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DELTA REPORT

10-K

ITP - IT TECH PACKAGING, INC.

10-K - DECEMBER 31, 2022 COMPARED TO 10-K - DECEMBER 31, 2021

The following comparison report has been automatically generated

TOTAL DELTAS	2509
CHANGES	625
DELETIONS	931
ADDITIONS	953

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)
☐ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2021 December 31, 2022

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________to _____________

Commission file number **001-34577**
IT Tech Packaging, Inc.
(Exact name of registrant as specified in its charter)

Nevada	**20-4158835**
State or other jurisdiction of Incorporation or organization	(I.R.S. Employer Identification No.)

Science Park, Juli Road,
Xushui District, Baoding City
Hebei Province, The People's Republic of China 072550
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(86) 312-8698215**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	**ITP**	**NYSE American**	

Securities registered pursuant to section 12(g) of the Act:

Common Stock
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☐ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☐ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐
Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☐ No

The aggregate market value of the voting and non-voting common stock of the registrant held by non-affiliates as of June 30, 2021 June 30, 2022 was approximately $44,007,387 $10,985,843 based upon 93,632,739 9,231,801 shares of common stock held by non-affiliates and the closing price of the common stock of $0.47 $1.19 on June 30, 2021 June 30, 2022.
As of March 15, 2022 March 23, 2023, there were 99,049,900 10,065,920 shares of the registrant's common stock, par value $0.001, outstanding.

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DOCUMENTS INCORPORATED BY REFERENCE: None.

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INTRODUCTION

All references to "we," "us," "our," or similar terms used in this annual report refer to IT Tech Packaging, Inc., a Nevada corporation, including its wholly-owned subsidiaries, and, in the context of describing our operations and consolidated financial information, our variable interest entity in China, Hebei Baoding Dongfang Paper Milling Company Limited, or Dongfang Paper. "IT Tech Packaging" refers to IT Tech Packaging, Inc. "VIE" or "Dongfang Paper" refers to our variable interest entity in China. "BaodingShengde" or "PRC Subsidiary" "Baoding Shengde" refers to our PRC wholly-owned subsidiary, Baoding Shengde Paper Co., Ltd, a PRC company. "Qianrong", refers to our indirect wholly-owned subsidiary, QianrongQianhui Hebei Technology Co., Ltd, a PRC company. "Tengsheng Paper" refers to the subsidiary of Dongfang Paper, Hebei Tengsheng Paper Co., Ltd., a PRC company.

All references to "PRC" or "China" refers to the People's Republic of China, excluding, for the purpose of this annual report, Taiwan, Hong Kong and Macau; all references to "RMB" or "Renminbi" refer to the legal currency of China; all references to "US$," "dollars," "U.S. dollars" and "$" refer to the legal currency of the United States.

This annual report on Form 10-K includes our audited consolidated statements of income and comprehensive income and our audited consolidated balance sheets as of December 31, 2021 December 31, 2022 and 2020. 2021.

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains "forward-looking statements." These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terms such as "may," "will," "expects," "anticipates," "future," "intend," "plan," "believe," "estimate," "is/are likely to" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, COVID-19 outbreak, our anticipated revenues from the corrugating medium paper business segment and offset printing paper business, our ability to implement the planned capacity expansion of tissue paper, our ability to introduce new products, market acceptance of new products, general economic and business conditions, the ability to attract or retain qualified senior management personnel and research and development staff, and those specifically addressed under the headings "Risks Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The forward-looking statements made in this annual report relate only to events as of the date on which the statements are made. We undertake no obligation, beyond any than as required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even though our situation changes in the future.

We operate in an emerging and evolving environment. New risk factors emerge from time to time and it is impossible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

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PART I

Item 1. Business

IT Tech Packaging, Inc. (the "Company" or "Company," "IT Tech Packaging" Packaging," or "ITP") is not an operating company but a Nevada holding company with operations primarily conducted by its subsidiary and variable interest entity, or VIE. We VIE, in China. IT Tech Packaging operated our its business in China through our its wholly-owned PRC subsidiary, subsidiaries, namely Baoding Shengde Paper Co., Ltd. (, a People's Republic of China company ("Baoding Shengde") and QianrongQianhui Hebei Technology Co., Ltd., a People's Republic of China company ("Qianrong") (together with Baoding Shengde, the "PRC Subsidiary" or "Baoding Shengde" Subsidiaries"), and Hebei Baoding Dongfang Paper Milling Company Limited ("Dongfang Paper"), which we refer to as our VIE in this annual report, and rely on contractual arrangements that establish the VIE structure among our PRC subsidiary, Baoding Shengde, the VIE and VIE's shareholders to operate our business in China.

IT Tech Packaging is a Nevada holding company with no operations of its own. Operations in China are primarily conducted through Dongfeng Paper, the consolidated VIE. Dongfang Paper is consolidated for accounting purposes but is not an entity in which you own equity.

Investors in our common stock should be aware that they may never directly hold equity interests in the Chinese operating entities, but rather purchasing equity solely in IT Tech Packaging Inc., our Nevada holding company, which does not directly own substantially all of our business in China conducted by our PRC Subsidiary Subsidiaries and VIE.

Because of our corporate structure, we as well as the investors are subject to unique risks due to uncertainty of the interpretation and the application of the PRC laws and regulations, including but not limited to regulatory review of oversea listing of PRC companies through a special purpose vehicle. We are also subject to the risks of uncertainty about any future actions of the PRC government in this regard. We may also be subject to sanctions imposed by PRC regulatory agencies including Chinese Securities Regulatory Commission ("CSRC") if we fail to comply with their rules and regulations. Although the Company is currently not required to obtain permission from any of the PRC central or local government to obtain such permission and has not received any denial to list on the U.S. exchange, our operations could be adversely affected, directly or indirectly, by existing or future laws and regulations relating to its business or industry, if we inadvertently conclude that such approvals are not required when they are, or applicable laws, regulations, or interpretations change and we are required to obtain approval in the future. For a description of relevant risks related to our corporate structure, see "*Risk* "*Risk Factors – Risks Relating to Doing Business in China" and "Risk Factors – Risks Relating to Our Corporate Structure."*

Corporate History

IT Tech Packaging was incorporated in the State of Nevada on December 9, 2005, under the name "Carlateral, Inc." Through the steps described below, we became the holding company with operations primarily conducted by our subsidiaries and our VIE, Dongfang Paper, a producer and distributor of paper products in China, on October 29, 2007. Effective on August 1, 2018, we changed our corporate name to IT Tech Packaging, Inc. The name change was effected through a parent/subsidiary short-form merger of IT Tech Packaging, Inc., our wholly-owned Nevada subsidiary formed solely for the purpose of the name change, with and into us. We were the surviving entity. In connection with the name change, our common stock began being traded under a new NYSE symbol, "ITP," at such time.

On October 29, 2007, pursuant to an agreement and plan of merger (the "Merger Agreement"), the Company acquired Dongfang Zhiye Holding Limited ("Dongfang Holding"), a corporation formed on November 13, 2006 under the laws of the British Virgin Islands, and issued the shareholders of Dongfang Holding an aggregate of 7,450,497 (as adjusted for a four-for-one reverse stock split effected in November 2009) shares of our common stock, which shares were distributed pro-rata to the shareholders of Dongfang Holding in accordance with their respective ownership interests in Dongfang Holding. At the time of the Merger Agreement, Dongfang Holding owned all of the issued and outstanding stock and ownership of Dongfang Paper and such shares of Dongfang Paper were held in trust with Zhenyong Liu, Xiaodong Liu and Shuangxi Zhao, for Mr. Liu, Mr. Liu and Mr. Zhao (the original shareholders of Dongfang Paper) to exercise control over the disposition of Dongfang Holding's shares in Dongfang Paper on Dongfang Holding's behalf until Dongfang Holding successfully completed the change in registration of Dongfang Paper's capital with the relevant PRC Administration of Industry and Commerce as the 100% owner of Dongfang Paper's shares. As a result of the merger transaction, Dongfang Holding became a wholly owned subsidiary of the Company, and Dongfang Holding's wholly owned subsidiary, Dongfang Paper, became an indirectly owned subsidiary of the Company.

Dongfang Holding, as the 100% owner of Dongfang Paper, was unable to complete the registration of Dongfang Paper's capital under its name within the proper time limits set forth under PRC law. In connection with the consummation of the restructuring transactions described below, Dongfang Holding directed the trustees to return the shares of Dongfang Paper to their original shareholders, and the original Dongfang Paper shareholders entered into certain agreements with Baoding Shengde Paper Co., Ltd. ("Baoding Shengde") to transfer the control of Dongfang Paper over to Baoding Shengde.

On June 24, 2009, the Company consummated a number of restructuring transactions pursuant to which it acquired all of the issued and outstanding shares of Shengde Holdings Inc., a Nevada corporation. Shengde Holdings Inc. was incorporated in the State of Nevada on February 25, 2009, and holds a wholly-owned subsidiary, Baoding Shengde, a limited liability company organized under the laws of the PRC on June 1, 2009. Because Baoding Shengde is a wholly-owned subsidiary of Shengde Holdings Inc., it is regarded as a wholly foreign-owned entity under PRC law.

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Effective June 24, 2009, Baoding Shengde, Dongfang Paper and the original shareholders of Dongfang Paper entered into a number of contractual arrangements, as subsequently amended on February 10, 2010, pursuant to which Baoding Shengde acts as the management company for Dongfang Paper, and Dongfang Paper conducts the principal operations of the business. The contractual arrangements, as amended, effectively transferred the preponderance of the economic benefits of Dongfang Paper to Baoding Shengde, and as a result, Baoding Shengde assumed effective control and management over, is considered the primary beneficiary of Dongfang Paper for accounting purposes and we consolidate Dongfang Paper's operating results in IT Tech Packaging's financial statements under U.S. GAAP. The contractual arrangements, as amended, include the following:

(i) Exclusive Technical Service and Business Consulting Agreement

The exclusive technical service and business consulting agreement, entered into by and between Baoding Shengde and Dongfang Paper, provides that Baoding Shengde shall provide exclusive technical, business and management consulting services to Dongfang Paper, in exchange for service fees including a fee equivalent to 80% of Dongfang Paper's total annual net profits. The agreement is terminable upon mutual written agreement.

