



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

**2 0 2 3**

**First Quarter Report**

Stock Code: 002511

Stock Abbreviation: ZSJR

Announcement No.: 2023-27

## C&S Paper Co., Ltd.

### First Quarter Report 2023

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

#### **Important Notice:**

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

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

3. Whether the First Quarter Report has been audited

Yes  No

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

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

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

Yes  No

	Current period	Same period of previous year	Changes over same period of previous year
Operating income (RMB)	2,060,542,849.81	1,884,339,300.88	9.35%
Net profit attributable to shareholders of the listed company (RMB)	89,436,714.84	133,346,264.70	-32.93%
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss (RMB)	81,878,048.70	126,963,097.30	-35.51%
Net cash flow from operating activities (RMB)	189,136,132.94	247,480,435.23	-23.58%

Basic earnings per share (RMB/share)	0.07	0.10	-30.00%
Diluted earnings per share (RMB/share)	0.07	0.10	-30.00%
Weighted average return on net assets	1.71%	2.68%	-0.97%
	End of current period	End of previous year	Changes over end of previous year
Total assets (RMB)	8,633,703,315.60	8,335,107,691.71	3.58%
Owner's equity attributable to shareholders of the listed company (RMB)	5,273,733,856.59	5,178,060,378.48	1.85%

## (II) Non-recurring items and amounts

Applicable  Not applicable

Unit: RMB

Item	Amount of current period	Description
Profits/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-216,146.00	
Governmental grants reckoned into current profits/losses (not including grants enjoyed in quota or ration according to national standards, which are closely relevant to the company's normal business)	6,482,330.30	
Profits/losses from assets entrusted to others for investment or management	27,707.09	
Except for effective hedging business related to the normal operation of the company, fair value gains and losses from holding trading financial assets and trading financial liabilities, as well as investment income from disposing of trading financial assets, trading financial liabilities, and available for sale financial assets	813,600.00	
Other non-operating income and expenses except for the aforementioned items	2,381,391.59	
Less: Influence of income tax	1,930,216.84	
Total	7,558,666.14	--

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

Applicable  Not applicable

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

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

Applicable  Not applicable

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

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

Applicable  Not applicable

### 1. Balance sheet items

Monetary funds: This item recorded an increase of RMB629,395,493.87 or 47.51% in the reporting period compared with the end of 2022, mainly owing to the increase in borrowing during the reporting period.

Tradable financial assets: This item recorded an increase of RMB813,600.00 or 100.00% in the reporting period compared with the end of 2022, mainly owing to the changes in the fair value of forward foreign exchange settlements and sales of trading financial assets during the reporting period.

Other current asset: This item recorded an increase of RMB165,858,475.80 or 49.52% in the reporting period

compared with the end of 2022, mainly owing to the increase of large deposit certificates during the reporting period.

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

Other non-current assets: This item recorded an increase of RMB21,424,952.32 or 366.93% in the reporting period compared with the end of 2022, mainly owing to the increase in prepayments in land payment during the reporting period.

Short-term borrowings: This item recorded an increase of RMB581,434,704.87 or 95.66% in the reporting period compared with the end of 2022, mainly owing to the increase in bank borrowing during the reporting period.

Contract liabilities: This item recorded a decrease of RMB45,606,699.49 or 47.22% in the reporting period compared with the end of 2022, mainly owing to the decrease in prepayments from customers during the reporting period.

Employee remuneration payable: This item recorded a decrease of RMB70,515,700.91 or 53.57% in the reporting period compared with the end of 2022, mainly owing to the release of the year-end bonus payable for the previous year during the reporting period.

Tax and fees payable: This item recorded an increase of RMB28,099,367.86 or 52.56% in the reporting period compared with the end of 2022, mainly owing to the increase in VAT and income tax expense during the reporting period.

Other current liabilities: This item recorded a decrease of RMB6,215,813.73 or 49.97% in the reporting period compared with the end of 2022, mainly owing to the decrease in the tax pending changeover during the reporting period.

