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## CHINA SUNSHINE PAPER HOLDINGS COMPANY LIMITED

中國陽光紙業控股有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2002)**

### ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

#### FINANCIAL HIGHLIGHTS

- Revenue was RMB4,208.4 million for 1H 2023, representing a decrease by approximately 4.3% from RMB4,395.2 million for 1H 2022.
- Gross profit was RMB638.3 million for 1H 2023, representing an increase by approximately 4.6% from RMB610.1 million for 1H 2022.
- Profit attributable to the owners of the Company for 1H 2023 increased by approximately 18.4% to RMB192.6 million, as compared to RMB162.7 million for 1H 2022.

#### INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Sunshine Paper Holdings Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2023 (“**1H 2023**”) together with the comparative figures for the corresponding period of last year (“**1H 2022**”).

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Notes	Unaudited	
		Six months ended 30 June	
		2023	2022
		RMB'000	RMB'000
Revenue	4&5	4,208,395	4,395,157
Cost of sales		<u>(3,570,084)</u>	<u>(3,785,032)</u>
Gross profit		638,311	610,125
Other income	6	144,459	149,300
Other gains or losses, net	6	15,930	24,395
Distribution and selling expenses		(196,162)	(190,000)
Administrative expenses		(221,779)	(201,974)
Provision for expected credit loss (“ECL”) on financial assets, net		(1,179)	(2,797)
(Loss)/Gain on fair value changes of an investment property		(1,076)	750
Share of loss of a joint venture		(6,313)	(22,726)
Share of loss of an associate		—	(9,358)
Finance costs	7	<u>(97,975)</u>	<u>(87,136)</u>
Profit before income tax	9	274,216	270,579
Income tax expense	8	<u>(50,652)</u>	<u>(90,777)</u>
Profit for the period		<u>223,564</u>	<u>179,802</u>
Other comprehensive (expense)/income, net of tax			
<i>Item that will be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(990)	—
Fair value gain/(loss) on financial assets at fair value through other comprehensive income (“FVOCI”)		<u>796</u>	<u>(427)</u>
Total comprehensive expense, net of tax		<u>(194)</u>	<u>(427)</u>
Profit and total comprehensive income for the period		<u>223,370</u>	<u>179,375</u>
Profit for the period attributable to:			
Owners of the Company		192,645	162,727
Non-controlling interests		<u>30,919</u>	<u>17,075</u>
		<u>223,564</u>	<u>179,802</u>
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		192,451	162,300
Non-controlling interests		<u>30,919</u>	<u>17,075</u>
		<u>223,370</u>	<u>179,375</u>
Earnings per share for profit attributable to the owners of the Company during the period			
Basic and diluted (RMB)	11	<u>0.19</u>	<u>0.16</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited As at 30 June 2023 <i>RMB'000</i>	Audited As at 31 December 2022 <i>RMB'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		5,314,767	5,351,770
Investment property		65,500	66,576
Prepaid lease payments		724,981	733,632
Goodwill		49,746	49,746
Deferred tax assets		159,727	83,462
Interest in an associate		—	—
Interest in a joint venture		129,416	135,729
Deposits for acquisition for property, plant and equipment		377,951	321,028
Financial assets at fair value through profit and loss (“FVTPL”)		263,532	260,725
Deposits and other receivables		362,884	356,405
		7,448,504	7,359,073
<b>Current assets</b>			
Inventories		715,765	900,711
Trade receivables	12	650,183	630,665
Bills receivables	13	156,991	284,431
Prepayments and other receivables		482,358	493,253
Restricted bank deposits		1,487,267	1,585,112
Bank balances and cash		873,337	851,179
		4,365,901	4,745,351
<b>Current liabilities</b>			
Contract liabilities		63,921	68,071
Trade payables	14	935,002	1,107,950
Bills payables	14	329,925	287,450
Other payables		200,641	225,569
Payable for construction work, machinery and equipment		112,249	142,032
Income tax payables		34,155	1,545
Lease liabilities	15	1,942	3,214
Deferred income		7,033	8,983
Discounted bills financing	16	1,535,540	1,739,953
Bank borrowings	17	2,332,957	2,047,827
Other borrowings	18	330,708	350,134
		5,884,073	5,982,728
<b>Net current liabilities</b>		<b>(1,518,172)</b>	<b>(1,237,377)</b>
<b>Total assets less current liabilities</b>		<b>5,930,332</b>	<b>6,121,696</b>

		<b>Unaudited</b>	Audited
		<b>As at</b>	As at
		<b>30 June</b>	31 December
		<b>2023</b>	2022
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Capital and reserves</b>			
Share capital	19	<b>85,736</b>	90,256
Reserves		<b>4,094,803</b>	4,001,671
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>4,180,539</b>	4,091,927
Non-controlling interests		<b>364,844</b>	334,003
		<hr/>	<hr/>
<b>Total equity</b>		<b>4,545,383</b>	4,425,930
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Lease liabilities	15	<b>62,002</b>	38,491
Bank borrowings	17	<b>684,206</b>	930,673
Other borrowings	18	<b>297,926</b>	453,318
Deferred income		<b>204,426</b>	205,887
Deferred tax liabilities		<b>136,389</b>	67,397
		<hr/>	<hr/>
		<b>1,384,949</b>	1,695,766
		<hr/>	<hr/>
<b>Total equity and non-current liabilities</b>		<b>5,930,332</b>	6,121,696
		<hr/> <hr/>	<hr/> <hr/>

## **NOTES**

### **1. GENERAL INFORMATION**

China Sunshine Paper Holdings Company Limited (the “Company”) is a limited company incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 22 August 2007 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are production/generation and sale of paper products, electricity and steam.

