



**C&S PAPER CO.,LTD**

**2 0 2 3**

**Third Quarter Report**

## **C&S Paper Co., Ltd.**

### **Third Quarter Report 2023**

**The Company and all members of the Board of Directors hereby guarantee the truthfulness, accuracy and completeness of the information disclosed, and there are no false and misleading statements or material omissions.**

#### **Important Notice:**

1. The Board of Directors and the Board of Supervisors of the Company and its directors, supervisors and senior management warrant that the information contained in this quarterly report is true, accurate and complete without any false and misleading statements or material omissions, and severally and jointly accept legal liability thereof.

2. The person in charge of the Company, the person in charge of accounting of the Company, and the person in charge of the accounting department of the Company have declared that they warrant the truthfulness, accuracy and completeness of the financial statements set out in this quarterly report.

3. Whether the Third Quarter Report has been audited

Yes  No

#### **I. Main Financial Data**

##### **(I) Main accounting data and financial indicators**

Whether the Company needs to perform retrospective adjustment or restatement of accounting data for previous years

Yes  No

	Current period	Changes over same period of previous year	Beginning of the year to end of current period	Changes over same period of previous year
Operating income (RMB)	2,138,179,553.65	22.44%	6,823,260,119.24	11.60%
Net profit attributable to shareholders of the listed company (RMB)	80,937,884.63	72.69%	165,428,059.09	-39.74%
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss (RMB)	68,640,359.17	128.32%	142,334,246.75	-43.21%
Net cash flow from operating activities (RMB)	—	—	791,698,638.61	68.56%
Basic earnings per share (RMB/share)	0.06	50.00%	0.13	-38.10%
Diluted earnings per share (RMB/share)	0.06	50.00%	0.13	-38.10%
Weighted average return on net assets	1.55%	0.60%	3.10%	-2.33%
	End of current period	End of previous year	Changes over end of previous year	
Total assets (RMB)	8,941,770,801.80	8,335,107,691.71	7.28%	
Owner's equity attributable to shareholders of the listed company (RMB)	5,329,114,258.61	5,178,060,378.48	2.92%	

**(II) Non-recurring items and amounts**

√ Applicable □ Not applicable

Unit: RMB

Item	Amount of current period	Amount from beginning of the year to end of current period	Description
Profits/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	210,103.75	-2,750,673.27	
Governmental grants reckoned into current profits/losses (not including grants enjoyed in quota or ration according to national standards, which are closely relevant to the company's normal business)	9,523,052.33	21,397,372.54	
Profits/losses from assets entrusted to others for investment or management	6,043,395.76	7,033,551.12	
Except for effectively hedging business related to normal business operations of the Company, gain or loss arising from the change in the fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and other non-current financial assets, as well as investment income or loss produced from the disposal of the aforesaid financial assets and liabilities		968,000.00	
Other non-operating income and expenses except for the aforementioned items	196,410.89	2,877,057.78	
Less: Influence of income tax	3,675,437.27	6,431,495.83	

Total	12,297,525.46	23,093,812.34	--
-------	---------------	---------------	----

Details of other profit and loss items that meet the definition of non-recurring profit and loss:

Applicable  Not applicable

The Company has no other profit and loss items that meet the definition of non-recurring profit and loss.

Descriptions where the Company defines any non-recurring profit and loss items listed in the *No. 1 Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public—Non-recurring Profit and Loss* as recurring profit and loss items during the reporting period

Applicable  Not applicable

The Company did not define any non-recurring profit and loss items listed in the *No. 1 Explanatory Announcement on Information Disclosure of Companies Offering Securities to the Public—Non-recurring Profit and Loss* as recurring profit and loss items during the reporting period.

### (III) Changes of main accounting data and financial indicators and reasons

Applicable  Not applicable

#### (I) Balance sheet items

Notes receivable: This item recorded an increase of RMB29,381,886.96 or 258.39% in the reporting period compared with the end of 2022, mainly owing to the increase in bank acceptance bills received from customers during the reporting period.

Other current assets: This item recorded an increase of RMB708,210,695.68 or 211.43% in the reporting period compared with the end of 2022, mainly owing to the increase in the principals of wealth management products during the reporting period.

Construction work in progress: This item recorded an increase of RMB44,806,897.59 or 31.42% in the reporting period compared with the end of 2022, mainly owing to an increase in engineering equipment payments during the reporting period.