Lease liabilities: This item recorded an increase of RMB1,595,148.66 or 198.43% in the reporting period compared with the end of 2022, mainly owing to the increase in rented houses and buildings during the reporting period.

## **2. Income statement items**

Financial expenses: This item recorded a decrease of RMB1,594,818.16 or 108.30% in the reporting period compared with the same period in 2022, mainly owing to the decrease in exchange losses and gains during the reporting period.

Return on investment: This item recorded a decrease of RMB146,121.05 or 84.06% in the reporting period compared with the same period in 2022, mainly owing to the decrease in returns on wealth management products received during the reporting period.

Gains from changes in fair value: This item recorded an increase of RMB816,501.12 or 28144.34% in the reporting period compared with the same period in 2022, mainly owing to the increase in forward settlement and sales of foreign exchange during the reporting period.

Asset impairment losses: This item recorded an increase of RMB777,992.12 or 212.48% in the reporting period compared with the same period in 2022, mainly owing to the decrease in provision for inventory depreciation

during the reporting period.

Return on disposal of assets: This item recorded a decrease of RMB78,973.53 or 339.92% in the reporting period compared with the same period in 2022, owing to the decrease in disposal of fixed assets during the reporting period.

Non-operating income: This item recorded an increase of RMB1,028,229.49 or 107.09% in the reporting period compared with the same period in 2022, mainly owing to the increase in received penalty during the reporting period.

Non-operating expense: This item recorded a decrease of RMB440,106.60 or 38.27% in the reporting period compared with the same period in 2022, mainly owing to the decrease in donation during the reporting period.

Income tax expenses: This item recorded a decrease of RMB10,872,567.93 or 40.50% in the reporting period compared with the same period in 2022, mainly owing to the decrease in total profit during the reporting period.

### 3. Cash flow statement items

Net cash flow from investing activities: This item recorded a decrease of RMB72,929,077.59 or 35.17% in the reporting period compared with the same period in 2022, mainly owing to the increase in payment for principal of wealth management products during the reporting period.

Net cash flow from financing activities: This item recorded an increase of RMB692,254,858.53 or 1980.55% in the reporting period compared with the same period in 2022, mainly owing to the increase in cash received from borrowings during the reporting period.

## II. Shareholder Information

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

Unit: share

Total number of ordinary shareholders as at the end of the reporting period		117,225		Total number of preferred shareholders whose voting rights were resumed at the end of the reporting period (if any)		0	
Shareholdings of top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares	Number of shares subject to selling restrictions	Pledged, marked or frozen		
					Share status	Number	
Guangdong Zhongshun Paper Group Co., Ltd.	Domestic non-state-owned legal person	28.22%	377,195,570				
Chung Shun Co.	Foreign legal person	19.94%	266,504,789				
Hong Kong Securities Clearing Co., Ltd.	Foreign legal person	4.23%	56,516,558				
Ernest Partners LLC — Client funds	Foreign legal person	0.92%	12,259,500				
Yue Yong	Domestic natural person	0.81%	10,765,241	8,348,93			
Deng Yingzhong	Domestic natural	0.51%	6,752,811	5,064,608			