### **2. BASIS OF PREPARATION**

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The Group has net current liabilities of approximately RMB1,518,172,000 as at 30 June 2023. The directors of the Company (the “Directors”) have evaluated the relevant available information and key assumptions used in the cash flow projections for the twelve months since the reporting date. In addition, although most of the existing bank facilities will expire within twelve months, the Directors consider that there are good track records and good relationships with banks, and that the Group will be able to renew existing bank facilities upon expiry or to obtain other additional bank borrowing facilities as necessary. Therefore, the Directors are of the opinion that, taking into account the present available borrowing facilities (including short-term bank borrowings which could be renewed on an annual basis subject to approval by banks) and internal financial resources of the Group, the Group has sufficient working capital to meet its financial obligation as they fall due for the foreseeable future. Accordingly, the condensed consolidated interim financial statements have been prepared on a going concern basis.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2022.

### **3. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for financial assets at FVOCI, FVTPL and certain properties which are measured at fair value.

The condensed consolidated interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with the accounting policies adopted in the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and amended International Financial Reporting Standards (“IFRSs”) which are effective as of 1 January 2023.

IFRS 17	Insurance Contracts with related amendments
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules

The adoption of these new and amended IFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

For those amended IFRSs which are not yet effective and have not been early adopted by the Group, the directors expect that the adoption of them have no material impact on the condensed consolidated interim financial statements.

#### 4. REVENUE

##### Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines and geographical markets:

Segments	Unaudited For the six months ended 30 June 2023		
	Paper products <i>RMB’000</i>	Electricity and steam <i>RMB’000</i>	Total <i>RMB’000</i>
<b>Timing of revenue recognition</b>			
— At a point in time	<u>3,981,445</u>	<u>226,950</u>	<u>4,208,395</u>
<b>Geographical markets</b>			
— People’s Republic of China (“PRC”)	3,919,911	226,950	4,146,861
— Oversea	<u>61,534</u>	<u>—</u>	<u>61,534</u>
Segments	Unaudited For the six months ended 30 June 2022		
	Paper products <i>RMB’000</i>	Electricity and steam <i>RMB’000</i>	Total <i>RMB’000</i>
<b>Timing of revenue recognition</b>			
— At a point in time	<u>4,199,401</u>	<u>195,756</u>	<u>4,395,157</u>
<b>Geographical markets</b>			
— PRC	4,097,226	195,756	4,292,982
— Oversea	<u>102,175</u>	<u>—</u>	<u>102,175</u>

## 5. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the Company's senior executive management, being the chief operating decision maker, in order to allocate resources to segments and to assess their performance.

### (a) Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

Unaudited								
For the six months ended 30 June 2023								
Paper products								
	White top linerboard <i>RMB'000</i>	Coated-white top linerboard <i>RMB'000</i>	Core board <i>RMB'000</i>	Specialised paper products <i>RMB'000</i>	Corrugated paper <i>RMB'000</i>	Subtotal <i>RMB'000</i>	Electricity and steam <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customers	836,354	1,043,059	317,828	884,050	900,154	3,981,445	226,950	4,208,395
Inter-segment revenue						—	469,777	469,777
Segment revenue						<u>3,981,445</u>	<u>696,727</u>	<u>4,678,172</u>
Segment profit						<u>575,945</u>	<u>145,408</u>	<u>721,353</u>

  

Unaudited								
For the six months ended 30 June 2022								
Paper products								
	White top linerboard <i>RMB'000</i>	Coated-white top linerboard <i>RMB'000</i>	Core board <i>RMB'000</i>	Specialised paper products <i>RMB'000</i>	Corrugated paper <i>RMB'000</i>	Subtotal <i>RMB'000</i>	Electricity and steam <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customers	953,115	1,197,618	408,982	842,324	797,362	4,199,401	195,756	4,395,157
Inter-segment revenue						—	453,009	453,009
Segment revenue						<u>4,199,401</u>	<u>648,765</u>	<u>4,848,166</u>
Segment profit						<u>589,065</u>	<u>66,752</u>	<u>655,817</u>

**(b) Reconciliation of segment profit**

Segment profit represents the gross profit earned by each paper product category and the profit before income tax earned by electricity and steam segment. The Group does not allocate certain other income, certain other gains or losses, net, distribution and selling expenses, certain administrative expenses, provision for ECL on financial assets, net, (loss)/gain on fair value changes of an investment property, share of loss of an associate, share of loss of a joint venture and certain finance costs to paper product segment and does not allocate income tax expense to both the paper product segment and the electricity and steam segment when making decisions about resources to be allocated to the segment and assessing its performance.

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit</b>		
Segment profit	<b>721,353</b>	655,817
Unrealised profit on inter-segment sales	<b>(101,516)</b>	(64,119)
	<b>619,837</b>	591,698
Other income	<b>142,779</b>	147,469
Other gains or losses, net	<b>16,398</b>	20,645
Distribution and selling expenses	<b>(196,162)</b>	(190,000)
Administrative expenses	<b>(214,765)</b>	(191,280)
Provision for ECL on financial assets, net	<b>(1,179)</b>	(2,797)
(Loss)/Gain on fair value changes of an investment property	<b>(1,076)</b>	750
Share of loss of a joint venture	<b>(6,313)</b>	(22,726)
Share of loss of an associate	—	(9,358)
Finance costs	<b>(85,303)</b>	(73,822)
<b>Consolidated profit before income tax</b>	<b>274,216</b>	270,579

The Group does not allocate depreciation of property, plant and equipment and amortisation of prepaid lease payments, finance costs and interest income to the relevant paper product segments in the internal segment analysis as this information is not necessary.

No segment assets and liabilities, and other related segment information were presented as no such discrete financial information are provided to the chief operating decision maker.

