

Shenzhen Zhongheng Huafa Co., Ltd.

Supplementary Correction Notice

The Company and whole members of the BOD guarantee that the information disclosed is true, accurate and complete, and there are no any fictitious records, misleading statements or important omissions.

Shenzhen Zhongheng Huafa Co.,Ltd. (Hereinafter referred to as the "Company") disclosed *The Full Text of The Report for The First quarter of 2021*, *The Text of The Report for The First Quarter of 2021*(Announcement No.:2021-10), *Semi-Annual Report 2021*, *Summary of Semi-Annual Report 2021* (Announcement No. :2021-19) and *The Third Quarter Report 2021* (Announcement No. :2021-21) on April 27, 2021, August 24, 2021 and October 26, 2021 respectively. The following corrections are hereby made:

一、The original *The Full Text of The Report for The First quarter of 2021*

(一) Section II Basic situation of the Company

I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current period	At the same period of last year	Changes of this period over same period of last year
Operating income (RMB)	190,936,203.57	87,800,584.55	117.47%
Net profit attributable to shareholders of the listed company (RMB)	5,566,539.83	-400,741.17	1,489.06%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	5,485,566.41	-208,179.52	2,735.02%
Net cash flow arising from operating activities (RMB)	-5,125,776.38	7,931,308.59	-164.63%
Basic earnings per share (RMB/Share)	0.0197	-0.0014	1,507.14%
Diluted earnings per share (RMB/Share)	0.0197	-0.0014	1,507.14%
Weighted average ROE	1.64%	-0.12%	1.76%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last

			year
Total assets (RMB)	637,533,668.46	627,779,621.06	1.55%
Net assets attributable to shareholder of listed company (RMB)	341,815,277.12	336,248,737.29	1.65%

Revised content:

I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current period	At the same period of last year	Changes of this period over same period of last year
Operating income (RMB)	190,936,203.57	87,800,584.55	117.47%
Net profit attributable to shareholders of the listed company (RMB)	5,557,677.31	-400,741.17	1,489.06%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	5,476,703.89	-208,179.52	2,735.02%
Net cash flow arising from operating activities (RMB)	-5,125,776.38	7,931,308.59	-164.63%
Basic earnings per share (RMB/Share)	0.0197	-0.0014	1,507.14%
Diluted earnings per share (RMB/Share)	0.0197	-0.0014	1,507.14%
Weighted average ROE	1.64%	-0.12%	1.76%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	637,523,241.97	627,779,621.06	1.55%
Net assets attributable to shareholder of listed company (RMB)	341,806,414.60	336,248,737.29	1.65%

(二) Section III. Significant Events

I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

Applicable Not applicable

Item	March 31, 2021	January 1, 2021	Y-o-y changes	Reasons of changes
Other receivables	2,060,681.11	4,466,949.96	-53.87%	Decrease in current accounts
Inventory	103,742,880.06	70,502,773.52	47.62%	Stocking in this period

Other current assets	1,129,263.49	4,255,643.19	-73.46%	The tax to be deducted is deducted for the current period.
Long-term prepaid expenses	19,361.35	77,445.31	-75.00%	Cloud service fee amortization
Short-term loans	20,921,296.00	12,527,808.00	67.00%	Short-term bank loans were increased in the current period.
Contract liabilities	171,293.92	287,140.66	-40.34%	The deposit received in advance has decreased during the period.
Employee compensation payable	3,106,406.38	5,737,366.59	-45.86%	The prepaid wages and expenses are paid in the current period
Other payables	18,556,536.88	27,608,281.01	-32.79%	Decrease in current accounts
Interest payable	63,086.88	26,335.66	139.55%	Short-term loans increased in the current period.
Item	January to March 2021	January to March 2020	Y-o-y changes	Reasons of changes
Operating income	190,936,203.57	87,800,584.55	117.47%	Increase in orders this period
Operating cost	160,681,999.84	73,672,446.25	118.10%	Increase in orders this period
Sales expense	9,604,962.16	3,448,537.85	178.52%	Increase in orders this period
R&D expenses	1,990,208.94	908,285.77	119.12%	Increased in R&D investment in this period
Other income	119,520.00	64,770.00	84.53%	Amortization of deferred income for the current period
Investment income	71,186.44	37,415.02	90.26%	Increase in financial income during the current period
Non-operating income	19,464.75	5,492.44	254.39%	Government subsidy income from the previous period
Non-operating expenses	8,950.00	263,835.56	-96.61%	Liquidated damages occurred in the previous period
Income tax expense	1,362,439.81	-85,032.71	-1702.25%	Increase in profit for the period
Item	January to March 2021	January to March 2020	Y-o-y changes	Reasons of changes
Cash received from the sale of goods and the provision of labor services	118,847,638.92	86,584,529.58	37.26%	Increase in sales collection in this period
Cash paid for purchasing goods and receiving labor services	90,764,568.41	56,760,923.41	59.91%	Increase in orders this period
Cash paid to and for employees	18,034,045.23	8,467,600.61	112.98%	Increase in orders this period

Taxes paid	8,114,109.92	2,351,100.26	245.12%	Increase in orders this period
Cash received from investment income	71,186.44	37,415.02	90.26%	Margin interest increased in this period
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	13,000.00	91,000.00	-85.71%	Disposal of old equipment in the previous period
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	1,624,675.50	467,211.58	247.74%	Purchase production equipment in this period
Other cash paid relating to investing activities	-	25,000,000.00	-100.00%	Bank wealth management decreased in this period
Cash received from loans	20,710,525.00	6,725,056.80	207.96%	Increase in short-term loans
Other cash paid relating to financing activities	6,408,886.53	-		Increase acceptance margin in this period
Influence on cash and cash equivalents due to fluctuation in exchange rate	-124,286.41	32,336.78	484.35%	The impact of exchange rate fluctuations in the current period

Revised content:

I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

√Applicable □Not applicable

Item	March 31, 2021	January 1, 2021	Y-o-y changes	Reasons of changes
Other receivables	2,060,681.11	4,466,949.96	-53.87%	Decrease in current accounts
Inventory	103,732,453.57	70,502,773.52	47.13%	Stocking in this period
Other current assets	1,129,263.49	4,255,643.19	-73.46%	The tax to be deducted is deducted for the current period.
Long-term prepaid expenses	19,361.35	77,445.31	-75.00%	Cloud service fee amortization

Short-term loans	20,921,296.00	12,527,808.00	67.00%	Short-term bank loans were increased in the current period.
Contract liabilities	171,293.92	287,140.66	-40.34%	The deposit received in advance has decreased during the period.
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Investment income	71,186.44	37,415.02	90.26%	Increase in financial income during the current period
Non-operating income	19,464.75	5,492.44	254.39%	Government subsidy income from the previous period
Non-operating expenses	8,950.00	263,835.56	-96.61%	Liquidated damages occurred in the previous period
Income tax expense	1,360,875.84	-85,032.71	-1700.41%	Increase in profit for the period
Item	January to March 2021	January to March 2020	Y-o-y changes	Reasons of changes
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Cash received from loans	20,710,525.00	6,725,056.80	207.96%	Increase in short-term loans
Other cash paid relating to financing activities	6,408,886.53	-		Increase acceptance margin in this period
Influence on cash and cash equivalents due to fluctuation in exchange rate	-124,286.41	32,336.78	484.35%	The impact of exchange rate fluctuations in the current period

(三) Section IV. Financial Statement

I. Financial statement

1. Consolidate balance sheet

Prepared by Shenzhen Zhongheng Huafa Co., Ltd.