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(ii) Call Option Agreement

The call option agreement, entered into by and between Baoding Shengde, Dongfang Paper and the shareholders of Dongfang Paper, provides that the shareholders of Dongfang Paper irrevocably grant to Baoding Shengde an option to purchase all or part of each shareholder's equity interest in Dongfang Paper. The exercise price for the options shall be RMB yuan for each of the shareholders' equity interests, or if at any time there are PRC laws regulating the minimum exercise price of such options, then to the extent permitted under PRC Law. The call option agreement contains covenants from Dongfang Paper and its shareholders that they will refrain from taking certain actions without Baoding Shengde's consent that would materially affect Dongfang Paper's operations and asset value, including (i) supplementing or amending its articles of association or bylaws, (ii) changing Dongfang Paper's registered capital or shareholding structure, (iii) selling, transferring, mortgaging or disposing of any interests in Dongfang Paper's assets or income, or encumbering Dongfang Paper's assets or income in a way that would approve a security interest on such assets, (iv) incurring or guaranteeing any debts not incurred in its normal business operations, (v) entering into any material contract or urging Dongfang Paper management to dispose of any Dongfang Paper assets, unless it is within the company's normal business operations; (vi) providing any loan or guarantee to any third party; (vii) appointing or removing any management personnel or directors that can be changed upon Dongfang Paper shareholder approval; (viii) declaring or distributing any dividends to the stockholders. The agreement remains effective until Baoding Shengde or its designees have acquired 100% of the equity interests of Dongfang Paper underlying the options.

(iii) Share Pledge Agreement

The share pledge agreement entered into by and between Baoding Shengde, Dongfang Paper and the shareholders of Dongfang Paper, provides that the Dongfang Paper shareholders will pledge all of their equity interests in Dongfang Paper to Baoding Shengde as security for their obligations under the other management agreements described in this section. Specifically, Baoding Shengde is entitled to dispose of the pledged equity interests in the event that the Dongfang Paper shareholders or Dongfang Paper fails to pay the service fees to Baoding Shengde pursuant to the exclusive technical service and business consulting agreement or fails to perform their other obligations under the other management agreement. The agreement contains covenants from Dongfang Paper's shareholders that they will refrain from taking certain actions without Baoding Shengde's prior written consent, such as transferring or assigning their equity interests, or creating or permitting the creation of any pledges which may have an adverse effect on the rights or benefits of Baoding Shengde under the agreement. The Dongfang Paper shareholders also promise to comply with the laws and regulations relevant to the pledges under the agreement and to facilitate in good faith the protection of the ability of Baoding Shengde to exercise its rights under the agreement. The terms of the share pledge agreement remains in effect until all the obligations under the other management agreements have been fulfilled, whether or not the terms of the other management agreements have expired.

(iv) Proxy Agreement

The proxy agreement, entered into by and between Baoding Shengde, Dongfang Paper and the shareholders of Dongfang Paper, provides that the Dongfang Paper shareholders shall irrevocably entrust a designee of Baoding Shengde with such shareholder's voting rights and the right to represent such shareholder to exercise his or her rights at any shareholder's meeting of Dongfang Paper or with respect to any shareholder action to be taken in accordance with the laws and Dongfang Paper's Articles of Association. The terms of the agreement are binding on the parties for as long as the Dongfang Paper shareholders continue to hold any equity interest in Dongfang Paper. AnDongfang Dongfang Paper shareholder will cease to be a party to the agreement once it transfers its equity interests with the prior approval of Baoding Shengde.

On June 24, 2009, Zhao Tianqing, the sole shareholder of Shengde Holdings Inc., assigned to the Company, for good and valuable consideration, 100 shares representing 100% of the issued and outstanding shares of Shengde Holdings Inc. As a result of this assignment and the restructuring transactions described above, Shengde Holdings Inc., Baoding Shengde, and Dongfang Paper became directly and indirectly controlled by the Company, and Dongfang Paper continued to function as the Company's operating entity.

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In addition to controlling the operations and beneficial ownership of Dongfang Paper, Baoding Shengde also acquired a digital photo paper production line (including two photo paper coating lines and ancillary equipment) in an asset acquisition transaction on November 25, 2009 and began directly conducting business in the PRC. We suspended production of photo paper in June 2016 and now are upgrading the production line to produce more competitive photo paper products.

An agreement was entered into among Baoding Shengde, Dongfang Paper and the shareholders of Dongfang Paper on December 31, 2010, reiterating that Baoding Shengde is entitled to the distributable profit of Dongfang Paper, pursuant to the above mentioned Exclusive Technical Service and Business Consulting Agreement. In addition, Dongfang Paper and the shareholders of Dongfang Paper agreed that they would not declare any of Dongfang Paper's unappropriated earnings, including any earnings of Dongfang Paper from its establishment to 2010 and thereafter, as dividend.

The contractual agreements described above have not been tested in a court of law.

The diagram below illustrates our corporate structure and contractual arrangements with respect to each of our subsidiaries and consolidated VIE and the place of incorpora this annual report:

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The following diagram sets forth the current ownership of Dongfang Paper:

Our subsidiaries and the VIE in which our operations are conducted include:

- Baoding Shengde Paper Co., Ltd. (“Baoding Shengde”) is a PRC entity that is 100% indirectly owned by the Company. Baoding Shengde has entered into VIE agreements

The Each of the following, diagram sets forth which are PRC companies that are consolidated with the current corporate structure of IT Tech Packaging: Company:

1. Hebei Baoding Dongfang Paper Milling Co., Ltd. (“Dongfang Paper”) is a PRC entity that entered into VIE Agreements with Baoding Shengde; Dongfang Paper is the VIE.
2. Hebei Tengsheng Paper Co., Ltd. (“Tengsheng”) is a PRC entity that is 100% owned by Dongfang Paper.

- QianrongQianHui Hebei Technology Co., Ltd. (“Qianrong”) is a PRC entity, incorporated on July 15, 2021, that is 100% indirectly owned by the Company.

- 100% ownership

Controlled by contractual arrangements Shengde Holdings Inc., a Nevada company and our wholly-owned U.S. subsidiary, and Dongfang Zhiye Holding Limited, a Britis
outside of China. Dongfang Zhiye Holding Limited has been inactive since 2010.

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Recent Regulatory Developments

On January 4, 2022, the Cyberspace Administration of China, or CAC, issued the revised Measures on Cyberspace Security Review (the "Revised Measures"), which has came i
Revised Measures, any "network platform operator" controlling personal information of no less than one million users which seeks to list in a foreign stock exchange should also be

We do not believe we are "network platform operator" who control over one million personal information as mentioned above; as such, we believe we are currently not be
CAC. However, the definition of "network platform operator" is unclear and it is also unclear on how it will be interpreted and implemented by the relevant PRC governmental
Relating to Doing Business in China — Our business may be subject to a variety of PRC laws and other obligations regarding cyber security and data protection."

On July 6, 2021, the relevant PRC governmental authorities made public the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law
strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such
regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. As these opinions are recently issued, official guidance and related impleme
the interpretation of these opinions remains unclear at this stage. See "Risk Factors — Risk Factors Relating to Doing Business in China — *While the approval and/or other requiren*
authorities are currently not required, they may be required, in connection with our oversea listing under PRC rules, regulations or policies, and, if required, we cannot predict whether
approval." As of the date of this annual report, we have not received any inquiry, notice, warning, or sanctions regarding listing abroad or offshore offering from the CSRC or any oth

We believe that we are currently not required to obtain any permission or approval from the China Securities Regulatory Commission ("CSRC") and Cyberspace Administ
securities to foreign investors. However, there is no guarantee that this will continue to be the case in the future in relation to any future offerings of our company or the continue
NYSE American, or even in the event such permission or approval is required and obtained, it will not be subsequently revoked or rescinded. If we do not receive or maintain the ap
such approvals are not required, or applicable laws, regulations, or interpretations change such that we are required to obtain approval in the future, we may be subject to an inve
penalties, or an order prohibiting us from conducting an offering, and these risks could result in a material adverse change in our operations and the value of our securities, signifi
to offer or continue to offer securities to investors, or cause such securities to significantly decline in value or become worthless.

On December 24, 2021 February 17, 2023, the CSRC issued Provisions of released the State Council on the Trial Administrative Measures for Administration of Overseas S
Domestic Companies (Draft for Comments) (the "Administration Provisions"), and the Administrative Measures for the Filing of Overseas Securities Offering and Listing Listings by I
Measures") and five supporting guidelines, which will come into effect on March 31, 2023. Pursuant to the Trial Measures, domestic companies that seek to offer or list securities ov
fulfill the filing procedures and report relevant information to the CSRC. If a domestic company fails to complete the filing procedures or conceals any material fact or falsifies any
domestic company may be subject to administrative penalties by the CSRC, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the persor
persons may also be subject to administrative penalties, such as warnings and fines. As a listed company, we believe that we, all of our PRC Subsidiaries, the consolidated VIE and it
procedures and obtain approvals from the CSRC to continue to offer our securities or operate business of the consolidated VIE and its subsidiary as of the date of this annual repo
Subsidiaries, the consolidated VIE and its subsidiary has received any filing or compliance requirements from CSRC for the listing of the Company at NYSE American and all of its ove
understanding of the current PRC laws, we believe that the CSRC's approval is not required to be obtained for the Company's listing on NYSE American; however, there a
interpretation and application of the Regulation on Mergers and Acquisitions of Domestic Companies by Foreign Investors ("M&A Rules"), which are open for public comments by Ja
PRC laws and regulations, and there can be no assurance that any governmental agency will not take a view that is contrary to or otherwise different from our belief stated hereir
Doing Business in China — The Administration Provisions and CSRC has released the Trial Measures for overseas listings lay out specific requirements for filing documents Administration
unified regulation management, strengthening regulatory coordination, and cross-border regulatory cooperation. Listings by Domestic companies seeking to list abroad must carry out re
businesses involve supervisions Companies (the "Trial Measures"). While such as foreign investment security and cyber security reviews. Companies endangering national security are
According to Relevant Officials of the CSRC Answered Reporter Questions ("CSRC Answers"), after the Administration Provisions and Measures are implemented upon completion of public cor
CSRC will formulate and issue guidance for filing procedures to further specify the details of filing administration and ensure that market entities could refer to clear guidelines for filing,
Administration Provisions and Measures into effect. As the Administration Provisions and Measures rules have not yet come gone into effect, we the Chinese government may exert more
currently unaffected by them. However, according conducted overseas and foreign investment in China-based issuers, which could significantly limit or completely hinder our abili
offerings continue to offer our securities to investors and refinancing by existing overseas listed Chinese companies will be required could cause the value of our securities to go through th
companies will be allowed a sufficient transition period to complete their filing procedure. However, it is uncertain when the Administration Provision and the Measures will take effect sig
currently drafted. become worthless"