## 6. OTHER INCOME AND OTHER GAINS OR LOSSES, NET

	Unaudited	
	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income on:		
Bank deposits	20,161	23,211
Loans to third parties	8,062	2,237
The balance with a joint venture ( <i>note i</i> )	9,685	11,263
	<u>37,908</u>	<u>36,711</u>
Total interest income		
Government grants ( <i>note ii</i> )	97,027	105,743
Rental income from an investment property and other properties	1,187	1,706
Hotel and catering service income	2,395	1,380
Logistics service income	5,942	3,760
	<u>144,459</u>	<u>149,300</u>
Other gains or losses, net:		
Gain from sale of scrap materials, net	12,654	14,595
Change in the fair value of FVTPL	2,807	—
Loss on disposal of property, plant and equipment	(9,363)	(3,237)
Net foreign exchange gains/(losses)	1,413	(1,692)
Others ( <i>note iii</i> )	8,419	14,729
	<u>15,930</u>	<u>24,395</u>

### Notes:

- i. During the six months ended 30 June 2023, the Group earned interest income from 陽光王子 (壽光) 特種紙有限公司 (Sunshine Oji (Shouguang) Specialty Paper Co., Ltd (“Sunshine Oji”)), a joint venture of the Group, at a weighted average effective interest rate of 4.79% per annum (six months ended 30 June 2022: 6.00% per annum), unsecured and repayable after 12 months from the end of the reporting period.
- ii. During the six months ended 30 June 2023, the Company’s subsidiaries, 山東世紀陽光紙業集團有限公司 (Shandong Century Sunshine Paper Group Co., Ltd) and 山東華邁紙業有限公司 (Shandong Wamat Paper Co., Ltd.) were granted and received unconditional government subsidies from local government of approximately RMB89,391,000, the amounts of which were determined by reference to the amount of value-added tax paid (six months ended 30 June 2022: RMB96,394,000).
- iii. During the six months ended 30 June 2022, the Company has received RMB9,700,000 compensation of fire loss of inventories from insurance company.

## 7. FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Interest expenses on:		
Discounted bills financing	16,841	24,738
Bank and other borrowings wholly repayable within five years	87,205	82,403
Lease liabilities	631	291
	<u>104,677</u>	<u>107,432</u>
Less: Interest capitalised in construction in progress	<u>(6,702)</u>	<u>(20,296)</u>
	<u>97,975</u>	<u>87,136</u>

Borrowing costs capitalised during the six months ended 30 June 2023 arose on the general borrowing pool and were calculated by applying capitalisation rates ranging from 4.79% to 6.20% (six months ended 30 June 2022: 3.88% to 6.20%) per annum to expenditure on construction in progress.

## 8. INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
<b>Current income tax</b>		
PRC Enterprise Income Tax	57,925	100,878
Deferred tax expense	<u>(7,273)</u>	<u>(10,101)</u>
Charge for the period	<u>50,652</u>	<u>90,777</u>

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the Enterprise Income Tax Law, the tax rate of the PRC subsidiaries of the Group is 25% from 1 January 2008 onwards.

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2023 and 2022 as the Group sustained a loss for tax purpose.

## 9. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Wages and salaries	195,589	209,398
Retirement benefits schemes contributions	33,782	29,142
	<hr/>	<hr/>
Total staff costs (including directors' emoluments)	229,371	238,540
	<hr/>	<hr/>
Amortisation of prepaid lease payments	8,651	4,125
Cost of inventories recognised as an expense	2,638,920	2,906,023
Depreciation of property, plant and equipment		
— right-of-use assets	38,476	37,180
— owned assets	161,119	148,413
Research and development expenses	4,045	16,164
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## 10. DIVIDENDS

During the six months ended 30 June 2023, no final dividend in respect of the year ended 31 December 2022 was approved and paid to the equity shareholders of the Company. During the six months ended 30 June 2022, a final dividend of HK\$6.5 cents per ordinary share, totalling of HK\$66,353,000 (equivalents to RMB56,745,000) and a special dividend of HK\$9.5 cents per ordinary share, totalling of HK\$96,978,000 (equivalents to RMB82,935,000) was approved and paid to the equity shareholders of the Company whose names appear in the register of members on 10 June 2022. China Sunrise Paper Holdings Limited, Mr. Wang Dongxing and Mr. Wang Changhai, controlling shareholders of the Company have waived their entitlement to the special dividend, totalling of HK\$32,675,000 (equivalents to RMB27,944,000), which was deemed as an owner contribution to the Company and credited to capital reserve.

The board of directors resolved not to declare an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

## 11. EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2023 was based on the profit of RMB192,645,000 (six months ended 30 June 2022: RMB162,727,000) for the period attributable to owners of the Company, and the weighted average number of 992,946,000 (six months ended 30 June 2022: 1,008,037,000) ordinary shares in issue during the six months ended 30 June 2023.

There are no dilutive potential ordinary shares in issue for the six months ended 30 June 2023 and 2022. The basic earnings per share equals to the diluted earnings per share.

## 12. TRADE RECEIVABLES

The Group allows an average credit period of 30 to 45 days to its trade customers. The following is an ageing analysis of trade receivables (net of ECL allowance) presented based on the date of delivery of goods which approximated the respective dates on which revenue was recognised:

	<b>Unaudited</b> <b>As at</b> <b>30 June</b> <b>2023</b> <b>RMB'000</b>	<b>Audited</b> <b>As at</b> <b>31 December</b> <b>2022</b> <b>RMB'000</b>
0–30 days	<b>580,575</b>	555,367
31–90 days	<b>59,590</b>	59,362
91–365 days	<b>10,018</b>	15,936
	<b>650,183</b>	<b>630,665</b>

The following are the movements of ECL loss allowance of trade receivables during the period/year:

	<b>Unaudited</b> <b>Six months</b> <b>ended</b> <b>30 June</b> <b>2023</b> <b>RMB'000</b>	<b>Audited</b> <b>Year</b> <b>ended</b> <b>31 December</b> <b>2022</b> <b>RMB'000</b>
At the beginning of the period/year	<b>40,759</b>	27,320
Allowance recognised during the period/year	—	19,557
Allowance reversed during the period/year	<b>(3,196)</b>	(6,118)
At the end of the period/year	<b>37,563</b>	40,759

### 13. BILLS RECEIVABLES

The ageing analysis of bills receivables presented based on issue date at the end of the reporting period is as follows:

	<b>Unaudited</b>	Audited
	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
0–90 days	<b>88,821</b>	205,646
91–180 days	<b>56,529</b>	76,848
181–365 days	<b>11,641</b>	1,937
	<b>156,991</b>	284,431

As at 30 June 2023, the Group has bills receivables of RMB20,540,000 (31 December 2022 (Audited): RMB105,376,000), which were discounted to banks with recourse. These bills receivables were not derecognised as the title of these bills receivables were not transferred to the banks. On the other hand, the Group has recognised the cash received upon the discounting as discounted bills financing.