Right-of-use assets: This item recorded an increase of RMB8,636,076.70 or 88.50% in the reporting period compared with the end of 2022, mainly owing to an increase in rented houses and buildings during the reporting period.

Goodwill: This item recorded an increase of RMB633,136.34 or 979.27% in the reporting period compared with the end of 2022, mainly owing to the acquisition of subsidiaries not under the common control during the reporting period.

Deferred income tax assets: This item recorded an increase of RMB62,113,717.21 or 30.09% in the reporting period compared with the end of 2022, mainly owing to an increase in deductible losses during the reporting period.

Other non-current assets: This item recorded an increase of RMB69,399,816.59 or 1,188.55% in the reporting period compared with the end of 2022, mainly owing to an increase in prepayments for engineering equipment during the reporting period.

Short-term borrowing: This item recorded an increase of RMB412,498,052.40 or 67.87% in the reporting period compared with the end of 2022, mainly owing to the increase in short-term loans from banks during the reporting period.

Contract liabilities: This item recorded a decrease of RMB34,881,562.42 or 36.12% in the reporting period compared with the end of 2022, mainly owing to the decrease in advance received from customers during the

reporting period.

Tax and fees payable: This item recorded an increase of RMB67,967,449.60 or 127.14% in the reporting period compared with the end of 2022, mainly owing to the increase in value added tax and income tax during the reporting period.

Non-current liabilities due within one year: This item recorded an increase of RMB3,220,866.97 or 32.75% compared with the end of 2022, mainly due to an increase in lease liabilities due within one year during this reporting period.

Non-current liabilities: This item recorded a decrease of RMB4,513,710.10 or 36.28% in the reporting period compared with the end of 2022, mainly owing to the decrease in taxes to be charged off during the reporting period.

Lease liabilities: This item recorded an increase of RMB6,590,361.30 or 819.82% in the reporting period compared with the end of 2022, mainly owing to the increase in rented houses and buildings during the reporting period.

Deferred income tax liabilities: This item recorded a decrease of RMB20,463,608.67 or 43.42% in the reporting period compared with the end of 2022, mainly due to the decrease in temporary differences formed by fixed assets during this reporting period.

## **(II) Income statement items**

Financial expenses: This item recorded a decrease of RMB21,961,799.01 or 506.92% from the beginning of the year to the end of the reporting period compared with the same period in 2022, mainly owing to the decrease in exchange gains and losses during the reporting period.

Return on investment: This item recorded an increase of RMB7,818,100.18 or 4,261.68% from the beginning of the year to the end of the reporting period compared with the same period in 2022, mainly owing to the increase in returns on wealth management products during the reporting period.

Credit impairment loss: This item recorded an increase of RMB7,715,203.14 or 95.10% from the beginning of the year to the end of the reporting period compared with the same period in 2022, mainly owing to the increase in accrued credit impairment losses of accounts receivable during the reporting period.

Asset impairment loss: This item recorded a decrease of RMB1,331,986.85 or 37.23% from the beginning of the year to the end of the reporting period compared with the same period in 2022, mainly due to the decrease in the provision for inventory depreciation during this reporting period.

Return on disposal of assets: This item recorded a decrease of RMB273,565.98 or 46.90% from the beginning of the year to the end of the reporting period compared with the same period in 2022, mainly owing to the decrease in income from the disposal of fixed assets during the reporting period.

Non-operating income: This item recorded a decrease of RMB9,377,057.10 or 65.41% from the beginning of the year to the end of the reporting period compared with the same period in 2022, mainly owing to the decrease in non-operating income during the reporting period.

Income tax expenses: This item recorded a decrease of RMB30,610,646.06 or 77.76% from the beginning of the year to the end of the reporting period compared with the same period in 2022, mainly owing to the decrease in total profit during the reporting period.

## **(III) Cash flow statement items**

Net cash flows from operating activities: This item recorded an increase of RMB322,015,907.16 or 68.56% from the beginning of the year to the end of the reporting period compared with the same period in 2022, mainly owing to the increase in sale revenue during the reporting period.

Net cash flows from investing activities: This item recorded a decrease of RMB580,453,571.3 or 144.68% from the beginning of the year to the end of the reporting period compared with the same period in 2022, mainly owing to the increase in principal paid for purchasing wealth managements during the reporting period.

