Balance Sheet Date****1. Significant Non-adjusted Events**

Unit: RMB

Item	Content	Influence number to the financial position and operating results	Reason of inability to estimate influence number

2. Profit Distribution

Unit: RMB

3. Sales Return**4. Notes to Other Events after Balance Sheet Date****XVI. Other Significant Events****1. The Accounting Errors Correction in Previous Period****(1) Retrospective Restatement**

Unit: RMB

Content	Processing program	Name of the influenced report items during comparison period	Accumulative impact
---------	--------------------	--	---------------------

(2) Prospective Application

Content	Processing program	Reason for adopting prospective application
---------	--------------------	---

2. Debt Restructuring**3. Assets Replacement****(1) Non-monetary Assets Exchange****(2) Other Assets Replacement****4. Pension Plan**

Approved in the 9th Meeting of the 6th of Board of Directors in 2016, the Company could participate in the corporate pension plan of China Chengtong Holdings Co., Ltd., and formulate its own pension plan implementation rules under the framework of China Chengtong Holdings Co., Ltd. in line with China National Paper Industry Investment Corp. Pension Plan Implementation Rules and the actual situation. Annuity payment is divided into enterprise contribution and individual contribution. The total annual contribution of the enterprise is 5% of the total salary of the previous year, the individual contribution of the employee is 25% of the contribution of the enterprise, and the employee who is in service before 1 January 2017 of the Company can volunteer to participation in the annuity plan.

5. Discontinued Operations

Unit: RMB

Item	Income	Expense	Total profit	Income tax expense	Net profit	Profit from discontinued operations attributable to owners of the Company as the parent

Other notes

6. Segment Information

(1) Determination Basis and Accounting Policies of Reportable Segment

In accordance with the internal organization structure, management requirements and internal report system, the Company identified the reportable segments based on the product segment and assessed the operational performance of ivory business, printing business and latex business. The assets and liabilities sharing with other segments shall be proportionally distributed among segments by scales.

(2) The Financial Information of Reportable Segment

Unit: RMB

Item	Chemical industry	Offset among segments	Total
Main business revenue	207,482,570.21	-55,638,986.58	1,829,581,089.37

(3) If there Was no Reportable Segment, or the Total Amount of Assets and Liabilities of Each Reportable Segment Could not Be Reported, Relevant Reasons Shall Be Clearly Stated

(4) Other Notes

7. Other Significant Transactions and Events with Influence on Investors' Decision-making

8. Other

XVII. Notes of Main Items in the Financial Statements of the Company as the Parent

1. Accounts Receivable

(1) Accounts Receivable Disclosed by Category

Unit: RMB

Category	Ending balance					Beginning balance				
	Carrying amount		Bad debt provision		Carrying value	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion	Amount	Withdrawal proportion		Amount	Proportion	Amount	Withdrawal proportion	
Of which:										
Accounts receivable for which bad debt provision accrued by group	750.37	100.00%			750.37					
Of which:										
Total	750.37	100.00%			750.37					

Accounts receivable for which bad debt provision accrued separately

Unit: RMB

Name	Ending balance			
	Carrying amount	Bad debt provision	Withdrawal proportion	Reason for withdrawal
Accounts receivable for which bad debt provision accrued by group:				

Accounts receivable for which bad debt provision accrued by group: RMB0

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Aging group	750.37		
Total	750.37		--

Notes of the basis of recognizing the group:

Accounts receivable for which bad debt provision accrued by group:

Unit: RMB

Name	Ending balance		
	Carrying amount	Bad debt provision	Withdrawal proportion
Accounts receivable for which bad debt provision accrued by group:			

Notes of the basis of recognizing the group:

Please refer to the relevant information of disclosure of bad debt provision of other accounts receivable if adopting the general mode of expected credit loss to withdraw bad debt provision of accounts receivable.

Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	750.37
Within 3 months	750.37

Total	750.37
-------	--------

(2) Bad Debt Provision Withdrawal, Reversed or Recovered in the Reporting Period

Information of withdrawal of bad debt provision:

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period				Ending balance
		Withdrawal	Reversal or recovery	Write-off	Other	

Significant amount of reversed or recovered bad debt provision:

Unit: RMB

Name of the entity	Reversed or collected amount	Method

(3) Particulars of the Actual Verification of Accounts Receivable during the Reporting Period

Unit: RMB

Item	Amount

Of which the verification of significant accounts receivable:

Unit: RMB

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related-party transactions

Notes to the verification of accounts receivable:

(4) Top 5 of the Ending Balance of Accounts Receivable Collected according to the Arrears Party