### 14. TRADE AND BILLS PAYABLES

The following is an analysis of trade and bills payables by age. For trade payables, the ageing presented based on goods received date at the end of the reporting period. For bills payables, the ageing presented based on the issue date at the end of the reporting period.

	<b>Unaudited</b>	Audited
	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
0–90 days	<b>983,732</b>	1,087,686
91–365 days	<b>244,353</b>	259,247
Over 1 year	<b>36,842</b>	48,467
	<b>1,264,927</b>	1,395,400

All the bills payables as at 30 June 2023 and 31 December 2022 are trading nature and will mature within twelve months respectively. At the end of the reporting period, certain of the Group's bank deposits were pledged to secure bills payable granted to the Group.

## 15. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
Amounts payable under lease liabilities				
Within one year	5,101	5,127	1,942	3,214
More than one year but not more than two years	4,877	4,990	1,802	3,229
More than two years but not more than five years	27,827	16,555	14,074	11,318
After five years	<u>60,515</u>	<u>30,156</u>	<u>46,126</u>	<u>23,944</u>
	98,320	56,828	63,944	41,705
Future finance charges on lease liabilities	<u>(34,376)</u>	<u>(15,123)</u>	<u>—</u>	<u>—</u>
Present value of lease liabilities	<u>63,944</u>	<u>41,705</u>	<u>63,944</u>	<u>41,705</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)			<u>(1,942)</u>	<u>(3,214)</u>
Amount due for settlement after 12 months			<u>62,002</u>	<u>38,491</u>

As at 30 June 2023, lease liabilities amounting to RMB63,944,000 (31 December 2022 (Audited): RMB41,705,000) are effectively secured by the related underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

During the current interim period, the total cash outflows for the leases are RMB20,106,000 (six months ended 30 June 2022: RMB4,618,000).

## 16. DISCOUNTED BILLS FINANCING

	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
Discounted bills receivables from third parties ( <i>note a</i> )	20,540	105,376
Discounted bills receivables from subsidiaries of the Company ( <i>note b</i> )	<u>1,515,000</u>	<u>1,634,577</u>
<b>Total</b>	<b><u>1,535,540</u></b>	<b><u>1,739,953</u></b>

### Notes:

- a. These borrowings arose from discounting, with recourse, of bills receivables from third parties. The Group continues to recognise the carrying amount of the underlying bills receivables, as presented in note 13, since the title of receivables was not transferred to the lending banks.
- b. These borrowings arose from discounting, with recourse, of intra-group bills receivables, from one component to another of the Group. The Group continues to recognise the carrying amount of the underlying bills receivables since the title of receivables was not transferred to the lending banks. However, the corresponding intra-group bills receivables were eliminated in consolidation against the original bills payables from the bill issuing component of the Group. The elimination is based on the Directors' judgment that the risk and reward associated with these intra-group bills receivables and bills payable remain within the Group. In obtaining the original intra-group bills, bank deposits of RMB1,155,287,000 (31 December 2022 (Audited): RMB1,211,300,000) were pledged to the issuing banks.

## 17. BANK BORROWINGS

During the current interim period, the Group obtained new loans amounting to RMB1,751,385,000 (six months ended 30 June 2022: RMB2,156,423,000), and repaid loans amounting to RMB1,712,722,000 (six months ended 30 June 2022: RMB1,912,396,000). The newly raised loans bear interest from 2.00% to 6.30% per annum (six months ended 30 June 2022: 2.30% to 7.80%). At the end of the reporting period, certain of the Group's property, plant and equipment and land use rights of RMB1,274,832,000 (31 December 2022 (Audited): RMB1,243,802,000) were pledged to secure bank borrowings granted to the Group.

## 18. OTHER BORROWINGS

	Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
Current:		
Borrowings from		
— sale and leaseback obligations ( <i>note i</i> )	<u>330,708</u>	<u>350,134</u>
	<u><b>330,708</b></u>	<u><b>350,134</b></u>
Non-current:		
Borrowings from		
— sale and leaseback obligations ( <i>note i</i> )	<u>247,611</u>	<u>403,003</u>
— the Partnership ( <i>note ii</i> )	<u>50,315</u>	<u>50,315</u>
	<u><b>297,926</b></u>	<u><b>453,318</b></u>
Total other borrowings	<u><b>628,634</b></u>	<u><b>803,452</b></u>

### Notes:

- (i) During the period ended 30 June 2023, the Group entered into several sales and leaseback agreements with leasing companies for machinery and equipment (“Leased Assets”) amounting to RMB5,860,000 (31 December 2022 (Audited): RMB552,250,000) for a period of 3 years (31 December 2022 (Audited): 2–3 years). Upon maturity, the Group will be entitled to purchase the Leased Assets.

Nominal interest rates underlying all these contracts are at respective contract dates ranging from 4.34% to 7.50% (31 December 2022 (Audited): 4.34% to 7.26%) per annum.

- (ii) In accordance with the Limited Partnership Agreement and Equity Investment Agreement, which were duly passed by way of poll at the extraordinary general meeting of the Company held on 28 December 2021 (the “EGM”), the Group would contribute up to RMB395.0 million in total to 濰坊市世紀陽光新舊動能轉換股權投資基金合夥企業(有限合夥) (Weifang City Century Sunshine Old-to-New Momentum Conversion Equity Investment Fund Partnership (Limited Partnership))\* (the “Partnership”), while the Partnership would contribute up to RMB500.0 million into the Group in exchange for a subsidiary’s shares. Details of the transaction are set out in the Company’s circular dated 10 December 2021. As at 30 June 2023, the Partnership has contributed RMB251,500,000 (31 December 2022 (Audited): RMB251,500,000) to the Group, which RMB50,315,000 (31 December 2022 (Audited): RMB50,315,000) recorded as other borrowing. The Group has further RMB196,315,000 (31 December 2022 (Audited): RMB196,315,000) capital commitment to the Partnership, which set out in note 20.