	person					
Guohua Life — Xingyi Traditional No.2	Other	0.47%	6,224,600			
# Zhongshan Xinda Investment Management Co., Ltd.	Domestic non-state-owned legal person	0.46%	6,123,636			
ABC — CSI Smallcap 500 ETF	Other	0.35%	4,683,889			
ICBC — CSI Main Consumer Staples ETF	Other	0.29%	3,899,518			
Shareholdings of top 10 shareholders not subject to selling restrictions						
Name of shareholder	Number of shares not subject to selling restrictions	Type of shares				
		Type of shares	Number			
Guangdong Zhongshun Paper Group Co., Ltd.	377,195,570	RMB-denominated ordinary shares	377,195,570			
Chung Shun Co.	266,504,789	RMB-denominated ordinary shares	266,504,789			
Hong Kong Securities Clearing Co., Ltd.	56,516,558	RMB-denominated ordinary shares	56,516,558			
Ernest Partners LLC — Client funds	12,259,500	RMB-denominated ordinary shares	12,259,500			
Guohua Life — Xingyi Traditional No.2	6,224,600	RMB-denominated ordinary shares	6,224,600			
# Zhongshan Xinda Investment Management Co., Ltd.	6,123,636	RMB-denominated ordinary shares	6,123,636			
ABC — CSI Smallcap 500 ETF	4,683,889	RMB-denominated ordinary shares	4,683,889			
ICBC — CSI Main Consumer Staples ETF	3,899,518	RMB-denominated ordinary shares	3,899,518			
#Chen Ruiqiang	3,667,600	RMB-denominated ordinary shares	3,667,600			
Yuan Xuemei	3,592,000	RMB-denominated ordinary shares	3,592,000			
Description on the related relationship or parties acting-in-concert arrangements among the above shareholders	<p>1. Among the top ten shareholders mentioned above, Mr. Deng Yingzhong is among the actual controllers of the Company; Guangdong Zhongshun Paper Group Co., Ltd. and Chung Shun Co. are the enterprises controlled by actual controllers of the Company, i.e. Mr. Deng Yingzhong, Deng Guanbiao and Deng Guanjie. That is, Guangdong Zhongshun Paper Group Co., Ltd. and Chung Shun Co. are related parties. Mr. Yue Yong is an incumbent senior manager of the Company.</p> <p>2. Except for the above situation, it is unknown to the Company whether there is related party relationship among other shareholders, or whether there is acting-in-concert among other shareholders as stipulated in the <i>Administrative Measures for the Disclosure of Information on Changes in Shareholders' Shareholding of Listed Companies</i>.</p>					
Description on the top 10 shareholders' participation in margin trading and securities lending business (if any)	<p>1. The Company's shareholder Zhongshan Xinda Investment Management Co., Ltd. holds 6,120,602 shares through a client credit transaction guarantee securities account.</p> <p>2. The Company's shareholder Chen Ruiqiang holds 843,500 shares through a client credit transaction guarantee securities account.</p> <p>Note: There is a special repurchase account "C&amp;S Paper Special Repurchase Securities Account" among the top 10 shareholders. As of the end of the reporting period, this repurchase account held 26,758,987 shares, with a shareholding ratio of 2%. Pursuant to relevant regulations, it is not included in the list of top 10 shareholders.</p>					

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

□ Applicable √ Not applicable

**III. Other Significant Matters**

√ Applicable □ Not applicable

**Implementation of the 2022 Stock Option and Restricted Stock Incentive Plan during the reporting period:**

(1) On December 20, 2022, the Company convened the 18th meeting of the Fifth Board of Directors, the 13th meeting of the Fifth Board of Supervisors, and the 2023 First Extraordinary General Meeting of Shareholders, which deliberated and approved the *Proposal on the 2022 Stock Option and Restricted Stock Incentive Plan (Draft and Its Summary)*. For details, please refer to the Company's relevant announcements on CNINFO.

(2) On January 4, 2023, the Company's Board of Supervisors issued an explanation and the audit opinions on the list of incentive recipients under the *2022 Stock Option and Restricted Stock Incentive Plan*. At the same time, the Company issued a self-inspection report on the buying and selling of corporate shares by insiders and incentive recipients of the *2022 Stock Option and Restricted Stock Incentive Plan*.

(3) On January 31, 2023, the Company held the 19th meeting of the Fifth Board of Directors and the 14th meeting of the Fifth Board of Supervisors, which reviewed and approved the *Proposal on Granting Stock Options and Restricted Shares to Incentive Recipients for the First Time*. The Board believed that the granting conditions stipulated in the incentive plan were fulfilled and thereby agreed to, with January 31, 2023 as the first-grant date, grant a total of 15.665 million stock options to 686 incentive recipients who met the granting conditions with an exercise price of RMB9.48 per share, and a total of 21.765 million restricted shares to 694 incentive recipients who met the granting conditions with a grant price of RMB6.32 per share.