March 31, 2021

In RMB

Item	March 31, 2021	March 31, 2020
Current assets:		
Monetary fund	57,688,251.58	60,968,053.58
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		

Note receivable	9,506,829.34	20,240,464.79
Account receivable	141,260,234.64	128,063,911.79
Receivable financing	9,727,239.72	10,057,385.11
Accounts paid in advance	35,287,786.09	39,643,255.11
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	2,060,681.11	4,466,949.96
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	103,742,880.06	70,166,013.49
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	1,129,263.49	4,255,643.19
Total current assets	360,403,166.03	337,861,677.02
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	46,792,579.70	47,224,662.27
Fixed assets	181,745,798.39	193,605,444.53
Construction in progress	740,000.00	740,000.00
Productive biological asset		
Oil and gas asset		
Right-of-use assets		

Intangible assets	40,383,028.86	40,820,657.80
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	19,361.35	77,445.31
Deferred income tax asset	7,383,734.13	7,383,734.13
Other non-current asset	66,000.00	66,000.00
Total non-current asset	277,130,502.43	289,917,944.04
Total assets	637,533,668.46	627,779,621.06
Current liabilities:		
Short-term loans	20,921,296.00	12,527,808.00
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	37,089,784.05	37,416,381.20
Account payable	120,547,983.80	98,318,239.88
Accounts received in advance		
Contractual liability	171,293.92	287,140.66
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	3,106,406.38	5,737,366.59
Taxes payable	11,967,269.75	14,204,642.62
Other account payable	18,556,536.88	27,608,281.01
Including: Interest payable	63,086.88	26,335.66
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		

Non-current liabilities due within one year	12,000,000.00	12,000,000.00
Other current liabilities	9,369,289.56	18,322,972.81
Total current liabilities	233,434,975.36	226,127,947.79
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	58,000,000.00	61,000,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability	64,411.00	64,411.00
Deferred income	3,924,120.00	4,043,640.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	61,988,531.00	65,108,051.00
Total liabilities	295,718,391.34	291,530,883.77
Owner's equity:		
Share capital	283,161,227.00	283,161,227.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	146,577,771.50	146,577,771.50
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	77,391,593.25	77,391,593.25
Provision of general risk		
Retained profit	-165,315,314.63	-170,881,854.46
Total owner's equity attributable to parent company	341,815,277.12	336,248,737.29

Minority interests		
Total owner's equity	341,815,277.12	336,248,737.29
Total liabilities and owner's equity	637,533,668.46	627,779,621.06

Legal Representative: Li Zhongqiu

Person in charge of accounting works: Yang Bin

Person in charge of accounting institute: Wu Aijie

3. Consolidated Profit Statement

In RMB

Item	Current period	Last period
I. Total operating income	190,936,203.57	87,800,584.55
Including: Operating income	190,936,203.57	87,800,584.55
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	184,208,445.12	88,130,200.33
Including: Operating cost	160,681,999.84	73,672,446.25
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	643,046.97	584,743.27
Sales expense	9,604,962.16	3,448,537.85
Administrative expense	9,403,968.16	8,058,091.66
R&D expense	1,990,208.94	908,285.77
Financial expense	1,884,259.05	1,458,095.53

Including: Interest expenses	1,805,136.09	2,375,650.33
Interest income	107,550.38	128,721.93
Add: other income	119,520.00	64,770.00
Investment income (Loss is listed with “-”)	71,186.44	37,415.02
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	6,918,464.89	-227,430.76
Add: Non-operating income	19,464.75	5,492.44
Less: Non-operating expense	8,950.00	263,835.56
IV. Total profit (Loss is listed with “-”)	6,928,979.64	-485,773.88
Less: Income tax expense	1,362,439.81	-85,032.71
V. Net profit (Net loss is listed with “-”)	5,566,539.83	-400,741.17
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with ‘-’)	5,566,539.83	-400,741.17
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	5,566,539.83	-400,741.17

2.Minority shareholders' gains and losses		
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive		

income attributable to minority shareholders		
VII. Total comprehensive income	5,566,539.83	-400,741.17
Total comprehensive income attributable to owners of parent Company	5,566,539.83	-400,741.17
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(i) Basic earnings per share	0.0197	-0.0014
(ii) Diluted earnings per share	0.0197	-0.0014

Revised content:

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March 31, 2021

In RMB

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Account receivable	141,260,234.64	128,063,911.79
Receivable financing	9,727,239.72	10,057,385.11
Accounts paid in advance	35,287,786.09	39,643,255.11
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	2,060,681.11	4,466,949.96
Including: Interest receivable		
Dividend receivable		

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Inventories	103,732,453.57	70,166,013.49
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	1,129,263.49	4,255,643.19
Total current assets	360,392,739.54	337,861,677.02
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Total assets	637,523,241.97	627,779,621.06
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Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	37,089,784.05	37,416,381.20
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Accounts received in advance		
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Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	3,106,406.38	5,737,366.59
Taxes payable	11,965,705.78	14,204,642.62
Other account payable	18,556,536.88	27,608,281.01
Including: Interest payable	63,086.88	26,335.66
Dividend payable		
Commission charge and commission payable		
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Non-current liabilities:		
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Long-term loans	58,000,000.00	61,000,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		

Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability	64,411.00	64,411.00
Deferred income	3,924,120.00	4,043,640.00
Deferred income tax liabilities		
Other non-current liabilities		
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Other comprehensive income		
Reasonable reserve		
Surplus public reserve	77,391,593.25	77,391,593.25
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Retained profit	-165,324,177.15	-170,881,854.46
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Minority interests		
Total owner's equity	341,806,414.60	336,248,737.29
Total liabilities and owner's equity	637,523,241.97	627,779,621.06

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3. Consolidated Profit Statement

In RMB

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Including: Operating cost	160,692,426.33	73,672,446.25
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	643,046.97	584,743.27
Sales expense	9,604,962.16	3,448,537.85
Administrative expense	9,403,968.16	8,058,091.66
R&D expense	1,990,208.94	908,285.77
Financial expense	1,884,259.05	1,458,095.53
Including: Interest expenses	1,805,136.09	2,375,650.33
Interest income	107,550.38	128,721.93
Add: other income	119,520.00	64,770.00
Investment income (Loss is listed with “-”)	71,186.44	37,415.02
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”)		

Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	6,908,038.40	-227,430.76
Add: Non-operating income	19,464.75	5,492.44
Less: Non-operating expense	8,950.00	263,835.56
IV. Total profit (Loss is listed with “-”)	6,918,553.15	-485,773.88
Less: Income tax expense	1,360,875.84	-85,032.71
V. Net profit (Net loss is listed with “-”)	5,557,677.31	-400,741.17
(i) Classify by business continuity		
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2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	5,557,677.31	-400,741.17
2.Minority shareholders’ gains and losses		
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined		

benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	5,557,677.31	-400,741.17
Total comprehensive income attributable to owners of parent Company	5,557,677.31	-400,741.17
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(i) Basic earnings per share	0.0197	-0.0014
(ii) Diluted earnings per share	0.0197	-0.0014

二、The original *The Text of The Report for The First Quarter of 2021*

(一) Section II. Basic situation of the Company

I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current period	At the same period of last year	Changes of this period over same period of last year
Operating income (RMB)	190,936,203.57	87,800,584.55	117.47%
Net profit attributable to shareholders of the listed company (RMB)	5,566,539.83	-400,741.17	1,489.06%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	5,485,566.41	-208,179.52	2,735.02%
Net cash flow arising from operating activities (RMB)	-5,125,776.38	7,931,308.59	-164.63%
Basic earnings per share (RMB/Share)	0.0197	-0.0014	1,507.14%
Diluted earnings per share (RMB/Share)	0.0197	-0.0014	1,507.14%
Weighted average ROE	1.64%	-0.12%	1.76%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	637,533,668.46	627,779,621.06	1.55%
Net assets attributable to shareholder of listed company (RMB)	341,815,277.12	336,248,737.29	1.65%

Revised content:

I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current period	At the same period of last year	Changes of this period over same period of last year
Operating income (RMB)	190,936,203.57	87,800,584.55	117.47%
Net profit attributable to shareholders of the listed company (RMB)	5,557,677.31	-400,741.17	1,489.06%
Net profit attributable to shareholders of the listed company after deducting	5,476,703.89	-208,179.52	2,735.02%

non-recurring gains and losses (RMB)			
Net cash flow arising from operating activities (RMB)	-5,125,776.38	7,931,308.59	-164.63%
Basic earnings per share (RMB/Share)	0.0197	-0.0014	1,507.14%
Diluted earnings per share (RMB/Share)	0.0197	-0.0014	1,507.14%
Weighted average ROE	1.64%	-0.12%	1.76%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	637,523,241.97	627,779,621.06	1.55%
Net assets attributable to shareholder of listed company (RMB)	341,806,414.60	336,248,737.29	1.65%