## 19. SHARE CAPITAL

		Number of shares	Share capital <i>HK\$'000</i>
Authorised:			
Ordinary shares of HK\$0.10 each			
At 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023		<u>2,000,000,000</u>	<u>200,000</u>
			<b>Shown in the consolidated financial statements <i>RMB'000</i></b>
	Number of shares	Share capital <i>HK\$'000</i>	<i>RMB'000</i>
Issued and fully paid:			
At 1 January 2022	905,164,000	90,516	80,944
Allotment ( <i>note i</i> )	115,652,359	11,565	9,463
Share repurchased and cancelled ( <i>note ii</i> )	<u>(1,686,000)</u>	<u>(169)</u>	<u>(151)</u>
At 31 December 2022 and 1 January 2023	1,019,130,359	101,912	90,256
Share repurchased and cancelled ( <i>note ii</i> )	<u>(51,276,000)</u>	<u>(5,128)</u>	<u>(4,520)</u>
At 30 June 2023	<u><b>967,854,359</b></u>	<u><b>96,784</b></u>	<u><b>85,736</b></u>

### Notes:

- (i) During the six months ended 30 June 2022, the Company acquired of 45% equity interest in the Top Speed Energy Holding Limited (“Top Speed”) from an independent third party, which has become an associate company of the Company. The Company has settled the consideration by allotment of 115,652,359 ordinary shares of the Company at an issue price of HK\$2.329 amounting to approximately RMB220,386,000 (equivalent to approximately HK\$269,354,000) and by cash of RMB100,000,000.
- (ii) During the six months ended 30 June 2023, the Company repurchased its 51,276,000 ordinary shares of HK\$0.10 each at an aggregate consideration of HK\$117,104,000 (31 December 2022 (Audited): 1,686,000 ordinary shares of HK\$0.10 each at an aggregate consideration of HK\$3,602,000) and all of these shares were then cancelled. The nominal value of the cancelled shares of HK\$5,128,000 (equivalent to approximately RMB4,520,000) (31 December 2022 (Audited): HK\$169,000 (equivalent to approximately RMB151,000)) was credited to the capital redemption reserve. The premium paid on the repurchase shares was charged against the retained earnings.

## 20. CAPITAL COMMITMENTS

	<b>Unaudited</b>	Audited
	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Capital expenditure contracted for in the condensed consolidated interim financial statements in respect of acquisition of:		
— property, plant and equipment	<b>97,952</b>	3,673
— investment cost in a partnership	<b>196,315</b>	196,315
	<b>294,267</b>	199,988

## **BUSINESS REVIEW**

In the 1H 2023, as China's economy resumed normal operations in full, it saw a rapid recovery in supply while the pace of demand recovery remained relatively slow. The domestic economy showed signs of weak recovery. At the same time, the global economy faced sluggish recovery, with developed economies suffering from severe inflationary pressures and recession risks. These factors further intensified the pressure on economic recovery. The paper industry also faced multiple unexpected pressures from all fronts. On one hand, prices of upstream raw materials such as waste paper pulp, wood pulp, and energy experienced a rapid decline, leading to a decrease in product prices. On the other hand, weak demand from downstream consumers resulted in insufficient price support for products, leading to a decline in gross profit margins. Additionally, this year, the impact of overseas paper imports on the domestic market, coupled with the overall increase in industry capacity, further intensified competition in the industry. According to the National Bureau of Statistics, the cumulative production of the paper and paper products industry nationwide from January to June 2023 reached 67.555 million tonnes, an increase of 0.7% compared to the same period last year. Among industrial enterprises above a certain scale, the operating income of the paper and paper products industry decreased by 5.5% year-on-year, and the total profit decreased by 44.6% year-on-year. Enterprises are generally facing significant operational pressures, with their profit margins being significantly compressed.

In the face of a complex and severe economic situation in the 1H 2023, the Group remained steadfast in its core business and continued to explore business boundaries. With unity and resilience, the Group demonstrated tremendous strength and vitality. With the unremitting efforts of all its cadres and employees under the leadership of its management, in the first half of the year, the Group adhered to the strategic policy of focusing on business operations and internal management, actively responded to the situation and continued to make innovations, successfully maintaining the steady operation of its various business. Benefiting from the Group's implementation of a vertical integration strategy in the packaging sector over the years, the Group intensified efforts in developing the packaging market leveraging its strengths and market demands. Meanwhile, the Group continued to make breakthroughs in the research and development and application of new products and technologies. A series of measures taken by the Group enabled the Group to consistently maintain competitive advantages amidst the new industrial conditions and fierce market competition, steadily improved its position in the industry, and achieved hard-won operating results.

The Group has been committed to enhancing its competitiveness in various aspects such as procurement, production, finance, sales and logistics. In response to the rapidly changing procurement landscape, the Company adopted a more prudent approach and tightened cost control. In response to the intensified market competition, the Group focused on leveraging its core customer resources to enhance its competitiveness in regional markets. The Group has expanded its market share and optimized its customer structure by taking specific measures such as re-analyzing the characteristics of regional markets, continuously strengthening its relationships with core customers, and developing targeted featured products. In the meantime, the Group continued to improve its manufacturing processes, optimize its financial structure, improve its logistics efficiency and optimize its supplier structure. These series of measures to reduce costs and increase efficiency have yielded significant results, and have further enhanced the Company's profitability through refined management.