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On December 24, 2021, the Standing Committee of the National People's Congress issued Law of the People's Republic of China on the Prevention and Control of Noise P
Control of Noise Pollution" Pollution Law"), which will be effected became effective on June 5, 2022. According to the Prevention and Control of Noise Pollution Law, entities su
management requirements shall not emit industrial noise without a pollutant discharge permit and shall prevent and control noise pollution according to the requirements of the p
The noise pollution has been included in the Pollution Discharge Permit, and we conduct quarterly test on the noise through qualified testing institutions to comply with the laws, w

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Consolidation

We conduct substantially all of our business in China through Dongfang Paper, the VIE, due to PRC legal restrictions of foreign ownership in certain sectors. Substantially all r and net income in China are directly or indirectly generated through the VIE. IT Tech Packaging, through its PRC Subsidiary, Baoding Shengde, has signed various agreements with t the transfer of economic benefits from the VIE to the PRC Subsidiary Baoding Shengde and to direct the activities of the VIE.

Total assets and liabilities presented on IT Tech Packaging's consolidated balance sheets and revenue, expense, net income presented on consolidated statement of operat the cash flow from operating, investing and financing activities presented on the consolidated statement of cash flows are substantially the financial position, operation and ca provided any financial support to the VIE As of December 31, 2022, our variable interest entity accounted for the fiscal years ended at December 31, 2020 an aggregate of 88.54% an liabilities. As of December 31, 2021, our variable interest entity accounted for an aggregate of 84.13% and 69.51%of our total assets and total liabilities. As of December 31, 2020, ou aggregate of 90.7% December 31, 2022 and 72.4%of our total assets 2021, $7,612,294 and total liabilities. As of December 31, 2021 and 2020, $1,921,407 and $3,315,778 $2,05 denominated in RMB, respectively.

IT Tech Packaging and its directly owned subsidiary, Shengde Holding, do not have any substantial assets or liabilities or result of operations. The following table sets forth and changes in cash, cash equivalents of the VIE, which were included in the Company's consolidated balance sheets and statements of comprehensive income and statements of eliminated:

	As of	
	December 31, 2021	Decem 20
Current assets	$ 33,444,699	$
Total non-current assets	$ 169,766,341	$ 1
Total Assets	$ 203,211,040	$ 1
Total liabilities	$ 17,924,476	$

	For the Fiscal Year End December 31,	
	2021	2
Net cash provided by operating activities	$ 25,058,780	$
Net cash used in investing activities	$ (25,071,372)	$
Net cash used in financing activities	$ (917,041)	$

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Distributions and Other Transfers of Cash Transfers and Dividend Distribution through our Organization

We are a holding company, although other means are available for us to obtain financing at the holding company level, we may receive dividends and other distributions o in China for our cash needs, including the funds necessary to pay dividends and other cash distributions to our shareholders to the extent we choose to do so, to service any de expenses. Our PRC Subsidiaries, consolidated VIE and its subsidiary in China are subject to restrictions on making dividends and other payments to us. Baoding Shengde's income fees paid by the consolidated VIE and its subsidiary. ITP, its subsidiaries, the consolidated VIE and its subsidiary may also transfer cash to each other as part of the group cash m consolidated VIE and its subsidiary incurs debt on its own behalf in the future, the instruments governing such debt may restrict their ability to pay dividends or make other paym our PRC Subsidiaries in China to pay dividends to us only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In a of PRC law, our PRC Subsidiaries, consolidated VIE and its subsidiary incorporated as companies may only distribute dividends after they have made allowances to fund certain distributable as cash dividends.

IT Tech Packaging conducts its business operations in China through its Baoding Shengde, or the PRC Subsidiary Subsidiaries and Dongfang Paper, the VIE. If needed, IT Te Subsidiary Subsidiaries through loans and/or capital contributions, and the PRC Subsidiary Subsidiaries can transfer cash to IT Tech Packaging through issuing dividends or other dis can transfer cash to the VIE through intercompany loans and capital contributions, and the VIE can transfer cash to the PRC Subsidiary Subsidiaries as services fees under the V ended December 31, 2021 December 31, 2022, the cash flows occurred between IT Tech Packaging, its subsidiaries and the VIE included i) (i) funding through Shengde Holdings In $32,052,000 $6,500,000 as capital contributions ii) Baoding Shengde payments to Heibei Tengsheng of $2,027,701 for purchase of products iii) contributions; (ii) Baoding Shengde loa $19,345,101 and iv) Dongfang Paper payments to $1,727,644; (iii) Baoding Shengde loans to Tengsheng Paper with total amount of $5,016,446 for purchase $1,923,845; and (iv) f Qianrong, with an amount of raw materials. $3,500,000 as capital contributions. We do not have an established cash management policy that dictates how funds are transferred bet and its subsidiary. We do not, at this time, intend to distribute earnings or settle amounts owed under the VIE Agreements.

Current PRC regulations permit the PRC Subsidiary Subsidiaries to pay dividends to its shareholders only out of their accumulated profits, if any, determined in accorc regulations. The PRC Subsidiary is Subsidiaries are required to set aside 10% of its after-tax profits to fund a statutory reserve until such reserve reaches 50% of its registered capita current financial year. For details, see "*Risk Factors — Risk Factors Relating to Doing Business in China — We may rely on dividends and other distributions on equity paid by our PRC s financing requirements we may have, and any limitation on the ability of our PRC Subsidiary Subsidiaries to make payments to us could have a material and adverse effect on our ability* transfers from IT Tech Packaging are subject to applicable PRC laws and regulations on loans and direct investment. For details, see "*Risk Factors — Risk Factors Relating to Doing Bu and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay us from making loans or additional capital contributior could materially and adversely affect our liquidity and our ability to fund and expand our business*."

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In addition, the PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of Chi
portion of its revenues in Renminbi. Under IT Tech Packaging's current corporate structure, IT Tech Packaging's Nevada holding company may rely on dividend payments from th
cash and financing requirements it may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest paym
exchange transactions, can be made in foreign currencies without prior approval of State Administration of Foreign Exchange, or SAFE, by complying with certain procedural
registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such
foreign currencies. As a result, we need to obtain SAFE approval to use cash generated from the operations of the PRC Subsidiary Subsidiaries and VIE to pay off their respective del
to entities outside China, or to make other capital expenditure payments outside China in a currency other than Renminbi. If the foreign exchange control system prevents us fro
satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to its shareholders. See "*Risk Factors — Risk Factors Relating to Doing Business in*
conversion may limit our ability to utilize our revenues effectively and affect the value of your investment". In order to secure the amounts owed under the VIE agreements, the VIE and it
agreement with the PRC Subsidiary, Baoding Shengde, pursuant to which if the VIE fails to pay the service fees to the PRC Subsidiary Baoding Shengde pursuant to the exclusive
agreement or fails to perform their other obligations under the other management agreement, the PRC Subsidiary Baoding Shengde is entitled to dispose of the pledged equity inte

IT Tech Packaging declared and paid four quarterly cash dividends to its U.S. investors in April 2012 and November 2013. As of the date of this annual report, other th
Packaging's subsidiaries have ever issued any dividends or made other distributions to IT Tech Packaging or their respective holding companies nor has IT Tech Packaging or any o
dividends or made other distributions to U.S. investors. IT Tech Packaging currently intend to retain all future earnings to finance its operations and to expand its business. As a re
pay any cash dividends in the foreseeable future.

Holding Foreign Company Accountable Act ("HFCAA")

Trading in our securities Our common stock may be prohibited delisted from the NYSE American under the Holding Foreign Companies Accountable Act or the HFCAA, ("H
Oversight Board (United States) (the "PCAOB") determines that it cannot inspect or investigate completely our auditor.

Pursuant to the HFCAA, the PCAOB issued a Determination Report on December 16, 2021 which found that the PCAOB is unable to adequately inspect or investigate con
headquartered in: (1) mainland China of the People's Republic of China because of a position taken by one or more authorities in mainland China; and (2) Hong Kong, a Special Adr
PRC, because of a position taken by one or more authorities in Hong Kong. In addition, the PCAOB's report identified the specific registered public accounting firms which are subjec

The PCAOB is currently unable to conduct inspections audit documentation located in China, without the approval of Chinese government authorities. If it is later determi
investigate our auditor. Furthermore, on June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, which was signed into law on Decembe
the SEC to prohibit an issuer's securities from trading on any U.S. stock exchanges if its auditor completely, investors may be deprived of the benefits of such inspection. Any audi
completely inspected by the PCAOB, or a lack of subject to PCAOB inspections for two consecutive years instead of audit work undertaken in China that prevents the PCAOB from re
their quality control procedures, could result in a lack of assurance that our financial statements and disclosures are adequate and accurate.