(二) Section III. Significant Events

I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

√Applicable □Not applicable

Item	March 31, 2021	January 1, 2021	Y-o-y changes	Reasons of changes
Other receivables	2,060,681.11	4,466,949.96	-53.87%	Decrease in current accounts
Inventory	103,742,880.06	70,502,773.52	47.62%	Stocking in this period
Other current assets	1,129,263.49	4,255,643.19	-73.46%	The tax to be deducted is deducted for the current period.
Long-term prepaid expenses	19,361.35	77,445.31	-75.00%	Cloud service fee amortization
Short-term loans	20,921,296.00	12,527,808.00	67.00%	Short-term bank loans were increased in the current period.
Contract liabilities	171,293.92	287,140.66	-40.34%	The deposit received in advance has decreased during the period.
Employee compensation payable	3,106,406.38	5,737,366.59	-45.86%	The prepaid wages and expenses are paid in the current period
Other payables	18,556,536.88	27,608,281.01	-32.79%	Decrease in current accounts
Interest payable	63,086.88	26,335.66	139.55%	Short-term loans increased in the current period.
Item	January to March 2021	January to March 2020	Y-o-y changes	Reasons of changes
Operating income	190,936,203.57	87,800,584.55	117.47%	Increase in orders this period
Operating cost	160,681,999.84	73,672,446.25	118.10%	Increase in orders this period
Sales expense	9,604,962.16	3,448,537.85	178.52%	Increase in orders this period
R&D expenses	1,990,208.94	908,285.77	119.12%	Increased in R&D investment in this

				period
Other income	119,520.00	64,770.00	84.53%	Amortization of deferred income for the current period
Investment income	71,186.44	37,415.02	90.26%	Increase in financial income during the current period
Non-operating income	19,464.75	5,492.44	254.39%	Government subsidy income from the previous period
Non-operating expenses	8,950.00	263,835.56	-96.61%	Liquidated damages occurred in the previous period
Income tax expense	1,362,439.81	-85,032.71	-1702.25%	Increase in profit for the period
Item	January to March 2021	January to March 2020	Y-o-y changes	Reasons of changes
Cash received from the sale of goods and the provision of labor services	118,847,638.92	86,584,529.58	37.26%	Increase in sales collection in this period
Cash paid for purchasing goods and receiving labor services	90,764,568.41	56,760,923.41	59.91%	Increase in orders this period
Cash paid to and for employees	18,034,045.23	8,467,600.61	112.98%	Increase in orders this period
Taxes paid	8,114,109.92	2,351,100.26	245.12%	Increase in orders this period
Cash received from investment income	71,186.44	37,415.02	90.26%	Margin interest increased in this period
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	13,000.00	91,000.00	-85.71%	Disposal of old equipment in the previous period
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	1,624,675.50	467,211.58	247.74%	Purchase production equipment in this period
Other cash paid relating to investing activities	-	25,000,000.00	-100.00%	Bank wealth management decreased in this period
Cash received from loans	20,710,525.00	6,725,056.80	207.96%	Increase in short-term loans
Other cash paid	6,408,886.53	-		Increase acceptance margin in this period

relating to financing activities				
Influence on cash and cash equivalents due to fluctuation in exchange rate	-124,286.41	32,336.78	484.35%	The impact of exchange rate fluctuations in the current period

Revised content:

I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

√Applicable □Not applicable

Item	March 31, 2021	January 1, 2021	Y-o-y changes	Reasons of changes
Other receivables	2,060,681.11	4,466,949.96	-53.87%	Decrease in current accounts
Inventory	103,732,453.57	70,502,773.52	47.13%	Stocking in this period
Other current assets	1,129,263.49	4,255,643.19	-73.46%	The tax to be deducted is deducted for the current period.
Long-term prepaid expenses	19,361.35	77,445.31	-75.00%	Cloud service fee amortization
Short-term loans	20,921,296.00	12,527,808.00	67.00%	Short-term bank loans were increased in the current period.
Contract liabilities	171,293.92	287,140.66	-40.34%	The deposit received in advance has decreased during the period.
Employee compensation payable	3,106,406.38	5,737,366.59	-45.86%	The prepaid wages and expenses are paid in the current period
Other payables	18,556,536.88	27,608,281.01	-32.79%	Decrease in current accounts
Interest payable	63,086.88	26,335.66	139.55%	Short-term loans increased in the current period.
Item	January to March 2021	January to March 2020	Y-o-y changes	Reasons of changes
Operating income	190,936,203.57	87,800,584.55	117.47%	Increase in orders this period
Operating cost	160,692,426.33	73,672,446.25	118.12%	Increase in orders this period
Sales expense	9,604,962.16	3,448,537.85	178.52%	Increase in orders this period
R&D expenses	1,990,208.94	908,285.77	119.12%	Increased in R&D investment in this period
Other income	119,520.00	64,770.00	84.53%	Amortization of deferred income for the current period
Investment income	71,186.44	37,415.02	90.26%	Increase in financial income during the current period
Non-operating income	19,464.75	5,492.44	254.39%	Government subsidy income from the previous period

Non-operating expenses	8,950.00	263,835.56	-96.61%	Liquidated damages occurred in the previous period
Income tax expense	1,360,875.84	-85,032.71	-1700.41%	Increase in profit for the period
Item	January to March 2021	January to March 2020	Y-o-y changes	Reasons of changes
Cash received from the sale of goods and the provision of labor services	118,847,638.92	86,584,529.58	37.26%	Increase in sales collection in this period
Cash paid for purchasing goods and receiving labor services	90,764,568.41	56,760,923.41	59.91%	Increase in orders this period
Cash paid to and for employees	18,034,045.23	8,467,600.61	112.98%	Increase in orders this period
Taxes paid	8,114,109.92	2,351,100.26	245.12%	Increase in orders this period
Cash received from investment income	71,186.44	37,415.02	90.26%	Margin interest increased in this period
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	13,000.00	91,000.00	-85.71%	Disposal of old equipment in the previous period
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	1,624,675.50	467,211.58	247.74%	Purchase production equipment in this period
Other cash paid relating to investing activities	-	25,000,000.00	-100.00%	Bank wealth management decreased in this period
Cash received from loans	20,710,525.00	6,725,056.80	207.96%	Increase in short-term loans
Other cash paid relating to financing activities	6,408,886.53	-	-	Increase acceptance margin in this period
Influence on cash and cash equivalents due to fluctuation in exchange rate	-124,286.41	32,336.78	484.35%	The impact of exchange rate fluctuations in the current period

三、 The original Semi-Annual Report 2021

(一) Section II. Company Profile and Main Financial Indexes

VI. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current period	Same period of last year	Changes over last year
Operating income(RMB)	391,633,808.55	300,703,421.38	30.24%
Net profit attributable to shareholders of the listed company(RMB)	7,023,114.72	3,165,597.55	121.86%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	7,067,951.02	3,167,896.46	123.11%
Net cash flow arising from operating activities(RMB)	-21,818,369.59	21,200,212.24	-202.92%
Basic earnings per share(RMB/Share)	0.0248	0.0112	121.43%
Diluted earnings per share(RMB/Share)	0.0248	0.0112	121.43%
Weighted average ROE	2.07%	0.96%	1.11%
	Current period-end	period-end of last year	Changes over period-end of last year
Total assets(RMB)	673,387,235.69	627,779,621.06	7.26%
Net assets attributable to shareholder of listed company(RMB)	343,271,852.01	336,248,737.29	2.09%

Revised content:

VI. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current period	Same period of last year	Changes over last year
Operating income(RMB)	391,633,808.55	300,703,421.38	30.24%
Net profit attributable to shareholders of the listed company(RMB)	6,989,362.48	3,165,597.55	120.79%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	7,034,198.78	3,167,896.46	122.05%
Net cash flow arising from operating activities(RMB)	-21,818,369.59	21,200,212.24	-202.92%
Basic earnings per share(RMB/Share)	0.0248	0.0112	121.43%

Diluted earnings per share(RMB/Share)	0.0248	0.0112	121.43%
Weighted average ROE	2.07%	0.96%	1.11%
	Current period-end	period-end of last year	Changes over period-end of last year
Total assets(RMB)	673,347,527.18	627,779,621.06	7.26%
Net assets attributable to shareholder of listed company(RMB)	343,238,099.77	336,248,737.29	2.08%

(二) Section III Management Discussion and Analysis

III. Main business analysis

See the “I. Main businesses of the company in the reporting period”

Change of main financial data on a y-o-y basis

In RMB

	Current period	Same period of last year	y-o-y changes (+,-)	Reasons
Operation income	391,633,808.55	300,703,421.38	30.24%	Video incomes increased
Operation cost	334,484,096.74	263,959,652.63	26.72%	
Sales expenses	14,094,617.96	9,100,079.39	54.88%	After-sales service fee increased
Administrative expenses	22,680,307.24	17,082,362.66	32.77%	Repair fee increased
Financial cost	5,241,702.86	3,484,228.81	50.44%	Exchange increased
Income tax expense	1,590,676.66	837,369.58	89.96%	Profit growth
R&D investment	3,955,647.50	2,423,425.26	63.23%	Increase new products in the Period
Net cash flow arising from operation activities	-21,818,369.59	21,200,212.24	-202.92%	The inventory increased in the Period due to the epidemic in the first half year of last year
Net cash flow arising from investment activities	-2,316,374.60	-1,338,379.56	-73.07%	Investment for fixed assets increased
Net cash flow arising from financing activities	23,182,219.89	-34,838,186.71	166.54%	Bank loans increased in the period