During the reporting period, the Group attached great importance to ecological environmental protection, actively fulfilled its social responsibilities, and continuously improved its governance level. By consistently adhering to its ESG principles, the Group has achieved high-quality development and won numerous accolades. In January 2023, the Group was listed on the list of the pilot projects of the All-China Federation of Trade Unions to improve the quality of employees' lives (全國總工會提升職工生活品質試點名單), making it one of only three enterprises in Shandong Province to receive such recognition. In June 2023, the Group was honored as the drafting unit for Group Standard T/CPA 004-2023 "Evaluation Requirements for 'Waste-Free Factory' in the Paper Industry" by the China Paper Association, which fully acknowledged the Group's contribution to standard construction. In terms of the high-end packaging paper projects and the research and development of new products, the Group has always focused on core indicators such as resource utilization efficiency and recycling rate in order to minimize its environmental pollution. During the reporting period, the Group enhanced its corporate governance level by continuously improving its various rules and regulations on environmental protection and risk control mechanism, and was recognized by the World Bank for its overall ESG performance.

The Group has long been committed to actively safeguarding the rights and interests of small and medium-sized investors. During the reporting period, the Group repurchased and cancelled 51,276,000 shares, involving a capital scale of approximately HK\$117 million. The Group will continue to steadfastly focus on Shareholders' rights and interests, considering it as its long-term responsibility to create value for Shareholders and society. This commitment will be firmly implemented and executed throughout the Group's ongoing development.

In the first half of the year, despite numerous adverse factors, the Group fully leveraged its product advantages, quality strengths, and economies of scale and intensified product sales and market promotion efforts, resulting in a 1.3% increase in sales volume of machine-made paper to 952,000 tonnes compared to 940,000 tonnes in the corresponding period last year. Benefiting from its differentiated positioning and diverse product portfolio, the Group achieved a net profit attributable to the controlling shareholders of RMB192.6 million, representing a year-on-year increase of 18.4%. However, we experienced a 4.3% decline in revenue, amounting to RMB4,208.4 million, due to the industry-wide price downturn. Upholding the philosophy of “scientific, refined and efficient management” in internal management, the Company has demonstrated remarkable management capabilities amidst adverse production conditions and complex market environment, with its gross profit margin increasing from 13.9% in the previous year to 15.2% in the current period.

## **BUSINESS OUTLOOK**

In 2023, despite the persistently challenging economic situation, the Group believes that with more proactive policy support, the goals of stable economic growth, structural adjustment, and risk control in the domestic economy will be achieved. As the economic recovery gains momentum, the paper industry is expected to enter a phase of orderly recovery. Currently, the paper industry is witnessing the stabilisation and recovery in the prices of various raw materials, auxiliary materials and energy after a period of decline. Moreover, with the continued implementation of policies to stabilize employment and improve people’s livelihoods, there is a potential for the recovery of end-market demand. This will contribute to a more favorable competitive landscape in the paper industry and facilitate the recovery of corporate profitability. In the second half of the year, the Group will seize the opportunity of market recovery to steadily increase the market share of its existing main products. Meanwhile, the Group will also focus on promoting specialty papers and bio mechanical pulp, and continuously optimize its product mix, in an effort to enhance the profitability of the Company. In addition, the Company will continue to optimize its production processes by continuously enhancing its digital and intelligent level, thus comprehensively improving the management level of the Group.

The Group focuses on producing high-quality and multi-purposed packaging paper, including white top linerboard, coated-white top linerboard, core board and corrugated paper. It is also committed to satisfying the need of different customers by intensively cultivating the market under the differentiated development strategy at the same time. With the rising operating threshold of the paper industry, the paper industry will see a growing concentration. In this context, the Group will fully leverage its advantage of large-scale production and outstanding product performance to continuously enhance the market share of its existing core products. At the same time, it will further explore the potential of the packaging sector and enhance its market influence in packaging business. With a gradual boom in the industry, the Group is confident that it can continuously enhance its overall strength and industry position by leveraging its technical, product, brand, management and innovation advantages, thus achieving performance growth.

As an innovation-driven production enterprise led by a scientific research team, the Group continues to intensify its efforts in independent innovation and improvement of its research and development system. The Group has built a solid technological foundation for and accumulated practical experiences of innovating product development, production process and information systems. Following its continuing efforts and investments, the bio-mechanical pulp project (Phase I), of which the Group is in possession of all technology patents, has been put into operation and begins to expand production output. Furthermore, the Group will leverage the bio-mechanical pulp research to develop various high-value products, including photovoltaic liner paper and pulp molding, in order to provide customers with high-quality products, thus promoting sustainable development of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

For 1H 2023, our Group's total revenue was RMB4,208.4 million, representing an decrease of 4.3% as compared to that of RMB4,395.2 million for 1H 2022. The decrease in revenue mainly resulted from the reduction in sales price.

Sales volume of paper products increased during 1H 2023. Sales of paper products decreased by 5.2% to RMB3,981.4 million for 1H 2023 with sales volume of around 952,000 tonnes, as compared to that of RMB4,199.4 million and around 940,000 tonnes for 1H 2022.

The table below sets forth the sales and gross profit margin by different business segments for the periods indicated:

	1H 2023			1H 2022		
	<i>RMB'000</i>	<i>GP margin (%)</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>GP margin (%)</i>	<i>% of total revenue</i>
White top linerboard	836,354	17.4	19.9	953,115	17.1	21.7
Coated-white top linerboard	1,043,059	20.4	24.8	1,197,618	22.2	27.2
Core board	317,828	10.5	7.5	408,982	10.0	9.3
Specialised paper products	884,050	15.0	21.0	842,324	8.6	19.2
Corrugated paper	900,154	5.8	21.4	797,362	5.9	18.1
Subtotal of sales of paper products	3,981,445	14.5	94.6	4,199,401	14.0	95.5
Sales of electricity and steam	226,950	20.9	5.4	195,756	10.3	4.5
Total revenue	<u>4,208,395</u>	<u>15.2</u>	<u>100</u>	<u>4,395,157</u>	<u>13.9</u>	<u>100</u>

### Cost of sales

Cost of sales was RMB3,570.1 million for 1H 2023, representing an decrease of 5.7% as compared with that of RMB3,785.0 million for 1H 2022. The decrease in cost of sales was consistent with the decrease in revenue, but higher than the decrease in revenue.