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three. Our auditor, WWC, P.C., Certified Public Accountants, is an independent registered public a U.S.-based accounting firm registered with the PCAOB, and as an auditor subject to laws in the U.S. United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. WWC, P.C., based headquartered in the United States and has been inspected is subject to inspection by the PCAOB on a regular basis with the last inspection in November 2021. WWC Accountants, is not headquartered the PCAOB signed the Protocol with the CSRC and the MOF of the People's Republic of China, governing inspections and investigations of audi Kong. The Protocol remains unpublished and is subject to further explanation and implementation. Pursuant to the fact sheet with respect to the Protocol disclosed by the SEC, th to select any issuer audits for inspection or investigation and the unfettered ability to transfer information to the SEC. On December 15, 2022, the PCAOB announced that it was abl investigate PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong completely in 2022. The PCAOB Board vacated its previous 2021 determinat or investigate completely registered public accounting firms headquartered in China mainland and was not identified as a firm Hong Kong. However, whether the PCAOB will co inspections of PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong is subject to uncertainty and depends on a number of factors out of o continuing to demand complete access in China mainland and Hong Kong moving forward and is already making plans to resume regular inspections in early 2023 and beyon investigations and initiate new investigations as needed. The PCAOB has indicated that it will act immediately to consider the need to issue new determinations announced by with on December 16, 2021. Should in the future may determine that it is unable to inspect or investigate completely registered public accounting firms in mainland China and Hong Ko us and the consolidated VIE and its subsidiary are located in China. If our auditor is not permitted to provide requested audit work papers located in China to the PCAOB, i inspection deprived of the benefits of PCAOB's oversight of our auditor's work papers auditor through such inspections which could result in China, it will make it difficult limitation effectiveness U.S. capital markets and trading of our auditor's audit procedures or equity control procedures. Investors securities may consequently lose confidence in our report quality of be prohibited under the financial statements, HFCAA, which would adversely affect us and result in the delisting of our securities. securities from the NYSE American.

Moreover, if trading in our securities is prohibited under the HFCAA in the future because the PCAOB determines that it cannot inspect or fully investigate our auditor at such f delist our securities.

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See "*Risk Factors—Risks Associated with Our Company— A recent joint statement by Our common stock may be delisted from the SEC and NYSE American under the Public Company or the "PCAOB," proposed rule changes submitted by Nasdaq, and the newly enacted "Holding Holding Foreign Companies Accountable Act" all call for additional and more stringent criter emerging market companies upon assessing adequately inspect audit documentation located in China. The delisting of our common stock, or the qualification threat of their auditors, adversely affect the non-U.S. auditors who are not inspected by the PCAOB. These developments could add uncertainties to investing in our securities.* value of your investment."

Recent Business Developments

March 2021 Public Offering

On March 1, 2021, the Company offered and sold to the public investors an aggregate of 29,277,866 shares of common stock and 14,638,933 warrants to purchase up to 14,6 commitment underwritten public offering for gross proceeds of approximately $21.9 million. The purchase price for each share of common stock and accompanying warrant sold exercisable commencing on March 1, 2021 at an exercise price of $0.75 and will expire on March 1, 2026. In the event of a stock split, stock dividend, combination, subseque outstanding shares of Common Stock, the exercise price and the number of shares issuable upon exercise of the warrants shall be proportionately adjusted. The Company intends for general corporate and working capital purposes.

January 2021 Public Offering

On January 20, 2021, the Company offered and sold to certain institutional investors an aggregate of 26,181,818 shares of common stock and 26,181,818 warrants to pur stock in a best-efforts public offering for gross proceeds of approximately $14.4 million. The purchase price for each share of common stock and the corresponding warrant sold exercisable commencing on January 20, 2021 at an exercise price of $0.55 and will expire on January 20, 2026. In the event of a stock split, stock dividend, combination, subsequ outstanding shares of Common Stock, the exercise price and the number of shares issuable upon exercise of the warrants shall be proportionately adjusted. The Company intends for general corporate and working capital purposes.

Cogenerating Project

In November 2020, we completed inviting bids for the 75 tonne per hour biomass boiler procurement for our biomass cogeneration project. Multiple well-known enterpri tendering opening bids. In February 2021, we completed evaluation on the bidding proposals and announced that Tai Shan Group Co., Ltd., a top manufacturer in the biomass indu of the boilers is expected to commence in the near future. We expect to participate in the bidding process for urban central heating projects.

Tissue Paper Production Line

In July 2021, The Company announced that the Company's tissue paper research and development center has received a Level B scale-above Certification as an industrial R after on-site inspection by regulators. The Company has also been granted twelve new utility patent certificates on paper manufacturing related equipment issued by the S equipment testing, screening and filtering, and mixing.

Summary of Risk Factors

Investing in our securities involves significant risks and uncertainties. You should carefully consider all of the information in this prospectus annual report before making an find a summary of the principal risks we face, organized under relevant headings. These risks are discussed more fully in the section titled "Risk Factors."

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Risks Relating to our Business

- *Our business, financial condition and results of operations may be materially adversely affected by global health epidemics, including the COVID-19 outbreak.*
- *Our operating history may not serve as an adequate basis to judge our future prospects and results of operations.*
- *Dongfang Paper and Baoding Shengde's failure to compete effectively may adversely affect our ability to generate revenue.*
- *We may not be able to effectively control and manage our growth.*
- *We, through our subsidiaries, may engage in future acquisitions that could dilute the ownership interests of our stockholders and cause us to incur debt and assume continge*
- *We are responsible for the indemnification of our officers and directors.*
- *We are dependent on certain key personnel and loss of these key personnel could have a material adverse effect on our business, financial condition and results of operations.*
- *We may not be able to hire and retain qualified personnel to support our growth and if we are unable to retain or hire these personnel in the future, our ability to improve objectives could be adversely affected.*
- *Our operating results may fluctuate as a result of factors beyond our control.*
- *We face risks related to product liability claims.*
- *Our operating results also depend on the availability and pricing of energy and raw materials.*
- *A material disruption at one of our manufacturing facilities could prevent us from meeting customer demand, reduce our sales, and/or negatively affect our net income.*
- *Our certificates, permits, and licenses related to our papermaking operations are subject to governmental control and renewal and failure to obtain renewal will cause all or par*
- *Compliance with environmental regulations is expensive, and noncompliance may result in adverse publicity and potentially significant monetary damages and fines or suspen*

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- *If we are unable to respond to pricing pressures, our business may be harmed.*
- *If we fail to introduce enhancements to our existing products or to develop new products, our business and results of operations could be adversely affected.*
- *We have limited insurance coverage and may incur losses resulting from product liability claims or business interruptions.*
- *Our failure to protect our intellectual property rights may undermine our competitive position, and external infringements of our intellectual property rights may adversely affec*
- *We may be subject to intellectual property infringement claims or other allegations, which may materially and adversely affect our business, financial condition and prospects.*

Risks Related To Doing Business in the PRC

- *The PRC government has significant oversight and discretion over the conduct of a PRC company's business operations or to exert control over any offering of securities cond China-based issuers, and may intervene with or influence our operations, may limit or completely hinder our ability to offer or continue to offer securities to investors, an significantly decline or be worthless, as the government deems appropriate to further regulatory, political and societal goals.*
- *The CSRC has released the Trial Measures for Administration of Overseas Securities Offerings and Listings by Domestic Companies (the "Trial Measures"). While such rule government may exert more oversight and control over offerings that are conducted overseas and foreign investment in China-based issuers, which could significantly limit o offer our securities to investors and could cause the value of our securities to significantly decline or become worthless.*
- *Recent greater oversight by the Cyberspace Administration of China, or the "CAC," over data security, particularly for companies seeking to list on a foreign exchange, cou consolidated VIE and its subsidiary and investing in our securities.*
- *Our business may be subject to a variety of PRC laws and other obligations regarding cybersecurity and data protection.*
- *Changes in the policies of the PRC government could have a significant impact upon the business we may be able to conduct in the PRC and the profitability of such business.*
- *The PRC laws and regulations governing our current business operations are sometimes vague and uncertain. Any changes in such PRC laws and regulations may harm our bu*

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- *A slowdown, inflation or other adverse developments in the PRC economy may harm our customers and the demand for our services and products.*
- *We may rely on dividends and other distributions on equity paid by our PRC subsidiary subsidiaries to fund any cash and financing requirements we may have, ar Subsidiary Subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.*
- *Our PRC Subsidiaries, consolidated VIE and its subsidiary in China are subject to restrictions on making dividends and other payments to us or any other affiliated company.*
- *Governmental control of currency conversion may limit our ability to utilize our revenues effectively and affect the value of investors' investment.*

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- *PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay us from making loa PRC Subsidiary, Subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.*

- *The fluctuation of the Renminbi may harm your investment.*

- *Failure to comply with PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may materially adversely affect us.*

- *While the approval and/or other requirements of the CSRC or other PRC governmental authorities are currently not required, they may be required, in connection with our ov policies, and, if required, we cannot predict whether or how soon we will be able to obtain such approval.*

- *The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it mor acquisitions in China.*

- *The PRC's legal and judicial system may not adequately protect our business and operations and the rights of foreign investors.*

- *Because our principal assets are located outside of the United States and most of our directors and officers reside outside of the United States, it may be difficult for you to effe based on U.S. federal securities laws against us and our officers or to enforce U.S. court judgment against us or them in the PRC.*

- *It may be difficult for overseas regulators to conduct investigation or collect evidence within China.*

- *We may be required to broaden the coverage of the mandatory social security insurance programs under the Labor Law of the PRC.*
- *The current tensions in international trade and rising political tensions, particularly between U.S. and China, may adversely impact our business, financial condition, and results of*

Risks Related to Our Corporate Structure

- *Our current corporate structure and business operations may be affected by the newly enacted Foreign Investment Law.*

- *Any failure by our consolidated VIE or their shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on ou*

- *In order to comply with PRC regulatory requirements, we operate our businesses through companies with which we have contractual relationships but in which we do not have*

- *Because we rely on the consulting services agreement with Dongfang Paper for essentially all of our revenue and cash flows, any difficulty for Dongfang Paper to pay con consulting agreement may have a material adverse effect on our operations.*

- *If the PRC government determines that the contractual agreements constituting part of our VIE structure do not comply with applicable PRC regulations, or if these regulation future, we may be unable to assert our contractual rights over the assets of the VIE, and our common stock may decline in value.*