(4) The registration procedures for the first-granted stock options under the *2022 Stock Option and Restricted Stock Incentive Plan* were completed on February 24, 2023, with a quantity of 15.48 million, number of recipients 654, stock option abbreviation C&S JLC3, and stock option code 037336. In addition, the registration procedures for the first-granted restricted shares under the *2022 Stock Option and Restricted Stock Incentive Plan* were completed on March 6, 2023, with a quantity of 20.9615 million, number of recipients 617, and stock listing date March 7, 2023.

**IV. Quarterly Financial Statements****(I) Financial statements****1. Consolidated balance sheet**

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

March 31, 2023

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
Current assets:		
Monetary funds	1,954,183,035.36	1,324,787,541.49
Settlement reserve		
Lending to banks and other financial institutions		
Tradable financial assets	813,600.00	
Derivative financial assets		
Notes receivable	9,820,991.37	11,371,092.80

Accounts receivable	845,396,697.20	1,084,130,138.51
Accounts receivable financing		
Prepayments	19,613,931.45	15,291,351.73
Premium receivable		
Reinsurance payables		
Reinsurance contract reserves receivable		
Other receivables	13,628,574.99	16,915,272.60
Including: Interest receivable		
Dividends receivable		
Financial assets held under resale agreements		
Inventory	1,691,070,655.54	1,911,630,723.55
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	500,817,829.71	334,959,353.91
Total current assets	5,035,345,315.62	4,699,085,474.59
Non-current assets:		
Loans and advances to customers		
Investments in creditor's rights		
Investments in other creditor's rights		
Long-term receivable		
Long-term equity investment		
Investment in other equity instruments		
Other non-current financial assets		
Investment property	31,342,376.49	31,701,597.54
Fixed assets	2,924,742,472.38	3,013,559,312.97
Construction work in progress	158,311,995.48	142,627,123.42
Productive biological assets		
Oil & gas assets		
Right-of-use assets	8,812,888.05	9,758,283.42
Intangible assets	224,604,541.62	214,243,938.48
Development expenses		
Goodwill	697,790.49	64,654.15
Long-term deferred expenses	9,611,286.29	11,771,615.74
Deferred income tax assets	212,970,662.52	206,456,657.06
Other non-current assets	27,263,986.66	5,839,034.34
Total non-current assets	3,598,357,999.98	3,636,022,217.12
Total assets	8,633,703,315.60	8,335,107,691.71
Current liabilities:		
Short-term borrowings	1,189,233,927.49	607,799,222.62



Borrowings from PBC		
Placements from banks and other financial institutions		
Tradable financial liabilities		
Derivative financial liabilities		
Notes payable	315,999,721.07	340,335,111.30
Accounts payable	710,310,494.43	948,550,430.61
Payments received in advance		
Contract liabilities	50,975,245.45	96,581,944.94
Proceeds from financial assets sold under repo		
Customer bank deposits and due to banks and other financial institutions		
Funds from securities trading agency		
Funds from securities underwriting agency		
Employee remuneration payable	61,125,746.74	131,641,447.65
Tax and fees payable	81,557,334.21	53,457,966.35
Other payables	789,456,180.28	807,423,814.13
Including: Interests payable		
Dividends payable		
Transaction fee and commission receivable		
Reinsurance payable		
Liabilities held for sale		
Non-current liabilities due within one year	7,510,164.22	9,833,661.30
Other current liabilities	6,224,333.82	12,440,147.55
Total current liabilities	3,212,393,147.71	3,008,063,746.45
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	2,399,027.96	803,879.30
Long-term payable		
Long-term employee remuneration payable		
Provision		
Deferred income	94,410,420.74	98,419,983.82
Deferred income tax liabilities	42,821,394.21	47,131,368.70
Other non-current liabilities		
Total non-current liabilities	139,630,842.91	146,355,231.82
Total liabilities	3,352,023,990.62	3,154,418,978.27
Owner's equity:		
Share capital	1,336,446,200.00	1,314,739,745.00

Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	1,075,194,986.26	958,187,997.99
Less: Treasury shares	821,407,373.99	688,930,693.99
Other comprehensive income		
Special reserves		
Surplus reserves	145,882,689.86	145,882,689.86
General reserves		
Retained earnings	3,537,617,354.46	3,448,180,639.62
Total equity attributable to owners of the parent company	5,273,733,856.59	5,178,060,378.48
Equities of minority shareholders	7,945,468.39	2,628,334.96
Total owner's equity	5,281,679,324.98	5,180,688,713.44
Total liabilities and owners' equities	8,633,703,315.60	8,335,107,691.71

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

## 2. Consolidated income statement

Unit: RMB

Item	Incurring in the current period	Incurring in the prior period
I. Total Operating Income	2,060,542,849.81	1,884,339,300.88
Including: Operating income	2,060,542,849.81	1,884,339,300.88
Interest income		
Gross earned premiums		
Service charge and commission income		
II. Total Operating Cost	1,969,968,752.82	1,738,812,664.25
Including: Operating costs	1,494,682,167.06	1,266,000,074.36
Interest expenses		
Service charge and commission expenses		
Surrender value		
Net compensation expenses		
Net appropriation of insurance reserve		
Policy dividends expenses		
Reinsurance costs		
Tax and surcharges	10,462,165.90	12,558,211.99
Selling expenses	343,938,889.16	333,729,274.14
Administrative expenses	72,119,884.69	79,277,066.68
R&D expenses	51,833,013.86	48,720,586.77
Finance expenses	-3,067,367.85	-1,472,549.69
Including: Interest fees	10,537,717.07	178,781.10

Interest income	5,717,475.64	2,754,875.87
Plus: Other income	7,424,935.61	8,030,856.86
Return on investment ("-" indicates loss)	27,707.09	173,828.14
Including: Return on investment in associates and joint ventures		
Income from the derecognition of financial assets measured at amortized cost		
Exchange gains ("-" indicates loss)		
Gains from net exposure hedging ("-" indicates loss)		
Gains from changes in fair value ("-" indicates loss)	813,600.00	-2,901.12
Credit impairment losses ("-" indicates loss)	6,209,595.17	6,918,082.21
Asset impairment losses ("-" indicates loss)	-1,144,134.84	-366,142.72
Return on disposal of assets ("-" indicates loss)	-55,740.67	23,232.86
III. Operating Profit ("-" indicates loss)	103,850,059.35	160,303,592.86
Plus: Non-operating income	1,988,401.70	960,172.21
Less: Non-operating expenditure	710,020.75	1,150,127.35
IV. Total Profit ("-" indicates total loss)	105,128,440.30	160,113,637.72
Less: Income tax expense	15,974,592.03	26,847,159.96
V. Net Profit ("-" indicates net loss)	89,153,848.27	133,266,477.76
i. Classified by operation continuity		
1. Net profit from continued operation ("-" indicates net loss)	89,153,848.27	133,266,477.76
2. Net profit from discontinued operation ("-" indicates net loss)		
ii. Classified by attribution of ownership		
1. Net profit attributable to owners of the parent company	89,436,714.84	133,346,264.70
2. Minority shareholders' profits and losses	-282,866.57	-79,786.94
VI. Net Amount of Other Comprehensive Income after Tax		
Total other comprehensive after-tax net income attributable to owners of the parent company		
i. Other comprehensive income not able to be reclassified into the profit or loss		
1. Changes of re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred into the profit or loss under equity method		

3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value of credit risk of the enterprise		
5. Others		
ii. Other comprehensive income reclassified into the profit or loss		
1. Other comprehensive income to be transferred into the profit or loss under equity method		
2. Changes in fair value of investment in other creditor's rights		
3. Financial assets reclassified into other comprehensive income		
4. Impairment provision for credit of investment in other creditor's rights		
5. Reserve of cash flow hedge		
6. Converted difference in foreign currency financial statements		
7. Others		
Total other comprehensive after-tax net income attributable to minority shareholders		
VII. Total Comprehensive Income	89,153,848.27	133,266,477.76
Total comprehensive income attributable to owners of the parent company	89,436,714.84	133,346,264.70
Total comprehensive income attributable to minority shareholders	-282,866.57	-79,786.94
VIII. Earnings per Share:		
i. Basic earnings per share	0.07	0.10
ii. Diluted earnings per share	0.07	0.10