### Gross profit and gross profit margin

The gross profit of our Group increased from RMB610.1 million for 1H 2022 to RMB638.3 million for 1H 2023. The profit margin of the Group increased during the period as compared with the corresponding period last year, from 13.9% for 1H 2022 to 15.2% for 1H 2023.

## **Other profit and loss items**

Other income of RMB144.5 million for 1H 2023 (1H 2022: RMB149.3 million) mainly consisted of interest income on bank deposits of RMB20.2 million, interest income earned from a joint venture of RMB9.7 million, interest income on loans to third parties of RMB8.1 million, government grants of RMB97.0 million, rental income of RMB1.2 million, hotel and catering service income of RMB2.4 million and logistics service income of RMB5.9 million.

Other gains or losses of RMB15.9 million for 1H 2023 (1H 2022: RMB24.4 million) mainly consisted of gain from sale of scrap materials of RMB12.7 million, loss on disposal of property, plant and equipment of RMB9.4 million, net foreign exchange gains of RMB1.4 million, gain on fair value of FVTPL of RMB2.8 million and other gains of RMB8.4 million.

Distribution and selling expenses was RMB196.2 million for 1H 2023, as compared with RMB190.0 million for 1H 2022. As a percentage against revenue, it increased from 4.3% for 1H 2022 to 4.7% for 1H 2023.

Administrative expenses was RMB221.8 million for 1H 2023, representing an increase of 9.8% as compared with RMB202.0 million for 1H 2022. As a percentage against revenue, it increased from 4.6% for 1H 2022 to 5.3% for 1H 2023.

Finance costs was RMB98.0 million for 1H 2023, representing an increase of 12.5% as compared with RMB87.1million for 1H 2022. As a percentage against revenue, it increased from 2.0% for 1H 2022 to 2.3% for 1H 2023.

During 1H 2023, there was a share of loss of a joint venture, Sunshine Oji (Shouguang) Specialty Paper Co., Ltd, of RMB6.3 million (1H 2022: RMB22.7 million).

## **Income tax expense**

Our income tax expense decreased from RMB90.8 million for 1H 2022 to RMB50.7 million for 1H 2023. Effective tax rate for 1H 2023 and 1H 2022 was 18.5% and 33.5%, respectively.

## **Profit and total comprehensive income**

As a result of the above factors, the profit for the period attributable to the owners of the Company is RMB192.6 million for 1H 2023 (1H 2022: RMB162.7 million).

## **Significant investments**

During 1H 2023, the Group did not hold any significant investment.

## **Material acquisitions and disposals of subsidiaries, associates and joint ventures**

During 1H 2023, there was no material acquisition or disposal of subsidiaries or associates or joint ventures of the Company.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Working capital, gearing and financial resources**

Our Group has funded our operations principally with cash generated from our operations, bank borrowings and credit facilities provided by commercial banks in China. Our Group possesses sufficient cash and available banking facilities to meet capital commitments and working capital requirements.

As at 30 June 2023, our Group had restricted bank deposits, cash and bank balances of RMB2,360.6 million (31 December 2022: RMB2,436.3 million). The debt of the Group comprised of bank and other borrowings and lease liabilities total RMB3,709.7 million as at 30 June 2023 (31 December 2022: RMB3,823.7 million). Net gearing ratio decreased from 31.4% as at 31 December 2022 to 29.7% as at 30 June 2023.

Inventories decreased from RMB900.7 million as at 31 December 2022 to RMB715.8 million as at 30 June 2023. Inventory turnover was 41 days for 1H 2023, as compared to 51 days for 1H 2022.

Trade receivables increased from RMB630.7 million as at 31 December 2022 to RMB650.2 million as at 30 June 2023. Trade receivables turnover was 28 days and 25 days for 1H 2023 and 1H 2022, respectively. Our credit period given to customers is around 30–45 days in general.

Trade payables recorded a decrease from RMB1,108.0 million as at 31 December 2022 to RMB935.0 million as at 30 June 2023. Trade payable turnover was 52 days for 1H 2023, as compared to 54 days for 1H 2022.

Current ratio decreased from 0.79 times as at 31 December 2022 to 0.74 times as at 30 June 2023.

### ***Notes to financial ratios***

- (1) Inventory turnover days equal the average of the opening and closing balances of inventories of the relevant period divided by cost of sales of the relevant period and multiplied by 182 days.
- (2) Trade receivables turnover days equal the average of the opening and closing balances of trade receivables of the relevant period divided by revenue of the relevant period and multiplied by 182 days.
- (3) Trade payables turnover days equal the average of the opening and closing balances of trade payables of the relevant period divided by cost of sales of the relevant period and multiplied by 182 days.

- (4) Current ratio equals current assets divided by current liabilities as of the end of the period.
- (5) Net gearing ratio equals total of bank borrowing, other borrowings and leases liabilities, net of bank and cash balances and restricted bank deposits, divided by the total equity as of the end of the period.

### **Capital expenditure**

For 1H 2023, our capital expenditure was approximately RMB151.5 million, which mainly involved the purchase of equipment and land for our new production line, as well as the construction of ancillary facilities.

### **Capital commitments and contingent liabilities**

As at 30 June 2023, our Group had capital commitments, which were contracted in the condensed consolidated interim financial statements in respect of acquisition of property, plant and equipment and investment cost in a partnership of RMB294.3 million.

There was no contingent liabilities as at 30 June 2023.

### **Pledge of assets**

As at 30 June 2023, the carrying amount of our assets of RMB3,730.7 million were pledged as collateral or security for our Group's bank and other loans, discounted bills financing, bills payable and lease liabilities.