Net cash flows from financing activities: This item recorded an increase of RMB419,955,905.31 or 2,043.34% from the beginning of the year to the end of the reporting period compared with the same period in 2022, mainly owing to the increase in cash received from borrowings during the reporting period.

## II. Shareholder Information

### (I) Total number of ordinary shareholders, number of preferred shareholders whose voting rights were resumed and shareholdings of top 10 shareholders

Unit: share

Total number of ordinary shareholders as at the end of the reporting period		111,616		Total number of preferred shareholders whose voting rights were resumed at the end of the reporting period (if any)		0	
Shareholdings of top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares	Number of shares subject to selling restrictions	Pledged, marked or frozen		
					Share status	Number of shares	
Guangdong Zhongshun Paper Group Co., Ltd.	Domestic non-state-owned legal person	28.26%	377,195,570				
Chung Shun Co.	Foreign legal person	19.97%	266,504,789				
Hong Kong Securities Clearing Co., Ltd.	Foreign legal person	2.90%	38,651,364				
Ernest Partners LLC -- Client funds	Foreign legal person	0.90%	11,991,400				
Yue Yong	Domestic natural person	0.81%	10,765,241	8,348,930			
Deng Yingzhong	Domestic natural person	0.51%	6,752,811	5,064,608			
Guohua Life — Xingyi Traditional No.2	Others	0.47%	6,224,600				
# Zhongshan Xinda Investment Management Co., Ltd.	Domestic non-state-owned legal person	0.46%	6,123,636				
ABC — CSI Smallcap 500 ETF	Others	0.45%	5,960,789				

ICBC Ansheng Life Insurance - Long term dividend products	Others	0.40%	5,300,000		
Shareholdings of top 10 shareholders not subject to selling restrictions					
Name of shareholder	Number of shares not subject to selling restrictions	Type of shares			
		Type of shares	Number of shares		
Guangdong Zhongshun Paper Group Co., Ltd.	377,195,570	RMB-denominated ordinary shares	377,195,570		
Chung Shun Co.	266,504,789	RMB-denominated ordinary shares	266,504,789		
Hong Kong Securities Clearing Co., Ltd.	38,651,364	RMB-denominated ordinary shares	38,651,364		
Ernest Partners LLC — Client funds	11,991,400	RMB-denominated ordinary shares	11,991,400		
Guohua Life — Xingyi Traditional No.2	6,224,600	RMB-denominated ordinary shares	6,224,600		
# Zhongshan Xinda Investment Management Co., Ltd.	6,123,636	RMB-denominated ordinary shares	6,123,636		
ABC — CSI Smallcap 500 ETF	5,960,789	RMB-denominated ordinary shares	5,960,789		
ICBC Ansheng Life Insurance - Long term dividend products	5,300,000	RMB-denominated ordinary shares	5,300,000		
ICBC — CSI Main Consumer Staples ETF	4,888,838	RMB-denominated ordinary shares	4,888,838		
# Chen Ruiqiang	3,667,600	RMB-denominated ordinary shares	3,667,600		
Description on the related relationship or parties acting-in-concert arrangements among the above shareholders	<p>1. Among the top 10 shareholders mentioned above, Mr. Deng Yingzhong is among the actual controllers of the Company and a director of the Company. Guangdong Zhongshun Paper Group Co., Ltd. and Chung Shun Co. are the enterprises controlled by actual controllers of the Company, i.e. Deng Yingzhong, Deng Guanbiao and Deng Guanjie. That is, Guangdong Zhongshun Paper Group Co., Ltd. and Chung Shun Co. are related parties. Mr. Yue Yong is an incumbent senior manager of the Company.</p> <p>2. It is unknown to the Company whether there is related party relationship among other shareholders, or whether there is acting-in-concert among other shareholders.</p>				
Description on the top 10 shareholders' participation in margin trading and securities lending (if any)	<p>1.The Company's shareholder Zhongshan Xinda Investment Management Co., Ltd. holds 6,120,602 shares through a client credit transaction guarantee securities account.</p> <p>2.The Company's shareholder Chen Ruiqiang holds 843,500 shares through a client credit transaction guarantee securities account.</p> <p>Note: There is a special repurchase account "C&amp;S Paper Special Repurchase Securities Account" among the top 10 shareholders. As of the end of the reporting period, this repurchase account held 24,863,087 shares, with a shareholding ratio of 1.86%. Pursuant to relevant regulations, it is not included in the list of top 10 shareholders.</p>				

**(II) Total number of preferred shareholders and share holdings of top 10 preferred shareholders**

Applicable  Not applicable

**III. Other Significant Matters**

Applicable  Not applicable

## IV. Quarterly Financial Statements

### (I) Financial statements

#### 1. Consolidated balance sheet

Prepared by: C&amp;S Paper Co., Ltd.