- *The contractual arrangements under a VIE Structure may not be as effective as direct ownership in respect of our relationship with the VIE, and thus, we may incur su arrangements, which we may not be able to enforce at all.*

- *The shareholders of Dongfang Paper may have actual or potential conflicts of interests with us, which may adversely affect our business.*

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- *We may lose the ability to use and enjoy assets held by the VIE that are material to the operation of our business if the entity goes bankrupt or becomes subject to a dissolution c*
- *Our arrangements with Dongfang Paper and its shareholders may be subject to a transfer pricing adjustment by the PRC tax authorities which could have an adverse effect on*
- *We may lose the ability to use, or otherwise benefit from, the licenses, approvals and assets held by the VIE, which could severely disrupt our business, render us unable to co constrain our growth.*
- *The exercise of our option to purchase part or all of the equity interests in Dongfang Paper under the Call Option Agreement might be subject to approval by the PRC governm impair our ability to substantially control Dongfang Paper and could result in actions by Dongfang Paper that conflict with our interests.*

Risks Related to Our Common Stock

- *The recent joint statement by Our common stock may be delisted from the SEC and PCAOB, proposed rule changes submitted by Nasdaq, and NYSE American under the Holdin for additional and more stringent criteria if the PCAOB is unable to be applied to emerging market companies upon assessing adequately inspect audit documentation located or the qualification threat of their auditors, especially being delisted, may materially and adversely affect the non-U.S. auditors who are not inspected by the PCAOB. Thes investing in our securities. value of your investment..*
- *If we fail to comply with Section 404 of the Sarbanes-Oxley Act of 2002 in a timely manner, our business could be harmed and our stock price could decline.*
- *If we become directly subject to the scrutiny involving U.S. listed Chinese companies, we may have to expend significant resources to investigate and/or defend the matter, which price and reputation.*
- *Our officers and directors control us through their positions and stock ownership and their interests may differ from other stockholders.*
- *We may not continue to pay cash dividends and any return on investment may be limited to the value of our common stock.*
- *Our common stock may be affected by limited trading volume and may fluctuate significantly.*
- *Future financings may dilute stockholders or impair our financial condition.*

Impact of COVID-19 on Our Operations and Financial Performance

Outbreaks of epidemic, pandemic, or contagious diseases such as COVID-19, could have an adverse effect on our business, financial condition, and results of operations. T World Health Organization declaring the outbreak of COVID-19 as a global pandemic. Substantially all of our revenues and workforce are concentrated in China. In response to the i COVID-19, the Chinese government took a number of actions, which included extending the Chinese New Year holiday, quarantining individuals suspected of having COVID-19, ask to avoid public gathering, among other things. During the early part of 2020, COVID-19 caused temporary closure of our CMP production, and as a result, our revenue of CMP decrea

On the basis of scientific assessment of the characteristics of the virus and the pandemic situation, as well as reference to the prevention practices of other countries, at refined its COVID-19 prevention and control measures and stopped conducting nucleic acid testing for all residents. By the end of 2022, vaccination rate has exceeded 90% circumstances, the government has taken positive service measures, including tax incentives, bank loan and financial support, etc, to support domestic enterprises to overcome d expedited eventually.

Since we resumed business operations after the outbreak of COVID-19, the Company kept continuous attention on the development of the COVID-19 pandemic and rea position and operating results of the Company. As of the date of the annual report, COVID-19's adverse impacts on the company's financial position and operating result as of D limited.

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Our Business

We, through our subsidiaries PRC Subsidiaries and VIE, engage in production and distribution of three categories of paper products: corrugating medium paper, offset p medical face masks in China.

Our principal executive offices are located at Science Park, Juli Road, Xushui District, Baoding City, Hebei Province, People's Republic of China.

Our telephone number is (86) 312-869-8215. Our website is located at http: https://www.itpackaging.cn.

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Manufacturing Process

Corrugating Medium Paper and Offset Printing Paper

Our current products (excluding tissue paper products) generally undergo two stages of manufacturing: (1) creating pulp from recycled paper products, and (2) treating the of paper products. A brief overview of the pulp and papermaking process is provided below.

Pulping

The recycled waste paper is first sorted by machine, and then broken down and beaten or smashed into small pieces using water and mechanical energy. It is then put throu fine screening drum to separate different grades of pulp, a process that we refer as "concentration". In order to purify the pulp further, an approach flow system is used to filter ou sand, in the pulp.

Paper Making

The pulp is sieved to remove the excess water and molded into a specific size. The moisture content is further reduced by applying hydraulic pressure to the pulp. The pul rolled over by heated cylinders. The dried paper is then coated with a mixture of clay, white pigment and binder to produce a surface on which ink can sit without being fully absor print quality.

The paper goes through a process called calendaring, which flattens and smoothens the paper into long sheets. The paper is then wound onto a reel that is mounted in a which cutters are used to cut the paper into the desired widths. Upon completion, the rolls are fitted with sleeves and labeled, and then sent to quality control before shipment or s

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Base Tissue Paper

While we make tissue paper products, we currently purchase paper pulp from suppliers and use it to manufacture base tissue paper directly.

Products

Corrugating medium paper

Corrugating medium paper, or CMP is used in the manufacturing of cardboard. Since the launch of our new Paper Machine ("PM6") production line in December 2011, corru product of the Company. For the year ended December 31, 2021 December 31, 2022, corrugating medium paper comprised approximately 88.76% 99.42% of our total paper produc of our total revenue. Raw materials used in the production of corrugating medium paper include recycled paper board (or Old Corrugating Cardboard or "OCC," as it is commonly r supplementary agents. In January 2013, we suspended the operation of our PM1 production line for renovation, which was then used to produce corrugating medium paper. production of a renovated PM1 production line. The renovated PM1 production line produces light-weight corrugating medium paper with a specification of 40 to 80 grams per corrugating medium paper products have a wide range of commercial applications. For example, they can be used as a construction material for wall and floor insulation or materials for the transportation of books and magazines by the publishing industry. It can also be used as corrugating medium to make corrugating cardboard for packag manufacturing process of light-weight corrugating medium paper is similar to that of the regular corrugating medium paper and also uses recycled paper boards as a major corrugating medium paper production lines, PM6 and PM1. We refer to products produced from the PM6 production line as Regular CMP and products produced from the PM1 pro

Offset printing paper

Offset printing paper is used for offset printing in the publishing industry. Offset Revenue from offset printing paper comprised approximately 8.21% of our total paper 10.61% of our total sales revenue was $nil for the year ended December 31, 2021 December 31, 2022. Raw materials used in making offset printing paper include recycled white scr sizing agent. We currently have two production lines, PM2 and PM3, for the production of offset printing paper.

Tissue Paper Products

We began the commercial production of tissue paper products in Wei County Industry Park in June 2015. We process base tissue paper purchased from long-term cooperat paper products, including toilet paper, boxed and soft-packed tissues, handkerchief tissues and paper napkins, as well as bathroom and kitchen paper towels that are marketed an December 2018 and November 2019, we completed the construction, installation and test of operation of PM8 and PM9, respectively, and commercially launched tissue paper pro May 5, 2020, the Company announced it planned the commercial launch of a new tissue paper production line PM10 and the Company signed entered into an agreement to pu supplier. The Company expected the new tissue paper production line to be launched after the completion of trial run. The machine supplier was delayed because of pandemic. W further actions. Tissue paper products comprised approximately 3.01% 0.58% of our total paper production quantities and approximately 5.45% 1.36% of our total sales re 2021 December 31, 2022.

Face Masks

On April 29, 2020, we launched a production line of non-medical single-use face masks, following the completion of raw materials preparation, trial run of the equipmer January May 2021, the Company announced it has submitted an application for obtained the license for its new single-use surgical masks from local food and drug administration production in November 2021.

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Market for our Products

The PRC Paper Making Industry

According to the 2020China 2021 China Paper Industry Annual Report, issued by the China Paper Association, there were approximately 2,500 paper and paper board m China, with a total output of 112.60 million 121.05 million tonnes, up by 4.60% 7.50% from 107.65 million 112.60 million tonnes in 2019. 2020. Total domestic consumption was 126.4 118.27 million tonnes in 2020, up by 10.49% from 107.04 million tonnes in 2019. 2020.

The output of paper and paper board maintained an average growth rate of approximately 1.41% 1.87% during the ten-year period from 2011to 2020, 2012 to 2021, while co rate of 2.17% 2.59%. The growth is expected to continue. It is estimated that China currently has the largest paper and paper board products output and consumption in the w *Report of China Paper Manufacturing, April 2021, May 2022,China Paper Association)*

Unit: Million tons

Data source: 2020 2021 Annual Report of China's Paper Industry, April2021, May 2022, China Paper Association

Corrugating medium paper production in China totaled 23.90 million 26.85 million tonnes in 2020, 2021, a 7.66% 12.34% increase from 2019. 2020. Consumption of corruga 27.76 million 29.77 million tonnes in 2020, 2021, an increase of 16.93% 7.24% as compared to 2019. 2020.

Uncoated offset printing paper production in China totaled 17.30million 17.20 million tonnes in 2020, 2021, a 2.81% 0.58% decrease from 2019. Consumption of uncoated o 17.83million 17.93 million tonnes in 2020, 2021, an increase of 1.94% 0.56% as compared to 2019. 2020.

The paper making industry in China is concentrated in the east coast provinces. The largest paper production capacities by province for 2019and 2020(the 2021 and 202 information is available) are summarized in the table below. The three provinces with largest capacities showed moderate increases in paper production capacities; provinces w Hebei and Anhui, Sichuan, showed noticeable increases as well.