Net increase of cash and cash equivalent	-1,355,867.36	-14,832,093.81	-90.86%	The inventory and account receivable increased
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The industries, products, or regions accounting for over 10% of the company's operating revenue or operating profit

√Applicable □ Not applicable

In RMB

	Operation income	Operation cost	Gross profit ratio	Increase/decrease of operation income y-o-y	Increase/decrease of operation cost y-o-y	Increase/decrease of gross profit ratio y-o-y
According to industries						
Display	198,422,034.91	182,038,564.14	8.26%	22.00%	19.00%	1.69%
Plastic injection hardware	106,953,726.74	96,354,708.77	9.91%	25.00%	22.00%	2.25%
According to products						
Display	198,422,034.91	182,038,564.14	8.26%	22.00%	19.00%	1.69%
Plastic injection hardware	106,953,726.74	96,354,708.77	9.91%	25.00%	19.00%	2.25%
According to region						
Hong Kong and Taiwan	95,746,383.92	79,562,859.88	16.90%	-8.97%	-19.29%	10.62%
Central China	207,413,929.85	194,921,928.05	6.02%	67.15%	70.48%	-1.84%
East China	87,594,449.15	80,998,643.40	7.53%	122.78%	120.08%	1.14%
South China	5,152,357.42	6,030,530.61	-17.04%	-72.26%	195.58%	-106.06%

Reasons for y-o-y relevant data with over 30% changes

√Applicable □ Not applicable

Item	2021-6-30	2021-1-1	Y-o-y changes (+,-)	Causes
Note receivable	491,683.78	20,240,464.79	-98%	Discounting of note receivable increased in the period
Receivable financing	5,774,948.69	10,057,385.11	-43%	Discounting of note receivable increased in the period

Other account receivable	22,540,779.20	4,466,949.96	405%	Current accounts increased
Inventory	129,917,660.51	70,166,013.49	85%	Inventory has significantly increased from Hengfa
Other current assets	741,380.21	4,255,643.19	-83%	The input tax to be deducted declined
Long-term deferred expenses	623,601.59	77,445.31	705%	Contract renewal of SAP
Short-term loans	51,089,579.00	12,527,808.00	308%	Loans of Hengfa increased
Contractual liabilities	765,555.97	287,140.66	167%	Account received in advance increased
Wages payable	3,886,717.29	5,737,366.59	-32%	Last year's year-end bonus distributed
Interest payable	179,523.72	26,335.66	582%	Loans increased
Other current liability	211,799.13	18,322,972.81	-99%	Notes already endorsed and outstanding declined
Item	Jan.- Jun. 2021	Jan.- Jun. 2020	Y-o-y changes (+,-)	Causes
Operation tax and surcharge	1,428,361.92	1,004,056.05	42%	Additional tax increased
Interest income	189,945.55	11,856.69	1502%	Loan subsidies
Other income	3,553.35	348,540.00	-99%	Government subsidy
Investment income	149,767.58	66,780.40	124%	Wealth management income
Non-operation revenue	276,599.04	45,200.06	512%	Government subsidy
Non-operation expense	215,202.92	7,302.38	2847%	Penalty expenses

V. Assets and liability analysis

1. Major changes of assets composition

In RMB

	End of the current period		End of last year		Ratio changes	Notes of major changes
	Amount	Ratio in total	Amount	Ratio in total		

		assets		assets		
Monetary fund	59,612,186.22	8.85%	60,968,053.58	9.71%	-0.86%	
Account receivable	135,750,939.59	20.16%	128,063,911.79	20.40%	-0.24%	
Inventory	129,917,660.51	19.29%	70,166,013.49	11.18%	8.11%	Inventory from Hengfa increased
Investment real estate	46,360,497.13	6.88%	47,224,662.27	7.52%	-0.64%	
Fixed assets	191,477,026.08	28.43%	193,605,444.53	30.84%	-2.41%	
Construction in process	740,000.00	0.11%	740,000.00	0.12%	-0.01%	
Short-term loans	51,089,579.00	7.59%	12,527,808.00	2.00%	5.59%	Loans increased in the period
Contractual liabilities	765,555.97	0.11%	287,140.66	0.05%	0.06%	
Long-term loans	61,000,000.00	9.06%	61,000,000.00	9.72%	-0.66%	

Revised content:

III. Main business analysis

See the “I. Main businesses of the company in the reporting period”

Change of main financial data on a y-o-y basis

In RMB

	Current period	Same period of last year	y-o-y changes (+,-)	Reasons
Operation income	391,633,808.55	300,703,421.38	30.24%	Video incomes increased
Operation cost	334,523,805.25	263,959,652.63	26.73%	
Sales expenses	14,094,617.96	9,100,079.39	54.88%	After-sales service fee increased
Administrative expenses	22,680,307.24	17,082,362.66	32.77%	Repair fee increased
Financial cost	5,241,702.86	3,484,228.81	50.44%	Exchange increased
Income tax expense	1,584,720.39	837,369.58	89.25%	Profit growth
R&D investment	3,955,647.50	2,423,425.26	63.23%	Increase new products in the Period
Net cash flow arising	-21,818,369.59	21,200,212.24	-202.92%	The inventory

from operation activities				increased in the Period due to the epidemic in the first half year of last year
Net cash flow arising from investment activities	-2,316,374.60	-1,338,379.56	-73.07%	Investment for fixed assets increased
Net cash flow arising from financing activities	23,182,219.89	-34,838,186.71	166.54%	Bank loans increased in the period
Net increase of cash and cash equivalent	-1,355,867.36	-14,832,093.81	-90.86%	The inventory and account receivable increased

The industries, products, or regions accounting for over 10% of the company's operating revenue or operating profit

√Applicable □ Not applicable

In RMB

	Operation income	Operation cost	Gross profit ratio	Increase/decrease of operation income y-o-y	Increase/decrease of operation cost y-o-y	Increase/decrease of gross profit ratio y-o-y
According to industries						
Display	198,422,034.91	181,998,855.63	8.28%	22.00%	19.00%	1.69%
Plastic injection hardware	106,953,726.74	96,354,708.77	9.91%	25.00%	22.00%	2.25%
According to products						
Display	198,422,034.91	181,998,855.63	8.28%	22.00%	19.00%	1.69%
Plastic injection hardware	106,953,726.74	96,354,708.77	9.91%	25.00%	19.00%	2.25%
According to region						
Hong Kong and Taiwan	95,569,502.38	79,562,859.88	16.75%	-8.97%	-19.29%	10.62%
Central China	203,317,499.60	190,785,789.29	6.16%	67.15%	70.48%	-1.84%
East China	87,594,449.15	80,998,643.40	7.53%	122.78%	120.08%	1.14%
South China	5,152,357.42	6,030,530.61	-17.04%	-72.26%	195.58%	-106.06%

Reasons for y-o-y relevant data with over 30% changes

√Applicable □Not applicable

Item	2021-6-30	2021-1-1	Y-o-y changes (+,-)	Causes
Note receivable	491,683.78	20,240,464.79	-98%	Discounting of note receivable increased in the period
Receivable financing	5,774,948.69	10,057,385.11	-43%	Discounting of note receivable increased in the period
Other account receivable	22,540,779.20	4,466,949.96	405%	Current accounts increased
Inventory	129,877,952.00	70,166,013.49	85%	Inventory has significantly increased from Hengfa
Other current assets	741,380.21	4,255,643.19	-83%	The input tax to be deducted declined
Long-term deferred expenses	623,601.59	77,445.31	705%	Contract renewal of SAP
Short-term loans	51,089,579.00	12,527,808.00	308%	Loans of Hengfa increased
Contractual liabilities	765,555.97	287,140.66	167%	Account received in advance increased
Wages payable	3,886,717.29	5,737,366.59	-32%	Last year's year-end bonus distributed
Interest payable	179,523.72	26,335.66	582%	Loans increased
Other current liability	211,799.13	18,322,972.81	-99%	Notes already endorsed and outstanding declined
Item	Jan.- Jun. 2021	Jan.- Jun. 2020	Y-o-y changes (+,-)	Causes
Operation tax and surcharge	1,428,361.92	1,004,056.05	42%	Additional tax increased
Interest income	189,945.55	11,856.69	1502%	Loan subsidies
Other income	3,553.35	348,540.00	-99%	Government subsidy
Investment income	149,767.58	66,780.40	124%	Wealth management income
Non-operation revenue	276,599.04	45,200.06	512%	Government subsidy
Non-operation expense			2847%	Penalty expenses

	215,202.92	7,302.38	
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V. Assets and liability analysis

1. Major changes of assets composition

In RMB

	End of the current period		End of last year		Ratio changes	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	59,612,186.22	8.85%	60,968,053.58	9.71%	-0.86%	
Account receivable	135,750,939.59	20.16%	128,063,911.79	20.40%	-0.24%	
Inventory	129,877,952.00	19.29%	70,166,013.49	11.18%	8.11%	Inventory from Hengfa increased
Investment real estate	46,360,497.13	6.88%	47,224,662.27	7.52%	-0.64%	
Fixed assets	191,477,026.08	28.43%	193,605,444.53	30.84%	-2.41%	
Construction in process	740,000.00	0.11%	740,000.00	0.12%	-0.01%	
Short-term loans	51,089,579.00	7.59%	12,527,808.00	2.00%	5.59%	Loans increased in the period
Contractual liabilities	765,555.97	0.11%	287,140.66	0.05%	0.06%	
Long-term loans	61,000,000.00	9.06%	61,000,000.00	9.72%	-0.66%	

(三) Section X. Financial Report

I. Audit report

Whether the semi annual report is audited

Yes No

The company's semi annual financial report has not been audited

II. Financial Statement

Statement in Financial Notes are carried in RMB/CNY

1. Consolidated Balance Sheet

Prepared by SHENZHEN ZHONGHENG HUAFA CO., LTD.