September 30, 2023

Unit: RMB

Item	September 30, 2023	January 1, 2023
Current assets:		
Monetary funds	1,617,860,899.96	1,324,787,541.49
Settlement reserve		
Lending to banks and other financial institutions		
Tradable financial assets		
Derivative financial assets		
Notes receivable	40,752,979.76	11,371,092.80
Accounts receivable	978,920,016.97	1,084,130,138.51
Accounts receivable financing		
Prepayments	19,028,328.22	15,291,351.73
Premium receivable		
Reinsurance payables		
Reinsurance contract reserves receivable		
Other receivables	17,448,488.28	16,915,272.60
Including: Interest receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventory	1,615,584,287.81	1,911,630,723.55
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	1,043,170,049.59	334,959,353.91
Total current assets	5,332,765,050.59	4,699,085,474.59
Non-current assets:		
Loans and advances to customers		
Investments in creditor's rights		
Investments in other creditor's rights		
Long-term receivable		
Long-term equity investment		
Investment in other equity instruments		
Other non-current financial assets		



Investment property	30,623,934.39	31,701,597.54
Fixed assets	2,800,638,460.94	3,013,559,312.97
Construction work in progress	187,434,021.01	142,627,123.42
Productive biological assets		
Oil & gas assets		
Right-of-use assets	18,394,360.12	9,758,283.42
Intangible assets	214,763,246.60	214,243,938.48
Development expenses		
Goodwill	697,790.49	64,654.15
Long-term deferred expenses	12,644,712.46	11,771,615.74
Deferred income tax assets	268,570,374.27	206,456,657.06
Other non-current assets	75,238,850.93	5,839,034.34
Total non-current assets	3,609,005,751.21	3,636,022,217.12
Total assets	8,941,770,801.80	8,335,107,691.71
Current liabilities:		
Short-term borrowings	1,020,297,275.02	607,799,222.62
Borrowings from PBC		
Placements from banks and other financial institutions		
Tradable financial liabilities		
Derivative financial liabilities		
Notes payable	335,139,853.87	340,335,111.30
Accounts payable	919,856,418.87	948,550,430.61
Payments received in advance		
Contract liabilities	61,700,382.52	96,581,944.94
Proceeds from financial assets sold under repo		
Customer bank deposits and due to banks and other financial institutions		
Funds from securities trading agency		
Funds from securities underwriting agency		
Employee remuneration payable	157,598,615.46	131,641,447.65
Tax and fees payable	121,425,415.95	53,457,966.35
Other payables	844,080,713.21	807,423,814.13
Including: Interests payable		
Dividends payable	1,299,613.00	
Transaction fee and commission receivable		
Reinsurance payable		
Liabilities held for sale		
Non-current liabilities due within one year	13,054,528.27	9,833,661.30
Other current liabilities	7,926,437.45	12,440,147.55

Total current liabilities	3,481,079,640.62	3,008,063,746.45
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	7,394,240.60	803,879.30
Long-term payable		
Long-term employee remuneration payable		
Provision		
Deferred income	88,723,214.21	98,419,983.82
Deferred income tax liabilities	26,667,760.03	47,131,368.70
Other non-current liabilities		
Total non-current liabilities	122,785,214.84	146,355,231.82
Total liabilities	3,603,864,855.46	3,154,418,978.27
Owner's equity:		
Share capital	1,334,550,300.00	1,314,739,745.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	1,109,999,829.48	958,187,997.99
Less: Treasury shares	793,726,652.23	688,930,693.99
Other comprehensive income		
Special reserves		
Surplus reserves	145,882,689.86	145,882,689.86
General reserves		
Retained earnings	3,532,408,091.50	3,448,180,639.62
Total equity attributable to owners of the parent company	5,329,114,258.61	5,178,060,378.48
Equities of minority shareholders	8,791,687.73	2,628,334.96
Total owner's equity	5,337,905,946.34	5,180,688,713.44
Total liabilities and owners' equities	8,941,770,801.80	8,335,107,691.71