Province	2020Capacity (10k tonnes)	2019 Capacity (10k tonnes)	% Change
Shandong			
Guangdong	2,012	1,864	7.9
Shandong	1,920	1,830	4.9
Jiangsu	1,402	1,312	6.8
Zhejiang	1,149	1,429	(19.5
Fujian	777	784	(0.8
Henan	532	498	6.8
Hubei	427	355	20.2
Chongqing	352	301	16.9
Anhui	321	325	(1.2
Hebei	317	240	32.0
Sichuan			

Data Sources: 2020Annual 2021 Annual Report of China's Paper Industry, April 2021, May 2022, China Paper Association

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Customers

We generally sell our corrugating medium paper to companies making corrugating cardboards and offset printing paper to printing companies. Our largest customer is Province. Our total corrugating medium and offset printing paper revenue in 2021 2022 was primarily derived from customers in Tianjin City, Hebei Province and Shandong Province

For the year ended December 31, 2021 December 31, 2022, five three major customers who individually accounted for more than 5% of our total sales revenue are as follows:

	Sale (USI ap
Company A (Shandong)	
Company B (Hebei)	
Company C (Hebei)	
Company D (Tianjin)	
Company E(Tianjin)	
Total Major Customers	

	Sale (USI ap
Company A (Hebei)	
Company B (Shandong)	
Company C (Hebei)	
Total Major Customers	

Eight

Seven of our top-ten customers of 2021are 2022 are also in the top-ten customer list in 2020, 2021, representing 79.36% 78.48% of the 2020top-ten 2021 top-ten customer sale

Target Market

We target corporate customers in the middle range of the marketplace, where, with solid quality and competitive pricing, we see potential for high volume growth for corr paper. Our primary market has been the region of North China, especially in the province of Hebei.

Our Production Lines

During the year ended December 31, 2021 December 31, 2022, we had six PM production lines in operation and are in the process of launching one more that are designated followings:

PM# PM#	Paper Product Produced	Designed Capacity Designed Capacity (tonnes/year)	Owned by	Operated by	Status as 2021 Dec
PM1	Corrugating Medium Paper	60,000	Dongfang Paper	Dongfang Paper	
PM2	Offset Printing Paper	50,000	Dongfang Paper	Dongfang Paper	
PM3	Offset Printing Paper	40,000	Dongfang Paper	Dongfang Paper	
PM4	Digital Photo Paper	**	Baoding Shengde	Baoding Shengde	
PM5	Digital Photo Paper	**	Baoding Shengde	Baoding Shengde	
PM6	Corrugating Medium Paper	360,000	Baoding Shengde	Dongfang Paper***	

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PM7*	Specialty paper	10,000	Dongfang Paper	Dongfang Paper
PM8	Tissue paper	15,000	Dongfang Paper	Dongfang Paper
PM9	Tissue paper	15,000	Dongfang Paper	Dongfang Paper
PM10	Tissue paper	20,000	Dongfang Paper	Dongfang Paper

*: Paper machines under renovation, under construction, or in the planning stage.

***: PM6 is funded and owned by Baoding Shengde; ancillary facilities that support the PM6 operation are built and owned by Dongfang Paper.

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On December 31, 2009, we acquired a digital photo paper production line, including two coating lines that are designated as PM4 and PM5 and ancillary equipment, for a t million. We suspended production of photo paper in June 2016.

In order to meet the growing domestic demand for paper, which we believe currently exceeds domestic supply in the case of corrugating medium paper, especially in corrugating medium paper production line (PM6) with a designed capacity of 360,000 tonnes per year. We completed the installation of the PM6 production line in November December 2011.

We have implemented a plan to renovate one of the old production lines that has been idle since the end of 2007. We previously made paper with anti-counterfeit feat renovation is completed, we intend to use the renovated production line to produce high-profit margin specialty papers. Our current plan is to complete the renovation project, pu team and launch the renovated production line as PM7 by the end of 2021. 2023.

On November 27, 2012, we signed a 15-year lease relating to approximately 49.4 acres of land in the Economic Development Zone in Wei County, Hebei Province, China f paper production plant. We planned to build two tissue paper production lines, each with 15,000 tonnes/year capacity, and other packaging facilities and infrastructures on the l contract with an equipment contractor in Shanghai to build PM8, the first of our two tissue paper production lines in Wei County. In December 2018 and November 2019, we compl of operation of PM8 and PM9, respectively and commercially launched tissue paper productions of PM8 and PM9 at such time. On May 5, 2020, the Company announced it plan paper production line PM10 and the Company signed an agreement to purchase paper machine with paper machine supplier. The Company expected the new tissue paper completion of trial run.

We voluntarily renovated our 150,000 tonnes/year corrugating medium paper PM1 in anticipation of increased regulatory concerns on energy efficiencies as well as to impr products. Rather than converting PM1 to a regular corrugating medium paper machine, we decided in 2013 that, based on the market conditions and our waste water treatment c PM1 to produce Light-Weight CMP with a specification of 40 to 80 grams per square meter ("g/s/m") with a designed capacity of 60,000 tonnes/year. We started the renovation production of the renovated PM1 production line in May 2014.

Raw Materials and Principal Suppliers

The supplies used in our production processes are comprised mainly of recycled paper board and unprinted recycled white scrap paper, both of which are ready-to-use item foreign sources. We currently purchase all of our recycled paper supplies from some domestic recycling stations and do not rely on imported recycled paper. We also purchase suppliers. Ongoing inflationary pressures and higher demand for recycled paper could lead to an increase in our costs of raw materials and production, which we may or may not be

We sign annual raw materials supplier contracts with our suppliers. Although we have contracts with our suppliers, these contracts do not lock-in the purchase price of our fluctuation in the market price of these raw materials. For the year ended December 31, 2021 December 31, 2022, we had two large suppliers which accounted for approximately 78 respectively.

For the year ended December 31, 2021 December 31, 2022, two three major suppliers who individually accounted for more than 5% of our total purchase are as follows:

	Pu A (USI ap
Company A (Baoding)	
Company B (Baoding)	
Total Major Suppliers	

	Pu A (
Company A (Hebei)	
Company B (Hebei)	
Company C (Hebei)	
Total Major Suppliers	

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Competition

Dongfang Paper's main competitors are: Chenming Paper Group Limited, Huatai Group Limited, Nine Dragons Paper (Holdings) Limited and Sun Paper Group Limited. A nu with larger capacities, broader customer bases and greater financial resources than those available to us. The businesses of our primary competitors are briefly described below:

Chenming Paper Group, Ltd. ("Chenming"), based in Shandong Province (located in northeast China), produces primarily news print paper and art paper (high quality, h Chenming is believed to be the first company to have listed on all three stock exchanges in China: Renminbi A-shares and foreign currency B-shares in Shenzhen, the smaller of th shares in Hong Kong. Chenming has annual production capacity of 8.5 million tonnes for its coated wood-free paper product and is believed to rank among the top 500 enterprises i

Huatai Group, Ltd. ("Huatai"), based in Shandong Province (located in the northern part of the eastern coastal region of China), primarily produces newsprint, fine paper tissue paper. Huatai is the first Shandong papermaker to publicly list its stock and has become a famous brand in China. Its annual paper production is estimated to have reached 4

Nine Dragons Paper (Holdings) Limited ("ND Paper"), based in Guangdong Province (located in southern China), is the largest paper manufacturer in China and primari corrugating medium paper with annual capacity of 13 million tonnes. ND Paper has reported that it has five production lines in the city of Tianjin with a total designed capacity of 2. as craft paper, high strength corrugating medium paper and grey-back duplex board.

Sun Paper Group, Ltd., based in Shandong Province, primarily produces card paper, whiteboard paper and art paper. It also produces alkaline peroxide mechanical pulp, sou the company's poplar plantations. This company has reported that it has an aggregate annual production capacity of paper and pulp of approximately 5.7 million tonnes and has b since 2006.

With the exceptions of Chenming and ND Paper, which may compete directly with us in the offset printing paper market and the corrugating medium paper market, respe regions, we believe that we face only indirect competition from the above-listed companies, either because we have a different product assortment from these companies, or bec similar to ours, the transportation costs and storage costs make it difficult for these companies to compete effectively with us on pricing.

Our Competitive Edge

Regional advantage (Northern China). We believe that Dongfang Paper is one of the leading papermaking enterprises in Hebei Province. Our proximity to large urban centers us access to a large market to sell our products.

There are other paper manufacturers that are also located in Hebei Province (and close to metropolitan Beijing and Tianjin areas), but most of these other manufacturers are us effectively. We also compete with other large printing paper manufacturers for Beijing printing company customers. We believe that we have cost and geographical advantages o

Cost advantage. Unlike some of our out-of-province competitors who must set up interim warehouses and ship products from their production base to such interim wareho there is no need for us to set up interim warehouses, because we are approximately 60 miles (100 kilometers) from Beijing, the cultural center of China and our largest target m transportation cost on raw material purchases, the transportation cost included in the raw material purchase prices from our recycled paper suppliers is lower than the transpo province of Shandong. We also enjoy lower transportation costs for coal, a major source of energy used in our production process. Similarly, our customers pay lower transport finished goods warehouse in Baoding than what they would pay if they had to pick up goods from locations further away from Beijing. Tianjin, another large urban center, is also Baoding city itself is also home to numerous printing and packaging companies. Our geographical advantage and easy access to low-cost raw materials allow us to implement a mo our purchase prices and inventory management expenses and reduce our production cost. As such, we have lower freight costs and other associated costs of sales, which enable our products. Additionally, because we buy all recycled paper raw materials from Beijing and Tianjin, rather than from the United States or Japan, our purchase lead time is shorter imported recycled paper.

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Research and Development

Our R&D activities are carried out by a task force led by a group of senior managers (in charge of product development and quality control) and by a group of selected charged the time spent on the R&D projects (manufacturing waste discharge recycling, digital photo paper and tissue paper manufacturing) to R&D expenses. Our R&D efforts in 20 developing new products that are in the pipeline for 2020 2022 and included developing and improving the manufacturing process of Light-Weight CMP and the production and pac

One of our production lines, PM7, is under renovation. Since the fourth quarter of 2010, we have spent approximately $1.57 million in machine parts and new components t we expect to produce certain specialty papers, including wood-grain deco and furniture paper, wallpaper and paper with security features (for anti-counterfeiting purposes). While v specialty papers, we cannot guarantee the launch of the specialty paper production (which is tentatively scheduled by the end of 2020) 2023) or the success of such renovation.