In RMB

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	59,612,186.22	60,968,053.58
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable	491,683.78	20,240,464.79
Account receivable	135,750,939.59	128,063,911.79
Receivable financing	5,774,948.69	10,057,385.11
Accounts paid in advance	31,961,398.64	39,643,255.11
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	22,540,779.20	4,466,949.96
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	129,917,660.51	70,166,013.49
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	741,380.21	4,255,643.19
Total current assets	386,790,976.84	337,861,677.02
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	46,360,497.13	47,224,662.27

Fixed assets	191,477,026.08	193,605,444.53
Construction in progress	740,000.00	740,000.00
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	39,945,399.92	40,820,657.80
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	623,601.59	77,445.31
Deferred income tax asset	7,383,734.13	7,383,734.13
Other non-current asset	66,000.00	66,000.00
Total non-current asset	286,596,258.85	289,917,944.04
Total assets	673,387,235.69	627,779,621.06
Current liabilities:		
Short-term loans	51,089,579.00	12,527,808.00
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	42,983,519.37	37,416,381.20
Account payable	116,056,638.57	98,318,239.88
Accounts received in advance		
Contractual liability	765,555.97	287,140.66
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	3,886,717.29	5,737,366.59
Taxes payable	12,939,066.90	14,204,642.62
Other account payable	37,074,456.45	27,608,281.01
Including: Interest payable	179,523.72	26,335.66
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		

Liability held for sale		
Non-current liabilities due within one year		12,000,000.00
Other current liabilities	211,799.13	18,322,972.81
Total current liabilities	265,007,332.68	226,422,832.77
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	61,000,000.00	61,000,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability	64,411.00	64,411.00
Deferred income	4,043,640.00	4,043,640.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	65,108,051.00	65,108,051.00
Total liabilities	330,115,383.68	291,530,883.77
Owner's equity:		
Share capital	283,161,227.00	283,161,227.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	146,577,771.50	146,577,771.50
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	77,391,593.25	77,391,593.25
Provision of general risk		
Retained profit	-163,858,739.74	-170,881,854.46
Total owner's equity attributable to parent company	343,271,852.01	336,248,737.29
Minority interests		
Total owner's equity	343,271,852.01	336,248,737.29

Total liabilities and owner's equity	673,387,235.69	627,779,621.06
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Legal Representative: Li Zhongqiu

Person in charge of accounting works: Yang Bin

Person in charge of accounting institute: Chuai Guoxu

3. Consolidated Profit Statement

In RMB

Item	2021 semi-annual	2020 semi-annual
I. Total operating income	391,633,808.55	300,703,421.38
Including: Operating income	391,633,808.55	300,703,421.38
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	381,884,734.22	297,053,804.80
Including: Operating cost	334,484,096.74	263,959,652.63
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	1,428,361.92	1,004,056.05
Sales expense	14,094,617.96	9,100,079.39
Administrative expense	22,680,307.24	17,082,362.66
R&D expense	3,955,647.50	2,423,425.26
Financial expense	5,241,702.86	3,484,228.81
Including: Interest expenses	3,774,381.48	4,018,202.27
Interest income	189,945.55	11,856.69
Add: Other income	3,553.35	348,540.00
Investment income (Loss is listed with "-")	149,767.58	66,780.40
Including: Investment income on affiliated company and		

joint venture		
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)	-1,350,000.00	
Income from assets disposal (Loss is listed with “-”)		-99,867.53
III. Operating profit (Loss is listed with “-”)	8,552,395.26	3,965,069.45
Add: Non-operating income	276,599.04	45,200.06
Less: Non-operating expense	215,202.92	7,302.38
IV. Total profit (Loss is listed with “-”)	8,613,791.38	4,002,967.13
Less: Income tax expense	1,590,676.66	837,369.58
V. Net profit (Net loss is listed with “-”)	7,023,114.72	3,165,597.55
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	7,023,114.72	3,165,597.55
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	7,023,114.72	3,165,597.55
2.Minority shareholders’ gains and losses		
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		

reserve															
4. Carry-over retained earnings from the defined benefit plans															
5. Carry-over retained earnings from other comprehensive income															
6. Other															
(v) Reasonable reserve															
1. Withdrawal in the report period															
2. Usage in the report period															
(vi) Others															
IV. Balance at the end of the period	283,161,277.00				146,577,771.50				77,391,593.25		-163,858,739.74		343,271,852.01		343,271,852.01

Revised content:

I. Audit report

Whether the semi annual report is audited

Yes No

The company's semi annual financial report has not been audited

II. Financial Statement

Statement in Financial Notes are carried in RMB/CNY

1. Consolidated Balance Sheet

Prepared by SHENZHEN ZHONGHENG HUAFU CO., LTD.

In RMB

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	59,612,186.22	60,968,053.58
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable	491,683.78	20,240,464.79
Account receivable	135,750,939.59	128,063,911.79
Receivable financing	5,774,948.69	10,057,385.11
Accounts paid in advance	31,961,398.64	39,643,255.11
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	22,540,779.20	4,466,949.96
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	129,877,952.00	70,166,013.49
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	741,380.21	4,255,643.19
Total current assets	386,751,268.33	337,861,677.02
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		

Other non-current financial assets		
Investment real estate	46,360,497.13	47,224,662.27
Fixed assets	191,477,026.08	193,605,444.53
Construction in progress	740,000.00	740,000.00
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	39,945,399.92	40,820,657.80
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	623,601.59	77,445.31
Deferred income tax asset	7,383,734.13	7,383,734.13
Other non-current asset	66,000.00	66,000.00
Total non-current asset	286,596,258.85	289,917,944.04
Total assets	673,347,527.18	627,779,621.06
Current liabilities:		
Short-term loans	51,089,579.00	12,527,808.00
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	42,983,519.37	37,416,381.20
Account payable	116,056,638.57	98,318,239.88
Accounts received in advance		
Contractual liability	765,555.97	287,140.66
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	3,886,717.29	5,737,366.59
Taxes payable	12,933,110.63	14,204,642.62
Other account payable	37,074,456.45	27,608,281.01
Including: Interest payable	179,523.72	26,335.66
Dividend payable		

Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		12,000,000.00
Other current liabilities	211,799.13	18,322,972.81
Total current liabilities	265,001,376.41	226,422,832.77
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	61,000,000.00	61,000,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability	64,411.00	64,411.00
Deferred income	4,043,640.00	4,043,640.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	65,108,051.00	65,108,051.00
Total liabilities	330,109,427.41	291,530,883.77
Owner's equity:		
Share capital	283,161,227.00	283,161,227.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	146,577,771.50	146,577,771.50
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	77,391,593.25	77,391,593.25
Provision of general risk		
Retained profit	-163,892,491.98	-170,881,854.46
Total owner's equity attributable to parent company	343,238,099.77	336,248,737.29

Minority interests		
Total owner's equity	343,238,099.77	336,248,737.29
Total liabilities and owner's equity	673,347,527.18	627,779,621.06

Legal Representative: Li Zhongqiu

Person in charge of accounting works: Yang Bin

Person in charge of accounting institute: Chuai Guoxu

3. Consolidated Profit Statement

In RMB

Item	2021 semi-annual	2020 semi-annual
I. Total operating income	391,633,808.55	300,703,421.38
Including: Operating income	391,633,808.55	300,703,421.38
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	381,924,442.73	297,053,804.80
Including: Operating cost	334,523,805.25	263,959,652.63
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	1,428,361.92	1,004,056.05
Sales expense	14,094,617.96	9,100,079.39
Administrative expense	22,680,307.24	17,082,362.66
R&D expense	3,955,647.50	2,423,425.26
Financial expense	5,241,702.86	3,484,228.81
Including: Interest expenses	3,774,381.48	4,018,202.27
Interest income	189,945.55	11,856.69
Add: Other income	3,553.35	348,540.00