Legal representative: Liu Peng Person in charge of accounting: Dong Ye Person in charge of accounting department: Xu Xianjing

## 2. Consolidated income statement from beginning of the year to end of reporting period

Unit: RMB

Item	Incurred in the current period	Incurred in the prior period
I. Total Operating Income	6,823,260,119.24	6,113,945,181.48
Including: Operating income	6,823,260,119.24	6,113,945,181.48
Interest income		

Gross earned premiums		
Service charge and commission income		
II. Total Operating Cost	6,677,448,308.64	5,834,173,859.41
Including: Operating costs	4,763,315,408.28	4,126,031,197.39
Interest expenses		
Service charge and commission expenses		
Surrender value		
Net compensation expenses		
Net appropriation of insurance reserve		
Policy dividends expenses		
Reinsurance costs		
Tax and surcharges	44,611,470.24	40,062,830.04
Selling expenses	1,384,327,391.91	1,230,116,807.88
Administrative expenses	318,066,421.22	284,607,914.39
R&D expenses	184,757,002.29	149,022,696.00
Finance expenses	-17,629,385.30	4,332,413.71
Including: Interest fees	19,013,291.75	1,920,599.68
Interest income	27,680,922.66	8,463,204.46
Plus: Other income	22,264,988.94	21,484,059.53
Return on investment ("-" indicates loss)	8,001,551.12	183,450.94
Including: Return on investment in associates and joint ventures		
Income from the derecognition of financial assets measured at amortized cost		
Exchange gains ("-" indicates loss)		
Gains from net exposure hedging ("-" indicates loss)		
Gains from changes in fair value ("-" indicates loss)		-67,357.16
Credit impairment losses ("-" indicates loss)	397,123.63	8,112,326.77
Asset impairment losses ("-" indicates loss)	-2,245,967.54	-3,577,954.39
Return on disposal of assets ("-" indicates loss)	-856,881.82	-583,315.84
III. Operating Profit ("-" indicates loss)	173,372,624.93	305,322,531.92
Plus: Non-operating income	4,957,824.32	14,334,881.42
Less: Non-operating expenditure	4,842,174.39	6,334,055.03
IV. Total Profit ("-" indicates total loss)	173,488,274.86	313,323,358.31
Less: Income tax expense	8,756,863.00	39,367,509.06
V. Net Profit ("-" indicates net loss)	164,731,411.86	273,955,849.25

i. Classified by operation continuity		
1. Net profit from continued operation ("-" indicates net loss)	164,731,411.86	273,955,849.25
2. Net profit from discontinued operation ("-" indicates net loss)		
ii. Classified by attribution of ownership		
1. Net profit attributable to owners of the parent company	165,428,059.09	274,509,320.42
2. Minority shareholders' profits and losses	-696,647.23	-553,471.17
VI. Net Amount of Other Comprehensive Income after Tax		
Total other comprehensive after-tax net income attributable to owners of the parent company		
i. Other comprehensive income not able to be reclassified into the profit or loss		
1. Changes of re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred into the profit or loss under equity method		
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of credit risk of the enterprise		
5. Others		
ii. Other comprehensive income reclassified into the profit or loss		
1. Other comprehensive income to be transferred into the profit or loss under equity method		
2. Changes in fair value of investment in other creditor's rights		
3. Financial assets reclassified into other comprehensive income		
4. Impairment provision for credit of investment in other creditor's rights		
5. Reserve of cash flow hedge		
6. Converted difference in foreign currency financial statements		
7. Others		
Total other comprehensive after-tax net income attributable to minority shareholders		
VII. Total Comprehensive Income	164,731,411.86	273,955,849.25
Total comprehensive income attributable to owners of the parent company	165,428,059.09	274,509,320.42
Total comprehensive income	-696,647.23	-553,471.17

attributable to minority shareholders		
VIII. Earnings per Share:		
i. Basic earnings per share	0.13	0.21
ii. Diluted earnings per share	0.13	0.21

For business combinations of the current period under common control, the net profit realized by the combined party before the combination is: RMB0.00; the net profit realized by the combined party in last period is: RMB0.00.