Intellectual Property

The Company has registered nine trademarks with the Trademark Bureau under the State of Administration for Industry & Commerce.

Trademark	Certificate No.	Category	Registrant	
Shuangxing	3298963	Fax paper, thermal paper, blueprint paper, sensitized paper, spectrum sensitized paper, blueprint cloth, photographic paper, cyanotype solution, diazo paper	Dongfang Paper	Ap
Fangmenglai	12955328	Toilet paper, handkerchief tissues, tissues, paper napkins, paper mats, beer mats, paper place mats, printing paper (including offset paper, newsprint, books paper, bond paper, plate paper and halftone paper), coated paper	Dongfang Paper	
Fangqingxin	12955235	Toilet paper, handkerchief tissues, tissues for makeup remover, paper napkin, tissues, paper duster cloth, paper face towels, paper table cloth, paper tablecloths, drawer liner (with or without flavor)	Dongfang Paper	
Kaimeilai	20212149	Xuan Paper (for traditional Chinese painting and calligraphy), Paper, tissue paper, watercolor paper, writing paper, printing publications, ink, painting brush, packaging plastic film, color box,	Baoding Shengde	Jul
Shadow	8349821	Drying blueprint solution, diazo paper, photographic paper, sensitive paper, blueprint paper, blueprint canvas, spectral photographic plate, heliographic paper	Baoding Shengde	J
Lanmeier	15635879	Paper table cover, paper pinafore, drawer lining (with flavor or not)	Tengsheng Paper Hebei Tengsheng	
Qingmu	15635916	Tissue paper, paper handkerchief, paper napkin, facial paper, grained paper, cardboard, white board, container board, kraft liner, corrugated medium paper (board)	Tengsheng Paper Hebei Tengsheng	
Rongou	20063034	Paper, tissue paper, paper handkerchief, paper napkin, facial paper, paper billboard, cleansing tissue, packaging paper or plastic bag (envelop, sachet), carton, paper box	Tengsheng Paper Hebei Tengsheng	
Weizun	15636093	Coasters, paper table cover, paper costers, cleansing paper	Tengsheng Paper Hebei Tengsheng	

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The Company has also been granted twelve new utility patent certificates on paper manufacturing related equipment issued by the State Intellectual Property Office, ir filtering, and mixing.

Certificate No.	Description	Registrant	
13762076	The utility model relates to a pulp mixing device	Hebei Tengsheng Paper	July23, July
13751681	The invention relates to a product processing and cutting device	Hebei Tengsheng Paper	July23, July
14357355	The utility model relates to a packaging equipment for pulp waste	Hebei Tengsheng Paper	Octol
14248265			
14248265	The utility model relates to a pulp crushing device	Hebei Tengsheng Paper	Se
14254625	The utility model relates to a pulp screening and separation device	Tengsheng Paper	Se
14260129		Hebei Tengsheng	
14260129	The utility model relates to a pulp raw material processing device	Hebei Tengsheng Paper	Se
14258926	The utility model relates to a forming tool for paper pulp products	Hebei Tengsheng Paper	Se
14250092	The utility model relates to a material mixing device for paper processing	Hebei Tengsheng Paper	Se
13477825	The invention relates to a pulp concentration detecting device	Hebei Tengsheng Paper	Jur
14051723	The utility model relates to a recycling device for edge material used in paper processing	Hebei Tengsheng Paper	Augu
13893004	The utility model relates to a pulp filter dehydration device	Hebei Tengsheng Paper	Aug
13874156	The utility model relates to a storage rack for raw material used in paper processing	Hebei Tengsheng Paper	Aug

Domain names

IT Tech Packaging has registered the internet domain name, http: https://www.itpackaging.cn.

Government Regulation

The testing, approval, manufacturing, labeling, advertising and marketing, post-approval safety reporting and export of our products are extensively regulated by govern subject to various other regulations and permit requirements by the Chinese government. These regulations and their impact on our business are set forth in more details below.

Environmental Regulation

Our operations and facilities are subject to environmental laws and regulations stipulated by the national and the local environment protection bureaus in the PRC.

Since the implementation of the State Council's "Decisions on Environmental Protection Issues" in 1996, the PRC paper industry has been subject to more rigorous environr a new law promulgated by the National People's Congress of the People's Republic of China makes certain violations of the environmental laws a criminal offense. We believe manufacturers in Hebei Province that have obtained a Pollution Discharge Permit. We initially received the permit in September 1996 and, we have successfully renewed the perr environmental requirements.

On December 24, 2021, the Standing Committee of the National People's Congress issued Law of the People's Republic of China on the Prevention and Control of Noise Pollu Pollution Law"), which became effective on June 5, 2022. According to the Prevention and Control of Noise Pollution Law, entities subject to the pollutant discharge licensing industrial noise without a pollutant discharge permit and shall prevent and control noise pollution according to the requirements of the pollutant discharge permit. The noise po Discharge Permit, and we conduct quarterly test on the noise through qualified testing institutions to comply with the laws, which is required by laws.

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Waste Water Treatment

Dongfang Paper uses a multi-level water recycling process. Waste water from the pulping process is fed into collection pools, where it is divided into two parts, water and rec the pulping process.

Chemical agents are added to the waste water, and the waste water is fed into a biogas reactor and filtering pools, producing purified water and depositing sludge. Most c corrugating medium paper and the sludge is pumped into a sludge pool, condensed and dehydrated. We then use the sludge as a raw material in the manufacture of corrugating m

We maintain computerized controls at our production facilities on a 24-hour basis to monitor compliance with environmental rules and regulations. We are not av prosecutions, disputes, claims or other environmental proceedings, nor have we been subject to any action by any environmental administration authorities of the PRC. To our kno existing environmental requirements of the PRC.

Human Capital Resources

Employee Profiles

As of December 31, 2021 December 31, 2022, we have approximately 366full 380 full time employees, all of whom were based in PRC. As of December 31, 2021 December 3 current workforce is female and 77.0% 75.3% male. These employees are organized into a labor union under the labor laws of the PRC and have collective bargain power against us. our employees and the labor union.

Total Rewards

Our compensation program is designed to attract and reward talented individuals who possess the skills necessary to support our business objectives, assist in the achiever term value for our stockholders. We provide employees with compensation packages that include base salary and annual incentive bonuses. We also provide private insurance cov for all the operators of paper milling machinery in the workshops.

Health and Safety

The success of our business is fundamentally connected to the well-being of our people. Accordingly, we are committed to the health, safety and wellness of our employ families with access to a variety of flexible and convenient health and welfare programs, including benefits that support their physical and mental health by providing tools and re their health status; and that offer choice where possible so they can customize their benefits to meet their needs and the needs of their families. In response to the COVID-19 pande environment changes that we determined were in the best interest of our employees, as well as the communities in which we operate, and which comply with government regulatic

Talent

A core tenet of our talent system is to both develop talent from within and supplement with external hires. This approach has yielded loyalty and commitment in our employ our products, and our customers, while adding new employees and external ideas supports a continuous improvement mindset and our goals of a diverse and inclusive workforce and external resources to recruit highly skilled and talented workers in the PRC, and we encourage employee referrals for open positions.

Available Information

We are required to file annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission ("SEC"). The public file with the SEC. In addition, the SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers like our Comp http://www.sec.gov.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and amendments to those reports (including exhibits) f or 15(d) of the Securities Exchange Act of 1934, as amended, are also available free of charge on our Internet site at http: https://www.itpackaging.cn as soon as reasonably practicab with or furnished to the SEC. The information on our website is not, and shall not be deemed to be, a part hereof or incorporated into this or any of our other filings with the SEC.

Executive Officers

For information regarding our executive officers as of March 15, 2022 March 23, 2023, see Part III, Item 10, "Directors, Executive Officers and Corporate Governance."

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Item 1A. Risk Factors

Risks Relating to our Business

Our business, financial condition and results of operations may be materially adversely affected by global health epidemics, including the COVID-19 outbreak. pandemic.

Outbreaks of epidemic, pandemic, or contagious diseases such as COVID-19, could have an adverse effect on our business, financial condition, and results of operatior resulted in a widespread health crisis that has adversely affected the World Health Organization declaring economies and financial markets worldwide.. Government efforts to cc a the coronavirus including lockdowns of cities, business closures, restrictions on travel and emergency quarantines, and responses by businesses and individuals to reduce the risk travel, cancellation of meetings and events, and implementation of work-at-home policies, have caused significant disruptions to the global pandemic. economy and normal bu revenues and workforce are concentrated in China. In response to the intensifying efforts to contain the spread of COVID-19, the Chinese government took a number of actions, v Year holiday, quarantining individuals suspected of having COVID-19, asking residents in China to stay at home and to avoid public gathering, among other things. During For t caused temporary closure of our CMP production and offset printing paper was suspended for the whole year, and as a result, our revenue of CMP decreased by 49.89%.in the however, still unclear how the pandemic will evolve going forward, and we cannot assure you whether the COVID-19 pandemic will again bring about significant negative imp condition and operating results, including but not limited to negative impact to our total revenues.

While we have resumed business operations, there remain significant uncertainties surrounding the COVID-19 outbreak and its further development as a global pan disruption and the related impact on our financial results and outlook for 2021 2023 cannot be reasonably estimated at this time. The extent to which the COVID-19 impacts our re which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to c among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations conti that the total impact COVID-19 may pandemic might have on our results business and financial condition, but there can performance. Until such time as the COVID-19 pandemic is c return to more customary levels, our business and financial results might be no assurance that this analysis will enable us to avoid part or all of any impact from the spread c downturns in business sentiment generally. materially adversely affected.

On the basis of scientific assessment of the characteristics of the virus and the pandemic situation, as well as reference to the prevention practices of other countries, at refined its COVID-19 prevention and control measures and stopped conducting nucleic acid testing for all residents. By the end of 2022, vaccination rate has exceeded 90%. circumstances, the government has taken positive service measures, including tax incentives, bank loan and financial support, etc, to support domestic enterprises to overcome d expedited eventually. We have been actively cooperating with the government in implementing corresponding epidemic control measures to fulfill our social responsibility, by e minimize adverse impact of the epidemic.