Investment income (Loss is listed with “-”)	149,767.58	66,780.40
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)	-1,350,000.00	
Income from assets disposal (Loss is listed with “-”)		-99,867.53
III. Operating profit (Loss is listed with “-”)	8,512,686.75	3,965,069.45
Add: Non-operating income	276,599.04	45,200.06
Less: Non-operating expense	215,202.92	7,302.38
IV. Total profit (Loss is listed with “-”)	8,574,082.87	4,002,967.13
Less: Income tax expense	1,584,720.39	837,369.58
V. Net profit (Net loss is listed with “-”)	6,989,362.48	3,165,597.55
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	6,989,362.48	3,165,597.55
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	6,989,362.48	3,165,597.55
2.Minority shareholders’ gains and losses		
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		

loss with surplus reserve															
4. Carry-over retained earnings from the defined benefit plans															
5. Carry-over retained earnings from other comprehensive income															
6. Other															
(v) Reasonable reserve															
1. Withdrawal in the report period															
2. Usage in the report period															
(vi) Others															
IV. Balance at the end of the period	283,161,227.00				146,577,771.50				77,391,593.25		-163,892,491.98		343,238,099.77		343,238,099.77

(四) Section X. Financial Report

V. Important accounting policy and estimation

15. Inventory

15.1 Categories of inventory

The inventory is goods or manufactured products held for sale, products in process, and materials and matters utilized in the production or supply of labor. Mainly including raw material, revolving materials (wrappage and low-value consumption goods etc.), outside processing materials, goods in process, semi-finished goods, stocks and so on.

15.2 Accounting method for inventory delivery

When inventories are issued, the actual cost is determined by the first in first out method.

15.3 Accrual method inventory falling price reserves

On the balance sheet day, the inventory is measured on the lower one between the cost and the net realizable value, and the provision for the falling price reserves is accrued on each inventory item; however, as for the inventory of large quantity and low price, the provision is accrued on the inventory category.

15.4 Inventory system

Inventory system of the Company is perpetual inventory system

15.5 Amortization method for the low-value consumables and wrap page

Low-value consumables and packages are amortized by one-point method

Revised content:

15. Inventory

15.1 Categories of inventory

The inventory is goods or manufactured products held for sale, products in process, and materials and matters utilized in the production or supply of labor. Mainly including raw material, revolving materials (wrappage and low-value consumption goods etc.), outside processing materials, goods in process, semi-finished goods, stocks and so on.

15.2 Accounting method for inventory delivery

When inventories are issued, the actual cost is determined by **monthly weighted average method**.

15.3 Accrual method inventory falling price reserves

On the balance sheet day, the inventory is measured on the lower one between the cost and the net realizable value, and the provision for the falling price reserves is accrued on each inventory item; however, as for the inventory of large quantity and low price, the provision is accrued on the inventory category.

15.4 Inventory system

Inventory system of the Company is perpetual inventory system

15.5 Amortization method for the low-value consumables and wrap page

Low-value consumables and packages are amortized by one-point method

(五) Section X. Financial Report

VII. Notes to main items in consolidated financial statement

9. Inventories

Whether companies need to comply with the disclosure requirements of the real estate industry

No

(1) Category

In RMB

Item	Ending balance			Opening balance		
	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value
Raw materials	67,070,060.38	2,191,320.92	64,878,739.46	39,735,101.27	1,691,320.92	38,043,780.35
Inventory goods	55,795,276.78	2,523,369.82	53,271,906.96	27,562,913.38	1,673,369.82	25,889,543.56
Homemade semi-finished products	11,750,725.54	29,363.73	11,721,361.81	6,213,029.56	29,363.73	6,183,665.83
Low priced and easily worn articles	156,274.66	110,622.38	45,652.28	159,646.13	110,622.38	49,023.75
Total	134,772,337.36	4,854,676.85	129,917,660.51	73,670,690.34	3,504,676.85	70,166,013.49

40. Taxes payable

In RMB

Item	Ending balance	Opening balance
VAT	4,823,733.87	2,980,992.11
Corporate income tax	5,551,836.24	6,558,810.68
Individual income tax	4,493.98	25,195.14
Urban maintenance and construction tax	532,508.80	1,902,436.52
Property tax	520,220.76	318,618.51
Land use tax	297,696.51	33,280.48

Educational surtax	229,248.99	816,098.15
Local educational surtax	122,702.85	418,611.03
Dike fee	1,665.00	1,665.00
Stamp tax	33,429.90	28,895.00
Disposal fund of waste electrical products	821,530.00	1,120,040.00
Total	12,939,066.90	14,204,642.62

60. Retained profit

In RMB

Item	Current period	Last period
Retained profit at the end of the previous period before adjustment	-170,881,854.46	-177,712,041.86
Retained profit at period-begin after adjustment	-170,881,854.46	-177,712,041.86
Add: net profit attributable to owners of the parent company	7,023,114.72	3,165,597.55
Retained profit at period-end	-163,858,739.74	-174,546,444.31

61. Operating revenue and cost

In RMB

Item	Current Period		Last Period	
	Revenue	Cost	Revenue	Cost
Main business	323,468,602.68	282,596,348.19	268,465,953.89	249,723,766.92
Other business	68,165,205.87	47,447,861.39	32,237,467.49	14,235,885.71
Total	391,633,808.55	330,044,209.58	300,703,421.38	263,959,652.63

76. Income tax expense

(1) Statement of income tax expense

In RMB

Item	Current Period	Last Period
Current income tax expense	1,590,676.66	982,790.94
Deferred income tax expense		-145,421.36
Total	1,590,676.66	837,369.58

(2) Adjustment on accounting profit and income tax expenses

In RMB

Item	Current Period
Total profit	8,613,791.38
Income tax based on statutory/applicable rate	2,490,947.85
Impact by different tax rate applied by subsidies	230,760.37
Impact of deductible loss of un-recognized deferred income tax assets in the prior period of use	-145,421.36
Income tax expense	1,590,676.66

Revised content:

9. Inventories

Whether companies need to comply with the disclosure requirements of the real estate industry

No

(1) Category

In RMB

Item	Ending balance			Opening balance		
	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value	Book balance	Inventories fall provision or contract performance costs impairment provision	Book value
Raw materials	67,070,060.38	2,191,320.92	64,878,739.46	39,735,101.27	1,691,320.92	38,043,780.35
Inventory goods	55,755,568.27	2,523,369.82	53,232,198.45	27,562,913.38	1,673,369.82	25,889,543.56
Homemade semi-finished products	11,750,725.54	29,363.73	11,721,361.81	6,213,029.56	29,363.73	6,183,665.83
Low priced and easily worn articles	156,274.66	110,622.38	45,652.28	159,646.13	110,622.38	49,023.75
Total	134,772,337.36	4,854,676.85	129,877,952.00	73,670,690.34	3,504,676.85	70,166,013.49

40. Taxes payable

In RMB

Item	Ending balance	Opening balance
VAT	4,823,733.87	2,980,992.11
Corporate income tax	5,545,879.97	6,558,810.68
Individual income tax	4,493.98	25,195.14
Urban maintenance and construction tax	532,508.80	1,902,436.52
Property tax	520,220.76	318,618.51
Land use tax	297,696.51	33,280.48
Educational surtax	229,248.99	816,098.15
Local educational surtax	122,702.85	418,611.03
Dike fee	1,665.00	1,665.00
Stamp tax	33,429.90	28,895.00
Disposal fund of waste electrical products	821,530.00	1,120,040.00
Total	12,933,110.63	14,204,642.62

60. Retained profit

In RMB

Item	Current period	Last period
Retained profit at the end of the previous period before adjustment	-170,881,854.46	-177,712,041.86
Retained profit at period-begin after adjustment	-170,881,854.46	-177,712,041.86
Add: net profit attributable to owners of the parent company	6,989,362.48	3,165,597.55
Retained profit at period-end	-163,892,491.98	-174,546,444.31

61. Operating revenue and cost

In RMB

Item	Current Period		Last Period	
	Revenue	Cost	Revenue	Cost
Main business	323,468,602.68	287,075,943.86	268,465,953.89	249,723,766.92
Other business	68,165,205.87	47,447,861.39	32,237,467.49	14,235,885.71
Total	391,633,808.55	334,523,805.25	300,703,421.38	263,959,652.63