Unit: RMB

Name of the entity	Ending balance of accounts receivable	Proportion to total ending balance of accounts receivable	Ending balance of bad debt provision
Dongguan Qiwen Paper Co., Ltd.	750.17	99.97%	
Shenzhen Huasong Paper Co., Ltd.	0.20	0.03%	
Total	750.37	100.00%	

(5) Derecognition of Accounts Receivable due to the Transfer of Financial Assets**(6) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Accounts Receivable**

Other notes:

2. Other Receivables

Unit: RMB

Item	Ending balance	Beginning balance
Interest receivable	584,375.00	
Dividends receivable	28,000,000.00	28,000,000.00
Other receivables	1,277,490.51	25,371,168.86
Total	29,861,865.51	53,371,168.86

(1) Interest Receivable**1) Category of Interest Receivable**

Unit: RMB

Item	Ending balance	Beginning balance
Fixed time deposit	584,375.00	
Total	584,375.00	

2) Significant Overdue Interest

Entity	Ending balance	Overdue time	Overdue reason	Whether occurred impairment and its judgment basis

Other notes:

3) Information of Withdrawal of Bad Debt Provision Applicable Not applicable**(2) Dividends Receivable****1) Category of Dividends Receivable**

Unit: RMB

Item (or investees)	Ending balance	Beginning balance
Dividends receivable	28,000,000.00	28,000,000.00
Total	28,000,000.00	28,000,000.00

2) Significant Dividends Receivable Aged over One Year

Unit: RMB

Item (or investees)	Ending balance	Aging	Reason	Whether occurred impairment and its judgment basis
---------------------	----------------	-------	--------	--

3) Information of Withdrawal of Bad Debt Provision

Applicable Not applicable

Other notes:

(3) Other Receivables

1) Other Receivables Disclosed by Accounts Nature

Unit: RMB

Nature	Ending carrying amount	Beginning carrying amount
Accounts of related party within the scope of combination	1,130,589.96	25,301,487.37
Petty cash	111,245.55	
Other intercourse funds	35,655.00	72,062.98
Total	1,277,490.51	25,373,550.35

2) Information of Withdrawal of Bad Debt Provision

Unit: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of the next 12 months	Expected loss in the duration (credit impairment not occurred)	Expected loss in the duration (credit impairment occurred)	
Balance of 1 January 2020	2,381.49			2,381.49
Balance of 1 January 2020 in the Current Period	—	—	—	—

Reversal of the Current Period	2,381.49			2,381.49
Balance of 30 June 2020	0.00			0.00

Changes of carrying amount with significant amount changed of loss provision in the current period

Applicable Not applicable

Disclosure by aging

Unit: RMB

Aging	Ending balance
Within 1 year (including 1 year)	1,277,490.51
Within 3 months	1,277,490.51
Total	1,277,490.51

3) Bad Debt Provision Withdrawal, Reversed or Recovered in the Reporting Period

Information of Withdrawal of Bad Debt Provision

Unit: RMB

Category	Beginning balance	Changes in the Reporting Period				Ending balance
		Withdrawal	Reversal or recovery	Write-off	Other	
Bad debt provision of other receivables	2,381.49		2,381.49			0.00
Total	2,381.49		2,381.49			

Of which bad debt provision recovered or reversed with significant amount during the Reporting Period:

Unit: RMB

Name of the entity	Reversed or collected amount	Method

4) Particulars of the Actual Verification of Other Receivables during the Reporting Period

Unit: RMB

Item	Amount

Of which the verification of significant other receivables:

Unit: RMB

Name of the entity	Nature	Amount	Reason	Procedure	Whether occurred because of related-party transactions

Notes to the verification of other receivables:

5) Top 5 of the Ending Balance of Other Receivables Collected according to the Arrears Party

Unit: RMB

Name of the entity	Nature	Ending balance	Aging	Proportion to ending balance of total other receivables%	Ending balance of bad debt provision
Huaxin Color Printing	Interests	1,130,589.96	Within 1 year	88.50%	
Petty cash	Petty cash	111,245.55	Within 1 year	8.71%	
Guangdong Youde Tendering Purchase Co., Ltd.	Deposit	20,000.00	Within 1 year	1.57%	
Deductible housing fund	Deductible housing fund	13,655.00	Within 1 year	1.07%	
The People's Printing Plant of Guangzhou Co., Ltd.	Deposit	2,000.00	Within 1 year	0.16%	
Total	--	1,277,490.51	--	100.00%	

6) Accounts Receivable Involving Government Grants

Unit: RMB

Name of the entity	Project of government grants	Ending balance	Ending aging	Estimated recovering time, amount and basis

7) Derecognition of Other Receivables due to the Transfer of Financial Assets**8) The Amount of the Assets and Liabilities Formed due to the Transfer and the Continued Involvement of Other Receivables**

Other notes:

3. Long-term Equity Investment

Unit: RMB

Item	Ending balance			Beginning balance		
	Carrying amount	Depreciation reserve	Carrying value	Carrying amount	Depreciation reserve	Carrying value
Investment to subsidiaries	1,050,107,442.14		1,050,107,442.14	1,050,107,442.14		1,050,107,442.14
Investment to joint ventures and	661,174,067.32		661,174,067.32	646,670,063.65		646,670,063.65

associated enterprises						
Total	1,711,281,509.46		1,711,281,509.46	1,696,777,505.79		1,696,777,505.79

(1) Investment to Subsidiaries

Unit: RMB

Investee	Beginning balance (carrying value)	Increase/decrease				Ending balance (carrying value)	Ending balance of depreciation reserve
		Additional investment	Reduced investment	Withdrawal of impairment provision	Other		
Hongta Renheng	927,570,697.11					927,570,697.11	
Huaxin (Foshan) Color Printing Co., Ltd.	122,536,745.03					122,536,745.03	
Total	1,050,107,442.14					1,050,107,442.14	

(2) Investment to Joint Ventures and Associated Enterprises

Unit: RMB

Investee	Beginning balance (carrying value)	Increase/decrease								Ending balance (carrying value)	Ending balance of depreciation reserve
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other		
I. Joint ventures											
II. Associated enterprises											
China Chengtong Finance Corporation Ltd.	646,670,063.65			14,504,003.67						661,174,067.32	
Subtotal	646,670,063.65			14,504,003.67						661,174,067.32	
Total	646,670,063.65			14,504,003.67						661,174,067.32	

	63.65			3.67					67.32	
--	-------	--	--	------	--	--	--	--	-------	--

(3) Other Notes**4. Operating Revenue and Cost of Sale**

Unit: RMB

Item	Reporting Period		Same period of last year	
	Operating revenue	Cost of sales	Operating revenue	Cost of sales
Main operations	15,327,349.86	15,122,657.95		
Total	15,327,349.86	15,122,657.95		

Relevant information of revenue:

Unit: RMB

Category of contracts	Segment 1	Segment 2		Total
Type of products	15,327,349.86			15,327,349.86
Of which:				
Other	15,327,349.86			15,327,349.86
Of which:				
Of which:				
Of which:				
Of which:				
Of which:				
Of which:				

Information related to performance obligations:

None

Information related to transaction value assigned to residual performance obligations:

The amount of revenue corresponding to performance obligations of contracts signed but not performed or not fully performed yet was RMB0.00 at the period-end, among which RMB0.00 was expected to be recognized in the year, RMB0.00 in the year and RMB0.00 in the year.

Other notes:

5. Investment Income

Unit: RMB

Item	Reporting Period	Same period of last year
Long-term equity investment income accounted by equity method	14,504,003.67	16,714,852.01
Total	14,504,003.67	16,714,852.01

6. Other**XVIII. Supplementary Materials****1. Items and Amounts of Non-recurring Profit or Loss**√ Applicable Not applicable

Unit: RMB

Item	Amount	Note
Gains/losses on the disposal of non-current assets	-69,442.59	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	10,070,822.18	
Other non-operating income and expense other than the above	2,347,635.43	
Less: Income tax effects	393,751.73	
Non-controlling interests effects	6,659,487.89	
Total	5,295,775.40	--

Explain the reasons if the Company classifies an item as a non-recurring gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

 Applicable Not applicable**2. Return on Equity and Earnings Per Share**

Profit as of Reporting Period	Weighted average ROE (%)	EPS (Yuan/share)	
		EPS-basic	EPS-diluted
Net profit attributable to ordinary shareholders of the Company	2.35%	0.0941	0.0941
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	2.09%	0.0836	0.0836

3. Differences between Accounting Data under Domestic and Overseas Accounting Standards

(1) Differences of Net Profit and Net Assets Disclosed in Financial Reports Prepared under International and Chinese Accounting Standards

Applicable Not applicable

(2) Differences of Net profit and Net assets Disclosed in Financial Reports Prepared under Overseas and Chinese Accounting Standards

Applicable Not applicable

(3) Explain Reasons for the Differences between Accounting Data under Domestic and Overseas Accounting Standards; for any Adjustment Made to the Difference Existing in the Data Audited by the Foreign Auditing Agent, Such Foreign Auditing Agent's Name Shall Be Clearly Stated

4. Other

Part XII Documents Available for Reference

1. The financial statements signed and stamped by the Company's legal representative, General Manager and Chief Financial Officer.
2. The originals of all the Company's announcements and documents disclosed to the public during the Reporting Period on the media designated by the CSRC for information disclosure.
3. The 2020 Interim Report signed by the legal representative with the seal of the Company.