Legal representative: Liu Peng Person in charge of accounting: Dong Ye Person in charge of accounting department: Xu Xianjing

### 3. Consolidated cash flow statement from beginning of the year to end of reporting period

Unit: RMB

Item	Incurred in the current period	Incurred in the prior period
I. Cash Flows from Operating Activities:		
Cash received from sale of goods or rendering of services	6,799,687,563.17	6,395,491,203.09
Net increase in deposits from customers, banks and non-bank financial institutions		
Net increase in due to central banks		
Net increase in placements from other financial institutions		
Cash received from the premium of direct insurance contracts		
Net cash from reinsurance business		
Net increase in deposits and investment of the insured		
Cash obtained from interest, net fee and commission		
Net increase in placements from banks and other financial institutions		
Net increase in repo service fund		
Net cash from agent securities trading		
Tax rebates	34,111,023.87	10,557,160.49
Cash received related to other operating activities	98,764,465.00	110,658,657.33
Sub-total of cash inflow from operating activities	6,932,563,052.04	6,516,707,020.91
Cash paid for goods purchased and services rendered	4,389,183,147.61	4,213,402,596.24
Net loans and advances to customers		
Net increase in deposits with the central bank, banks and non-bank financial institutions		
Cash paid for claims of direct insurance contracts		
Net increase in placements with banks and non-bank financial institutions		

Cash paid for interest, fee and commission		
Cash paid for dividends of the insured		
Cash paid to and on behalf of employees	681,952,121.79	706,102,343.54
Tax payments	344,543,318.75	394,951,958.29
Cash payments related to other operating activities	725,185,825.28	732,567,391.39
Sub-total of cash outflow from operating activities	6,140,864,413.43	6,047,024,289.46
Net cash flows from operating activities	791,698,638.61	469,682,731.45
II. Cash Flows from Investing Activities:		
Cash from realization of investment		
Cash received from the return on investments	8,001,551.12	188,274.88
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets	2,067,471.00	10,460,566.39
Net amount of cash received from the disposal of subsidiaries and other operating organizations		
Cash received related to other investing activities	93,001,000.00	72,488,469.52
Sub-total of cash inflow from investing activities	103,070,022.12	83,137,310.79
Cash paid for the acquisition and construction of fixed assets, intangible assets, and other long-term assets	226,107,966.04	274,331,683.32
Cash paid for investments		
Net increase in pledged loans		
Net amount of cash paid for acquisition of subsidiaries and other operating organizations	5,810,000.00	
Cash payments related to other investing activities	852,800,000.00	210,000,000.00
Sub-total of cash outflow from investing activities	1,084,717,966.04	484,331,683.32
Net cash flows from investing activities	-981,647,943.92	-401,194,372.53
III. Cash Flows from Financing Activities:		
Cash received from capital contribution	142,633,794.42	21,204,239.86
Including: Proceeds received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	1,411,682,621.27	280,500,000.00
Cash received related to other financing activities		
Sub-total of cash inflow from financing activities	1,554,316,415.69	301,704,239.86
Cash paid for repayments of	991,767,720.66	79,000,000.00

borrowings		
Cash payment for interest expenses and distribution of dividends or profits	98,516,399.35	131,024,843.70
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Cash payments related to other financing activities	23,523,983.72	71,126,989.51
Sub-total of cash outflow from financing activities	1,113,808,103.73	281,151,833.21
Net cash flows from financing activities	440,508,311.96	20,552,406.65
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	28,535,341.67	31,203,478.81
V. Net Increase in Cash and Cash Equivalents	279,094,348.32	120,244,244.38
Plus: Opening balance of cash and cash equivalents	1,248,898,024.59	797,797,675.70
VI. Closing Balance of Cash and Cash Equivalents	1,527,992,372.91	918,041,920.08

**(II) Implementation of new accounting standards adjustment for the first time starting from 2023, and implementation of financial statement related items at the beginning of the year for the first time**

Applicable  Not applicable

**(III) Report auditing**

Whether the Third Quarter Report has been audited

Yes  No

The Third Quarter Report of the Company has not been audited.

Board of Directors of C&S Paper Co., Ltd.

October 25, 2023

*If there are any ambiguities, the Chinese version shall prevail.*