### **Foreign exchange risks**

As the functional and reporting currency of our Group is RMB, there is no foreign exchange difference arising from the translation of financial statements. In addition, as our Group conducts business transactions principally in RMB and the amount of bank balances denominated in foreign currencies is immaterial, the exchange rate risk at our Group's operational level is not significant.

Nevertheless, our Company continues to monitor the foreign exchange exposure and is prepared to take prudent measures such as hedging when needed.

## **CORPORATE GOVERNANCE**

The Company is committed to achieve a high standard of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for our growth and for safeguarding and maximising shareholders' interests. The Company has complied with all the code provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout 1H 2023.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding the securities transactions by our Directors. The Company has made specific enquiries with all Directors, and all Directors have confirmed that they have complied with the Model Code throughout 1H 2023.

## **AUDIT COMMITTEE**

The Board has established an audit committee in compliance with the CG Code. The primary duties of the audit committee are to review and supervise the Company’s financial reporting process, internal control and risk management system and to provide advice and comments to the Board. The audit committee consists of three independent non-executive Directors, namely Ms. Zhang Tao, Mr. Wang Zefeng and Ms. Jiao Jie. Ms. Zhang Tao is the chairlady of the audit committee. The audit committee has reviewed the unaudited condensed consolidated financial statements and the interim report for 1H 2023 and discussed the financial matters with the management of the Company.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group had approximately 4,260 employees as at 30 June 2023. The staff costs for 1H 2023 were RMB229.4 million (1H 2022: RMB238.5 million). The emolument policy of the Group is aimed at attracting, retaining and motivating talented individuals. The principle is to set performance-based remuneration which reflects market standards. Employees’ remuneration packages are generally determined based on job nature and position with reference to market standards. Employees also receive certain welfare benefits. Our Group’s emolument policy will be adjusted depending on a number of factors, including changes in the market and the direction of our Group’s business development, so as to achieve our Group’s operational targets.

## **INTERIM DIVIDEND**

The Board resolved not to declare an interim dividend for 1H 2023 (1H 2022: nil).

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

For 1H 2023, the Company repurchased a total of 51,276,000 shares of HK\$0.1 per share through the Stock Exchange at an aggregate consideration of approximately HK\$117.1 million. All of the shares repurchased were cancelled on 1 March 2023, 23 March 2023 and 29 May 2023.

Details of shares repurchased during 1H 2023 are set out as follows:

<b>Date of repurchase</b>	<b>No. of shares Repurchased</b>	<b>Highest price per share (HK\$)</b>	<b>Lowest price per share (HK\$)</b>	<b>Aggregate consideration paid (HK\$'000)</b>
03 January 2023	1,100,000	2.14	2.11	2,337
04 January 2023	990,000	2.17	2.12	2,137
05 January 2023	1,306,000	2.17	2.12	2,798
06 January 2023	1,030,000	2.17	2.13	2,198
10 January 2023	1,400,000	2.14	2.11	2,986
11 January 2023	1,404,000	2.14	2.12	3,004
12 January 2023	936,000	2.15	2.12	1,997
13 January 2023	942,000	2.12	2.12	1,997
27 January 2023	2,962,000	2.10	2.03	6,143
30 January 2023	1,052,000	2.15	2.08	2,230
31 January 2023	950,000	2.14	2.10	2,013
01 February 2023	2,078,000	2.15	2.10	4,437
02 February 2023	840,000	2.15	2.12	1,795
03 February 2023	910,000	2.15	2.12	1,946
06 February 2023	1,346,000	2.13	2.09	2,856
07 February 2023	1,200,000	2.13	2.12	2,555
08 February 2023	1,394,000	2.14	2.11	2,973
09 February 2023	1,872,000	2.14	2.13	3,997
10 February 2023	1,862,000	2.15	2.13	3,984
13 February 2023	844,000	2.14	2.12	1,800
14 February 2023	1,786,000	2.16	2.13	3,825
15 February 2023	486,000	2.17	2.12	1,047
16 February 2023	2,330,000	2.21	2.16	5,113
17 February 2023	1,416,000	2.21	2.17	3,091
20 February 2023	810,000	2.24	2.15	1,785
21 February 2023	2,418,000	2.22	2.15	5,298
22 February 2023	1,892,000	2.22	2.19	4,172
23 February 2023	2,622,000	2.23	2.16	5,757
02 May 2023	1,306,000	2.78	2.74	3,605
03 May 2023	560,000	2.79	2.74	1,553
04 May 2023	1,962,000	2.82	2.75	5,470
05 May 2023	2,904,000	2.80	2.74	8,066
08 May 2023	1,134,000	2.79	2.75	3,142
09 May 2023	1,614,000	2.79	2.76	4,483
10 May 2023	1,306,000	2.90	2.74	3,655
11 May 2023	312,000	2.79	2.71	858
	<b><u>51,276,000</u></b>			<b><u>117,104</u></b>

The Board believes that repurchases of shares are in the best interests of the Company and its shareholders and that such repurchases of shares would lead to an enhancement of the earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during 1H 2023.

## **PUBLICATION OF INTERIM REPORT ON THE STOCK EXCHANGE WEBSITE**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sunshinepaper.com.cn](http://www.sunshinepaper.com.cn)) and the interim report containing all the information required by the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

## **APPRECIATION**

The Board would like to take this opportunity to express its gratitude to our shareholders, our business associates and all our employees for their continuous support.

By order of the Board  
**China Sunshine Paper Holdings Company Limited**  
**Wang Dongxing**  
*Chairman*

Hong Kong, China, 29 August 2023

As at the date of this announcement, the Directors are:

*Executive Directors:* *Mr. Wang Dongxing, Mr. Shi Weixin, Mr. Wang Changhai, Mr. Zhang Zengguo and Mr. Ci Xiaolei*

*Non-executive Director:* *Ms. Wu Rong*

*Independent non-executive Directors:* *Ms. Zhang Tao, Mr. Wang Zefeng and Ms. Jiao Jie*

\* *For identification purposes only*