

Stock Code: 000020 200020

Public Notice No.: 2019-21

Short Form of the Stock: SHEN HUAFA-A, SHEN HUAFA- B

Shenzhen Zhongheng Huafa Co., Ltd.

Summary of Semi-Annual Report 2019

I. Important Notice

The summary is abstract from full-text of annual report, for more details of operating results, financial condition and future development plan of the Company; investors should found in the full-text of semi-annual report that published on media appointed by CSRC.

Objection statement of directors, supervisors and senior executives

Name	Position	Content and reason
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Statement

Other directors attending the Meeting for semi-annual report deliberation except for the followed

Name of director absent	Title for absent director	Reasons for absent	Attorney
Gao Jianbai	director	personal reason	Li Zhongqiu
Xu Jinwen	independent director	personal reason	Zhang Zhaoguo

Prompt of non-standard audit opinion

Applicable Not applicable

Profit distribution pre-plan of common stock or capitalizing of common reserves pre-plan deliberated by the Board in the reporting period

Applicable Not applicable

The Company has no plan of cash dividends carried out, bonus issued and capitalizing of common reserves either.

Profit distribution pre-plan of preferred stock deliberated and approved by the Board in the reporting period

Applicable Not applicable

II. Basic information of the company

1. Company profile

Short form of the stock	Shen Huafa A, Shen Huafa B	Stock code	000020, 200020
Stock exchange for listing	Shenzhen Stock Exchange		
Person/Way to contact	Secretary of the Board	Rep. of security affairs	

Name	Yang Bin	Niu Zhuo
Office add.	33/F, No. 2 Building of Dachong Business Center, Nanshan District, Shenzhen	33/F, No. 2 Building of Dachong Business Center, Nanshan District, Shenzhen
Tel.	0755-86360201	0755-86360201
E-mail	hwafainvestor@126.com.cn	hwafainvestor@126.com.cn

2. Main accounting data and financial indexes

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

Yes No

	Current period	Same period last year	Changes over last year (+,-)
Operating income (RMB)	339,190,174.05	340,984,843.24	-0.53%
Net profit attributable to shareholders of the listed company (RMB)	2,580,411.13	2,793,133.60	-7.62%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	2,197,912.06	2,053,467.02	7.03%
Net cash flow arising from operating activities (RMB)	45,194,220.56	-26,671,325.63	
Basic earnings per share (RMB/Share)	0.0091	0.0099	-8.08%
Diluted earnings per share (RMB/Share)	0.0091	0.0099	-8.08%
Weighted average ROE	0.79%	0.87%	-0.08%
	Period-end	Period-end of last year	Changes over period-end of last year (+,-)
Total assets (RMB)	623,980,175.29	617,090,153.46	1.12%
Net assets attributable to shareholder of listed company (RMB)	326,548,411.87	323,968,000.74	0.80%

3. Amount of shareholders of the Company and particulars about shares holding

In Share

Total common stock shareholders in reporting period-end	23,417	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Shares held by top ten shareholders						
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Number of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Wuhan Zhongheng Group	Domestic non-state-owned legal person	42.13%	119,289,894	0	Pledged	116,100,000
					Frozen	119,289,894

SEG (HONG KONG) CO., LTD.	Overseas legal person	5.85%	16,569,560	0	Pledged	0
					Frozen	0
GOOD HOPE CORNER INVESTMENT S LTD	Overseas legal person	4.49%	12,700,000	0	Pledged	0
					Frozen	0
Changjiang Securities Brokerage (Hong Kong) Co., Ltd.	Overseas legal person	1.89%	5,355,249	0	Pledged	0
					Frozen	0
Guoyuan Securities Brokerage (Hong Kong) Co., Ltd.	Overseas legal person	1.36%	3,845,117	0	Pledged	0
					Frozen	0
Li Zhongqiu	Overseas nature person	1.00%	2,830,000	0	Pledged	0
					Frozen	0
Zhong Jiachao	Domestic nature person	0.45%	1,277,494	0	Pledged	0
					Frozen	0
Li Senzhuang	Domestic nature person	0.35%	986,550	0	Pledged	0
					Frozen	0
LI SHERYN ZHAN MING	Overseas nature person	0.35%	980,100	0	Pledged	0
					Frozen	0
Han Yaming	Domestic nature person	0.30%	864,200	0	Pledged	0
					Frozen	0
Explanation on associated relationship among the aforesaid shareholders	Among the top ten shareholders, Wuhan Zhongheng Group neither bears associated relationship with other shareholders, nor belongs to the consistent actor that are prescribed in Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies. The Company neither knew whether there exists associated relationship among the other tradable shareholders, nor they belong to consistent actors that are prescribed in Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies.					
Explanation on shareholders involving margin business (if applicable)	Among the top ten shareholders, Zhong Jiachao holds 1,277,494 shares of the Company, of which, 743,494 shares held by normal account, and 534,000 shares held through credit security account					