76. Income tax expense

(1) Statement of income tax expense

In RMB

Item	Current Period	Last Period
Current income tax expense	1,584,720.39	982,790.94
Deferred income tax expense		-145,421.36
Total	1,584,720.39	837,369.58

(2) Adjustment on accounting profit and income tax expenses

In RMB

Item	Current Period
Total profit	8,574,082.87
Income tax based on statutory/applicable rate	2,490,947.85
Impact by different tax rate applied by subsidiaries	230,760.37
Impact of deductible loss of un-recognized deferred income tax assets in the prior period of use	-145,421.36
Income tax expense	1,584,720.39

四、The original *Summary of Semi-Annual Report 2021*

(一) II. Basic information of the company

2. Main financial data and index

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current Period	Same period of last year	Increase/decrease in this report y-o-y
Operating revenue (RMB)	391,633,808.55	300,703,421.38	30.24%
Net profit attributable to shareholders of the listed Company (RMB)	7,023,114.72	3,165,597.55	121.86%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses (RMB)	7,067,951.02	3,167,896.46	123.11%
Net cash flow arising from operating activities (RMB)	-21,818,369.59	21,200,212.24	-202.92%
Basic earnings per share (RMB/Share) (note 1)	0.0248	0.0112	121.43%
Diluted earnings per share (RMB/Share)	0.0248	0.0112	121.43%

Weighted average ROE	2.07%	0.96%	1.11%
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end (+,-)
Total assets (RMB)	673,387,235.69	627,779,621.06	7.26%
Net assets attributable to shareholder of listed Company (RMB)	343,271,852.01	336,248,737.29	2.09%

Revised content:

2. Main financial data and index

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	Current Period	Same period of last year	Increase/decrease in this report y-o-y
Operating revenue (RMB)	391,633,808.55	300,703,421.38	30.24%
Net profit attributable to shareholders of the listed Company (RMB)	6,989,362.48	3,165,597.55	120.79%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses (RMB)	7,034,198.78	3,167,896.46	122.05%
Net cash flow arising from operating activities (RMB)	-21,818,369.59	21,200,212.24	-202.92%
Basic earnings per share (RMB/Share) (note 1)	0.0248	0.0112	121.43%
Diluted earnings per share (RMB/Share)	0.0248	0.0112	121.43%
Weighted average ROE	2.07%	0.96%	1.11%
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end (+,-)
Total assets (RMB)	673,347,527.18	627,779,621.06	7.26%
Net assets attributable to shareholder of listed Company (RMB)	343,238,099.77	336,248,737.29	2.08%

五、 The original The Third Quarter Report 2021

(一) I. Main financial data

(i) Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period	Increase/decrease in	Year-begin to	Increase/decrease from
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		the period compared with the same period of the previous year	period-end	year-begin to period-end compared with the same period of the previous year
Operating income (Yuan)	211,898,917.91	5.85%	603,532,726.46	20.49%
Net profit attributable to shareholders of the listed company (Yuan)	1,141,094.84	-32.30%	8,164,209.56	68.30%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (Yuan)	572,226.97	-48.38%	7,384,177.99	72.67%
Net cash flow arising from operating activities (Yuan)	—	—	-24,053,649.58	-275.69%
Basic earnings per share (Yuan /Share)	0.004	-33.33%	0.0288	68.42%
Diluted earnings per share (Yuan /Share)	0.004	-33.33%	0.0288	68.42%
Weighted average ROE	0.33%	-0.19%	2.17%	0.71%
	End of current period	End of previous year	Increase/decrease at the period-end compared with the end of the previous year	
Total assets (Yuan)	670,460,370.67	627,779,621.06	6.80%	
Net assets attributable to shareholder of listed company (Yuan)	345,436,154.94	336,248,737.29	2.73%	

Revised content:

I. Main financial data

(i) Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period	Increase/decrease in the period compared with the same period	Year-begin to period-end	Increase/decrease from year-begin to period-end compared with the same period

		of the previous year		of the previous year
Operating income (Yuan)	211,898,917.91	5.85%	603,532,726.46	20.49%
Net profit attributable to shareholders of the listed company (Yuan)	1,123,649.14	-33.33%	8,113,011.63	67.24%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (Yuan)	554,781.27	-49.95%	7,332,980.06	72.67%
Net cash flow arising from operating activities (Yuan)	—	—	-24,053,649.58	-275.69%
Basic earnings per share (Yuan /Share)	0.004	-33.33%	0.0288	68.42%
Diluted earnings per share (Yuan /Share)	0.004	-33.33%	0.0288	68.42%
Weighted average ROE	0.33%	-0.19%	2.17%	0.71%
	End of current period	End of previous year	Increase/decrease at the period-end compared with the end of the previous year	
Total assets (Yuan)	669,050,137.81	627,779,621.06	6.57%	
Net assets attributable to shareholder of listed company (Yuan)	344,361,748.92	336,248,737.29	2.41%	

(二) (iii) Particulars about changes in items of main accounting data and financial index and explanations of reasons

√ Applicable □ Not applicable

Item	January-September 2021	January-September 2020	Changes ratio	Reason
R&D expenses	5,653,280.67	4,313,254.44	31%	Salary for R&D from Hengfa increased
Other income	345,453.35	645,623.00	-46%	Government subsidy of Hengfa
Investment income	238,661.58	103,172.15	131%	Gains on acceptance margin from Hengfa
Asset disposal income	21,059.60	-93,373.67	-123%	Disposal the company's vehicles
Non-operating income	394,744.60	681,877.61	-42%	Government subsidy received

				at the period-end was less than those received in the same period last year
Non-operating expenses	219,887.56	7,302.38	2911%	Disposal of fixed assets
Item	September 30, 2021	September 30, 2021	Changes ratio	Reason
Accounts receivable financing	5,774,948.69	25,436,468.30	-77%	Decrease in the amount of promissory note
Inventory	99,966,463.28	61,964,943.06	61%	Due to the impact of international epidemic, some raw materials are in short supply in the market, inventory of the Company are increased in an appropriated amount according to the operation needs
Other current assets	741,380.21	234,014.36	217%	VAT retention credit
Long-term prepaid expenses	568,577.93	135,529.27	320%	The contract signed through system, and the expenses to be amortized increased
Thhe Short-term loan	39,841,600.00	13,660,894.00	192%	Borrowings of Hengfa increased
Contract liabilities	574,325.56	2,575,945.15	-78%	Account received in advance declined
Interest payable	124,190.30	32,583.49	281%	Borrowings increased in the period, and the interest increased
Non-current liabilities due within one year		12,000,000.00	-100%	Reclassification of long-term loans

Revised content:

(iii) Particulars about changes in items of main accounting data and financial index and explanations of reasons

√ Applicable □ Not applicable

Item	January-September 2021	January-September 2020	Changes ratio	Reason
R&D expenses	5,653,280.67	4,313,254.44	31%	Salary for R&D from Hengfa increased
Other income	345,453.35	645,623.00	-46%	Government subsidy of Hengfa
Investment income	238,661.58	103,172.15	131%	Gains on acceptance margin from Hengfa

Asset disposal income	21,059.60	-93,373.67	-123%	Disposal the company's vehicles
Non-operating income	394,744.60	681,877.61	-42%	Government subsidy received at the period-end was less than those received in the same period last year
Non-operating expenses	219,887.56	7,302.38	2911%	Disposal of fixed assets
Item	September 30, 2021	September 30, 2020	Changes ratio	Reason
Accounts receivable financing	5,774,948.69	25,436,468.30	-77%	Decrease in the amount of promissory note
Inventory	98,556,230.42	61,964,943.06	59%	Due to the impact of international epidemic, some raw materials are in short supply in the market, inventory of the Company are increased in an appropriated amount according to the operation needs
Other current assets	741,380.21	234,014.36	217%	VAT retention credit
Long-term prepaid expenses	568,577.93	135,529.27	320%	The contract signed through system, and the expenses to be amortized increased
Thhe Short-term loan	39,841,600.00	13,660,894.00	192%	Borrowings of Hengfa increased
Contract liabilities	574,325.56	2,575,945.15	-78%	Account received in advance declined
Interest payable	124,190.30	32,583.49	281%	Borrowings increased in the period, and the interest increased
Non-current liabilities due within one year		12,000,000.00	-100%	Reclassification of long-term loans

(三) IV. Quarterly financial statements

(i) Financial statement

1. Consolidate balance sheet

Prepared by Shenzhen Zhongheng Huafa Co., Ltd.

