

Stock Code: 000020 200020

Public Notice No.: 2020-26

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

Shenzhen Zhongheng Huafa Co., Ltd.

Summary of Semi-Annual Report 2020

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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Risk warning for objection statement of directors, supervisors and senior executives

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
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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	Niu Zhuo		
Office add.	618, East Tower, Huafa Building, No.411		

	Bldg, Huafa (N) Road, Futian District, Shenzhen	
Tel.	0755-86360201	
E-mail	huafainvestor@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)	300,703,421.38	339,190,174.05	-11.35%
Net profit attributable to shareholders of the listed company (RMB)	3,165,597.55	2,580,411.13	22.68%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	3,167,896.46	190,686.95	1,561.31%
Net cash flow arising from operating activities (RMB)	21,200,212.24	45,194,220.56	-53.09%
Basic earnings per share (RMB/Share)	0.0112	0.0091	23.08%
Diluted earnings per share (RMB/Share)	0.0112	0.0091	23.08%
Weighted average ROE	0.96%	0.79%	0.17%
	Period-end	Period-end of last year	Changes over period-end of last year (+,-)
Total assets (RMB)	610,602,250.47	614,163,899.86	-0.58%
Net assets attributable to shareholder of listed company (RMB)	332,593,647.44	329,428,049.89	0.96%

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

In Share

Total common stock shareholders in reporting period-end		24,154		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	Overseas legal	3.43%	9,722,000	0	Pledged	0	

CORNER INVESTMENT S LTD.	person				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	1.37%	3,870,117	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	0.47%	1,329,602	0	Pledged	0
					Frozen	0
China Merchants Securities Hong Kong Limited	State-owned legal person	0.39%	1,113,288	0	Pledged	0
					Frozen	0
LI SHERYN ZHAN MING	Overseas nature person	0.38%	1,074,000	0	Pledged	0
					Frozen	0
Li Senzhuang	Domestic nature person	0.36%	1,017,773	0	Pledged	0
					Frozen	0
Explanation on associated relationship among the aforesaid shareholders		Among the top ten shareholders, Li Zhongqiu is the actual controller of Wuhan Zhongheng New Science & Technology Industrial Group Co., Ltd. and is a party acting in concert. 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.				

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

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.

Affected by the outbreak of COVID-19, in the first half of 2020, the company achieved operation revenue of 300.7034 million yuan with a y-o-y declined of 11.35%; operation profit of 3.9651 million yuan, a y-o-y growth of 34.29%; net profit achieved 3.1656 million yuan, a y-o-y growth of 22.68%. The operation revenue from industry production has 281.1885 million yuan, a 11.79% down from a year earlier, operation profit has 987300 yuan loss, a declined of 158.28% on a y-o-y basis, net profit has 824100 yuan loss with a 150.38% down on a y-o-y basis. In property lease business, operation revenue achieved 18.7013 million yuan in first half of the year, a 6.22% increased over same period last year, operation profit achieved 4.9531 million yuan, a y-o-y growth of 292.85%, the net profit achieved 3.9904 million yuan, a y-o-y growth of 321.94%.

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

On 5 July 2017, the Ministry of Finance issued the Notice on Revision and Issuance of Accounting Standards for Business Enterprise No.14- Revenue (Cai Kuai [2017] No.22), enterprises that are listed both at home and abroad, as well as those listed overseas and prepared their financial statements using IFRS or Accounting Standards for Business Enterprise, shall enter into force as of 1 Jan. 2018; other enterprise listed at home shall enter into force as of 1 Jan. 2020; and the non-listed enterprises that implement the Accounting Standards for Business Enterprise shall enter into force as of 1 Jan. 2021. In accordance with the requirements of the above document, the Company will implement the New Revenue Standards as of 1 Jan. 2020, and will make changes to the relevant accounting policies in line with the provisions of the New Revenue Standards.

(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.