4. Change of controlling shareholder or actual controller

Changes of controlling shareholders in reporting period

Applicable Not applicable

The Company had no changes of controlling shareholders in reporting period

Changes of actual controller in reporting period

Applicable Not applicable

No changes of actual controllers for the Company in reporting period.

5. Total preferred stock shareholders of the Company and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

The Company had no shareholders with preferred stock held in the reporting.

6. Corporate bond

Whether the Company has a corporation bonds that issuance publicly and listed on stock exchange and without due on the date when semi-annual report approved for released or fail to cash in full on due:

No

III. Discussion and analysis of business

1. Introduction of operation in the reporting period

Whether the company needs to comply with the disclosure requirements of the particular industry

No

After years of development, the company has gradually formed two main businesses in industry and property management. Among them, the industrial business mainly includes injection molding, POLYLON (light-weight packaging materials), and complete machine production and sales of liquid crystal display, property management business is mainly the lease of its own property.

In the first half of 2019, the company achieved operation revenue of 339.19 million yuan, with a y-o-y declined of 0.53%; operating profit of 295 million yuan, with a y-o-y growth of 16.15%; net profit of 2.58 million yuan, with a y-o-y declined of 7.62%; operation revenue from industry production has 318.76 million yuan in the first half of the year, with a y-o-y declined of 1.43%, operating profit of 1.69 million yuan, with a y-o-y declined of 68.15%; net profit of 1.6358 million yuan, with a y-o-y declined of 68.24%; the revenue earns from property leasing in first half year comes to 18.91 million yuan, an increase of 21.20% over the same period last year, and the operating profit was 1.26 million yuan, with a y-o-y growth of 3.93 million yuan (from the same period last year to (2.67) million yuan); the net profit was 94.58 million yuan, and from the same period last year to (1.72) million yuan.

2. Matters relevant to financial report

(1) Particulars about the changes in aspect of accounting policy, estimates and calculation method compared with the accounting period of last year

Applicable Not applicable

Contents and Causes of Accounting Policy Change	Approval procedure	Note
The Ministry of Finance issued the Accounting Standards for Business Enterprise No. 22- Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprise No. 23- Transfer of Financial Assets, Accounting Standards for Business Enterprise No. 24- Hedge Accounting and Accounting Standards for Business Enterprise No. 37- Presentation of Financial Instruments after revised in 2017 (these four items are collectively referred to as the new financial instrument standards).The Company implemented the above mentioned new standards after revision since 1 st January 2019, and relevant content with accounting policy concerned are been adjusted.	Change of the accounting policy has deliberated and approved by the 11 th session of 9 th BOD	
In April 2019, the Ministry of Finance issued the Notice on Revision and Issuance of 2019 Financial Statement Format for General Corporate (Cai Kuai [2019] No.6) (hereinafter referred to as Financial Statement Format), in terms of the financial statement of mid-term 2019, the annual financial statement and later period's financial statement are required to preparing in line with the Accounting Standards for Business Enterprise and Financial Statement Format.	Change of the accounting policy has deliberated and approved by the 11 th session of 9 th BOD	

The Company will implement the relevant regulation of Cai Kuai (2019) No.6 issued by Ministry of Finance, relevant financial statements are been adjusted. Items and amount has major influence on 31st December 2018 in balance sheet are as:

Item	Consolidated Balance Sheet	
	Before the adjustment	After the adjustment
Notes Receivable and Accounts Receivable	185,983,351.22	
Notes Receivable		69,185,516.71
Accounts Receivable		116,797,834.51
Notes Payable and Accounts Payable	88,617,663.09	
Notes Payable		27,642,356.66
Accounts Payable		60,975,306.43

(2) Particulars about retroactive restatement on major correction for accounting errors in reporting period

Applicable Not applicable

The company had no particulars about retroactive restatement on major correction for accounting errors in the reporting period.

(3) Particulars about the change of consolidation range compared with the accounting period of last year

Applicable Not applicable

The Company's consolidation range has no changes in the period.