September 30, 2021

Unit: Yuan

Item	September 30, 2021	December 31, 2020
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Current assets:		
Monetary fund	42,948,262.54	60,968,053.58
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable	43,892,072.62	20,240,464.79
Account receivable	144,703,950.74	128,063,911.79
Receivable financing	5,774,948.69	10,057,385.11
Accounts paid in advance	19,408,972.82	39,643,255.11
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	29,057,128.91	4,466,949.96
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	99,966,463.28	70,166,013.49
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	741,380.21	4,255,643.19
Total current assets	386,493,179.81	337,861,677.02
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial		

assets		
Investment real estate	45,928,414.57	47,224,662.27
Fixed assets	189,772,693.25	193,605,444.53
Construction in progress	740,000.00	740,000.00
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	39,507,770.98	40,820,657.80
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	568,577.93	77,445.31
Deferred income tax asset	7,383,734.13	7,383,734.13
Other non-current asset	66,000.00	66,000.00
Total non-current asset	283,967,190.86	289,917,944.04
Total assets	670,460,370.67	627,779,621.06
Current liabilities:		
Short-term loans	39,841,600.00	12,527,808.00
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	33,139,828.80	37,416,381.20
Account payable	131,338,903.49	98,318,239.88
Accounts received in advance		
Contractual liability	574,325.56	287,140.66
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	4,376,465.86	5,737,366.59
Taxes payable	12,214,983.25	14,204,642.62

Other account payable	22,295,013.77	27,608,281.01
Including: Interest payable	124,190.30	26,335.66
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		12,000,000.00
Other current liabilities	16,135,044.00	18,322,972.81
Total current liabilities	259,916,164.73	226,422,832.77
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	61,000,000.00	61,000,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability	64,411.00	64,411.00
Deferred income	4,043,640.00	4,043,640.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	65,108,051.00	65,108,051.00
Total liabilities	325,024,215.73	291,530,883.77
Owner's equity:		
Share capital	283,161,227.00	283,161,227.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	146,577,771.50	146,577,771.50
Less: Inventory shares		

Other comprehensive income		
Reasonable reserve		
Surplus public reserve	77,391,593.25	77,391,593.25
Provision of general risk		
Retained profit	-161,694,436.81	-170,881,854.46
Total owner's equity attributable to parent company	345,436,154.94	336,248,737.29
Minority interests		
Total owner's equity	345,436,154.94	336,248,737.29
Total liabilities and owner's equity	670,460,370.67	627,779,621.06

2. Consolidated Profit Statement (from the year-begin to the period-end)

Unit: Yuan

Item	Current period	Last period
I. Total operating income	603,532,726.46	500,887,222.16
Including: Operating income	603,532,726.46	500,887,222.16
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	592,220,186.01	496,032,602.64
Including: Operating cost	525,633,691.80	436,770,935.85
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	2,180,093.13	1,697,965.55
Sales expense	18,991,695.17	14,895,442.53

Administrative expense	33,036,011.08	29,667,000.90
R&D expense	5,653,280.67	4,313,254.44
Financial expense	6,725,414.16	8,688,003.37
Including: Interest expenses	5,977,916.47	6,620,657.92
Interest income	234,372.30	-694,194.83
Add: other income	345,453.35	645,623.00
Investment income (Loss is listed with “-”)	238,661.58	103,172.15
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)	-1,350,000.00	
Income from assets disposal (Loss is listed with “-”)	21,059.60	-93,373.67
III. Operating profit (Loss is listed with “-”)	10,567,714.98	5,510,041.00
Add: Non-operating income	394,744.60	681,877.61
Less: Non-operating expense	219,887.56	7,302.38
IV. Total profit (Loss is listed with “-”)	10,742,572.02	6,184,616.23
Less: Income tax expense	2,578,362.46	1,333,529.74
V. Net profit (Net loss is listed with “-”)	8,164,209.56	4,851,086.49
(i) Classify by business continuity		

1.continuous operating net profit (net loss listed with ‘-’)	8,164,209.56	4,851,086.49
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	8,164,209.56	4,851,086.49
2.Minority shareholders’ gains and losses		
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment		

provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	8,164,209.56	4,851,086.49
Total comprehensive income attributable to owners of parent Company	8,164,209.56	4,851,086.49
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(i) Basic earnings per share	0.0288	0.0171
(ii) Diluted earnings per share	0.0288	0.0171

Revised content:

(i) Financial statement

1. Consolidate balance sheet

Prepared by Shenzhen Zhongheng Huafa Co., Ltd.

September 30, 2021

Unit: Yuan

Item	September 30, 2021	December 31, 2020
Current assets:		
Monetary fund	42,948,262.54	60,968,053.58
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable	43,892,072.62	20,240,464.79
Account receivable	144,703,950.74	128,063,911.79
Receivable financing	5,774,948.69	10,057,385.11

Accounts paid in advance	19,408,972.82	39,643,255.11
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	29,057,128.91	4,466,949.96
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	98,556,230.42	70,166,013.49
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	741,380.21	4,255,643.19
Total current assets	385,082,946.95	337,861,677.02
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	45,928,414.57	47,224,662.27
Fixed assets	189,772,693.25	193,605,444.53
Construction in progress	740,000.00	740,000.00
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	39,507,770.98	40,820,657.80
Expense on Research and Development		

Goodwill		
Long-term expenses to be apportioned	568,577.93	77,445.31
Deferred income tax asset	7,383,734.13	7,383,734.13
Other non-current asset	66,000.00	66,000.00
Total non-current asset	283,967,190.86	289,917,944.04
Total assets	669,050,137.81	627,779,621.06
Current liabilities:		
Short-term loans	39,841,600.00	12,527,808.00
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	33,139,828.80	37,416,381.20
Account payable	131,338,903.49	98,318,239.88
Accounts received in advance		
Contractual liability	574,325.56	287,140.66
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	4,376,465.86	5,737,366.59
Taxes payable	11,979,156.41	14,204,642.62
Other account payable	22,295,013.77	27,608,281.01
Including: Interest payable	124,190.30	26,335.66
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		12,000,000.00
Other current liabilities	16,135,044.00	18,322,972.81

Total current liabilities	259,580,337.89	226,422,832.77
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	61,000,000.00	61,000,000.00
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability	64,411.00	64,411.00
Deferred income	4,043,640.00	4,043,640.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	65,108,051.00	65,108,051.00
Total liabilities	324,688,388.89	291,530,883.77
Owner's equity:		
Share capital	283,161,227.00	283,161,227.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	146,577,771.50	146,577,771.50
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve	77,391,593.25	77,391,593.25
Provision of general risk		
Retained profit	-162,768,842.83	-170,881,854.46
Total owner's equity attributable to parent company	344,361,748.92	336,248,737.29
Minority interests		
Total owner's equity	344,361,748.92	336,248,737.29
Total liabilities and owner's equity	669,050,137.81	627,779,621.06

2. Consolidated Profit Statement (from the year-begin to the period-end)

Unit: Yuan

Item	Current period	Last period
I. Total operating income	603,532,726.46	500,887,222.16
Including: Operating income	603,532,726.46	500,887,222.16
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	592,280,418.87	496,032,602.64
Including: Operating cost	525,693,924.66	436,770,935.85
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	2,180,093.13	1,697,965.55
Sales expense	18,991,695.17	14,895,442.53
Administrative expense	33,036,011.08	29,667,000.90
R&D expense	5,653,280.67	4,313,254.44
Financial expense	6,725,414.16	8,688,003.37
Including: Interest expenses	5,977,916.47	6,620,657.92
Interest income	234,372.30	-694,194.83
Add: other income	345,453.35	645,623.00
Investment income (Loss is listed with “-”)	238,661.58	103,172.15
Including: Investment income on affiliated company and joint		

venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)		
Losses of devaluation of asset (Loss is listed with “-”)	-1,350,000.00	
Income from assets disposal (Loss is listed with “-”)	21,059.60	-93,373.67
III. Operating profit (Loss is listed with “-”)	10,507,482.12	5,510,041.00
Add: Non-operating income	394,744.60	681,877.61
Less: Non-operating expense	219,887.56	7,302.38
IV. Total profit (Loss is listed with “-”)	10,682,339.16	6,184,616.23
Less: Income tax expense	2,569,327.53	1,333,529.74
V. Net profit (Net loss is listed with “-”)	8,113,011.63	4,851,086.49
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with ‘-’)	8,113,011.63	4,851,086.49
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	8,113,011.63	4,851,086.49
2.Minority shareholders’ gains and losses		
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive		

income attributable to owners of parent company		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	8,113,011.63	4,851,086.49
Total comprehensive income	8,113,011.63	4,851,086.49

attributable to owners of parent Company		
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(i) Basic earnings per share	0.0288	0.0171
(ii) Diluted earnings per share	0.0288	0.0171