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

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

### 3. Consolidated cash flow statement

Unit: RMB

Item	Incurred in the current period	Incurred in the prior period
I. Cash Flows from Operating Activities:		
Cash received from sale of goods or rendering of services	2,202,618,917.36	2,013,189,894.59
Net increase in deposits from customers, banks and non-bank financial institutions		
Net increase in due to central banks		
Net increase in placements from		

other financial institutions		
Cash received from the premium of direct insurance contracts		
Net cash from reinsurance business		
Net increase in deposits and investment of the insured		
Cash obtained from interest, net fee and commission		
Net increase in placements from banks and other financial institutions		
Net increase in repo service fund		
Net cash from agent securities trading		
Tax rebates	33,984,049.20	
Cash received related to other operating activities	27,259,368.52	20,775,921.90
Sub-total of cash inflow from operating activities	2,263,862,335.08	2,033,965,816.49
Cash paid for goods purchased and services rendered	1,501,434,781.89	1,135,854,564.52
Net loans and advances to customers		
Net increase in deposits with the central bank, banks and non-bank financial institutions		
Cash paid for claims of direct insurance contracts		
Net increase in placements with banks and non-bank financial institutions		
Cash paid for interest, fee and commission		
Cash paid for dividends of the insured		
Cash paid to and on behalf of employees	261,750,614.04	272,517,814.87
Tax payments	88,074,968.57	130,061,335.22
Cash payments related to other operating activities	223,465,837.64	248,051,666.65
Sub-total of cash outflow from operating activities	2,074,726,202.14	1,786,485,381.26
Net cash flows from operating activities	189,136,132.94	247,480,435.23
II. Cash Flows from Investing Activities:		
Cash from realization of investment		
Cash received from the return on investments	27,707.09	180,495.09
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets	319,638.40	4,408.13
Net amount of cash received from the disposal of subsidiaries and other operating organizations		

Cash received related to other investing activities	23,001,000.00	41,239,541.68
Sub-total of cash inflow from investing activities	23,348,345.49	41,424,444.90
Cash paid for the acquisition and construction of fixed assets, intangible assets, and other long-term assets	61,791,327.43	78,770,349.25
Cash paid for investments		
Net increase in pledged loans		
Net amount of cash paid for acquisition of subsidiaries and other operating organizations	5,810,000.00	
Cash payments related to other investing activities	236,022,000.00	170,000,000.00
Sub-total of cash outflow from investing activities	303,623,327.43	248,770,349.25
Net cash flows from investing activities	-280,274,981.94	-207,345,904.35
III. Cash Flows from Financing Activities:		
Cash received from capital contribution	141,228,624.53	5,347,319.15
Including: Proceeds received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	1,127,682,621.27	38,500,000.00
Cash received related to other financing activities	8,836,913.62	
Sub-total of cash inflow from financing activities	1,277,748,159.42	43,847,319.15
Cash paid for repayments of borrowings	538,082,116.86	
Cash payment for interest expenses and distribution of dividends or profits	9,932,477.51	
Including: Dividend and profit paid by subsidiaries to minority shareholders		
Cash payments related to other financing activities	2,526,086.99	8,894,699.62
Sub-total of cash outflow from financing activities	550,540,681.36	8,894,699.62
Net cash flows from financing activities	727,207,478.06	34,952,619.53
IV. Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,163,778.43	-994,226.31
V. Net Increase in Cash and Cash Equivalents	638,232,407.49	74,092,924.10
Plus: Opening balance of cash and cash equivalents	1,248,898,024.59	797,797,675.70
VI. Closing Balance of Cash and Cash Equivalents	1,887,130,432.08	871,890,599.80

## (II) Report auditing

Whether the First Quarter Report has been audited

Yes  No

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

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

April 18, 2023

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