Our operating history may not serve as an adequate basis to judge our future prospects and results of operations.

Dongfang Paper commenced its current line of business operations in 1996 and received its initial Pollution Discharge Permit in September 1996, which must be renewed business. Although we have never had problem renewing the Pollution Discharge Permit, we cannot guarantee automatic renewal every year. In addition, Baoding Shengde comme in 2009. Therefore, our operating history may not provide a more meaningful basis on which to evaluate its business. We cannot assure you that Dongfang Paper or Baoding Sheng expect that operating expenses of Dongfang Paper and Baoding Shengde will increase as they expand. Any significant failure to realize anticipated revenue growth could result in si to encounter risks and difficulties frequently experienced by companies at a similar stage of development, including our potential failure to:

- raise adequate capital for expansion and operations;
- implement our business model and strategy and adapt and modify them as needed;
- increase awareness of our brand name, protect our reputation and develop customer loyalty;
- manage our expanding operations and service offerings, including the integration of any future acquisitions;
- maintain adequate control of our expenses; or
- anticipate and adapt to changing conditions in paper markets in which we operate as well as the impact of any changes in government regulations, mergers an technological developments and other significant competitive and market dynamics.

If we are not successful in addressing any or all of these risks, our business may be materially and adversely affected.

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Dongfang Paper and Baoding Shengde's failure to compete effectively may adversely affect our ability to generate revenue.

Through Dongfang Paper and Baoding Shengde, we compete in a highly developed market with companies that have significantly greater experience and history in our ind could lose market share and experience reduced selling prices, adversely affecting our financial results. Our competitors will expand in the key markets and implement new tecl There is also the possibility that competitors will be able to offer additional products, services, lower prices, or other incentives that we cannot or will not offer or that will make our you that we will be able to compete effectively with current or future competitors or that the competitive pressures we face will not harm our business.

We may not be able to effectively control and manage our growth.

If our business and markets grow and develop, it will be necessary for us to finance and manage expansion in an orderly fashion. An expansion would increase demand facilities. Failure to satisfy such increased demands could interrupt or adversely affect our operations and cause delay in production and delivery of our paper products, as well as ac

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We, through our subsidiaries, may engage in future acquisitions that could dilute the ownership interests of our stockholders and cause us to incur debt and assume contingen

We, through our subsidiaries, may review acquisition and strategic investment prospects that we believe would complement the current product offerings of Dongfan enhance its technical capabilities, or otherwise offer growth opportunities. From time to time we review investments in new businesses and we, through our subsidiaries, expe businesses, products, or technologies in the future. We expect that when we raise funds from investors for any of these purposes we will be either the issuer or the primary oblig Dongfang Paper. In the event of any future acquisitions, we could:

- issue equity securities which would dilute current stockholders' percentage ownership;
- incur substantial debt;
- assume contingent liabilities; or
- expend significant cash.

These actions could have a material adverse effect on our operating results or the price of our common stock. Moreover, even if we do obtain benefits in the form of increa between the time when the expenses associated with an acquisition are incurred and the time when we recognize such benefits. Acquisitions and investment activities also entail nu

- difficulties in the assimilation of acquired operations, technologies and/or products;
- unanticipated costs associated with the acquisition or investment transaction;
- the diversion of management's attention from other business concerns;
- adverse effects on existing business relationships with suppliers and customers;
- risks associated with entering markets in which Dongfang Paper has no or limited prior experience;
- the potential loss of key employees of acquired organizations; and
- substantial charges for the amortization of certain purchased intangible assets, deferred stock compensation or similar items.

We cannot ensure that we will be able to successfully integrate any businesses, products, technology, or personnel that we might acquire in the future and our failure to do our and/or Dongfang Paper's business, operating results and financial condition.

We are responsible for the indemnification of our officers and directors.

Our Articles of Incorporation provides for the indemnification and/or exculpation of our directors, officers, employees, agents and other entities which deal with us to the terms provided, by the laws and decisions of the courts of the state of Nevada. Although we do maintain professional error and omission insurance for the officers and directors, d these indemnification provisions could still result in substantial expenditures which we may be unable to recoup through the insurance and could adversely affect our business a Chairman of the Board and Chief Executive Officer, Jing Hao, our Chief Financial Officer, Dahong Zhou, our Secretary, and Marco Ku Hon Wai, Wenbing Christopher Wang, Lusha personnel with rights to indemnification under our Articles of Incorporation.

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We are dependent on certain key personnel and loss of these key personnel could have a material adverse effect on our business, financial condition and results of operations.

Our success is, to a certain extent, attributable to the management, sales and marketing, and paper factory operational expertise of key personnel. Zhenyong Liu, our Cl Board, Jing Hao, our Chief Financial Officer, Dahong Zhou, our Secretary, and Shuting Liang, Dongfang Paper's General Engineer, Gengqi Yang, Dongfang Paper's Vice President of Sa Paper's Vice President of Environmental Protection and Xiaodong Liu, Baoding Shengde's General Manager, perform key functions in the operation of our business. There car Dongfang Paper or Baoding Shengde will be able to retain these officers after the term of their employment contracts expire. The loss of these officers could have a material a condition, and results of operations. We do not carry key man life insurance for any of our key personnel or personnel nor do we foresee purchasing such insurance to protect agair

We are dependent upon the services of Mr. Zhenyong Liu for the continued growth and operation of our Company because of his experience in the industry and his p Although Mr. Liu has entered into an employment agreement with Baoding Shengde, our wholly owned subsidiary and a PRC company, and that we have no reason to believe that or Dongfang Paper, the interruption or loss of his services would adversely affect our ability to effectively run our business and pursue our business strategy as well as our results of

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We may not be able to hire and retain qualified personnel to support our growth and if we are unable to retain or hire these personnel in the future, our ability to improve o objectives could be adversely affected.

We must attract, recruit and retain a sizeable workforce of technically competent employees. Competition for senior management and senior personnel in the PRC is inter PRC is very limited, and we may not be able to retain the services of our senior executives or senior personnel, or attract and retain high-quality senior executives or senior personn and adversely affect our future growth and financial condition.

Our operating results may fluctuate as a result of factors beyond our control.

Our operating results may fluctuate significantly in the future as a result of a variety of factors, many of which are beyond our control. These factors include:

- the costs of paper products and development;
- the relative speed and success with which we can obtain and maintain customers, merchants and vendors for our products;
- capital expenditure for equipment;
- marketing and promotional activities and other costs;
- changes in our pricing policies, suppliers and competitors;
- the ability of our suppliers to provide products in a timely manner to their customers;
- changes in operating expenses;
- increased competition in the paper markets; and
- other general economic and seasonal factors.

We face risks related to product liability claims.

We presently do not maintain product liability insurance. We face the risk of loss because of adverse publicity associated with product liability lawsuits, whether or not su avoid such claims. Although product liability lawsuits in the PRC are rare, and we have not, to date, experienced significant failure of our products, there is no guarantee that we v liability could be substantial and the occurrence of such loss or liability may have a material adverse effect on our business, financial condition and prospects.

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Our operating results also depend on the availability and pricing of energy and raw materials.

In addition to our dependence upon wood pulp, recycled white scrap paper and paperboard costs, our operating results depend on the availability and pricing of energy a the supply of supplemental chemical agents could cause a material disruption at our mill. In addition, an interruption in the supply of natural gas could cause a material disru materials including natural gas are purchased from a number of suppliers, of which the three largest suppliers account for over 89% 97% of all purchases. If any of these contracts w renewed upon expiration, or if market conditions were to substantially change creating a significant increase in the price of natural gas and recycled paper, we may not be able t suppliers capable of providing coal gas to us on terms or in amounts satisfactory to us.

We replaced all the coal boilers with natural gas boiler in September 2017, but due to the gas consumption rise significantly, the government will from time to time issue m gas supply for all natural gas consumption industries, including the paper manufacturing industry in order to secure adequate natural gas to households uses in urban and rural a gas supply restriction and above-mentioned factors. As a result, our business, financial condition and operating results could suffer.

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A material disruption at one of our manufacturing facilities could prevent us from meeting customer demand, reduce our sales, and/or negatively affect our net income.

Any of our manufacturing facilities, or any of our machines within an otherwise operational facility, could cease operations unexpectedly due to a number of events, including

- maintenance outages;
- prolonged power failures;
- an equipment failure, including any malfunction of our waste water treatment facilities;
- disruption in the supply of raw materials, such as wood fiber, energy, or chemicals;
- a chemical spill or release;
- closure because of environmental-related concerns;
- explosion of a boiler;
- the effect of a drought or reduced rainfall on our water supply;
- disruptions in the transportation infrastructure, including roads, bridges, railroad tracks, and tunnels;
- fires, floods, earthquakes, hurricanes, epidemic or other catastrophes;
- terrorism or threats of terrorism;
- labor difficulties; or
- other operational problems.

If any of the abovementioned events were to occur, we may be unable to meet customer demand, which may adversely affect our sales and net income.

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Our certificates, permits, and licenses related to our papermaking operations are subject to governmental control and renewal and failure to obtain renewal will cause all or p

In 1988, the National Environmental Protection Bureau issued Interim Measures on the Administration of Water Pollutants Discharge Permits, requiring all companies discha indirect byproduct of production to adhere to certain caps on pollution discharge. On January 24, 2021, the State Council issued Regulations on the Administration of Pollutant March 1, 2022.Additionally, . Additionally, such companies were required to obtain and annually renew a Pollution Discharge Permit in order to conduct their operations. On Dece the National People's Congress issued Law of the People's Republic of China on the Prevention and Control of Noise Pollution (the "Prevention and Control of Noise Pollution Law According to the Prevention and Control of Noise Pollution Law, entities subject to the pollutant discharge licensing management requirements shall not emit industrial noise with prevent and control noise pollution according to the requirements of the pollutant discharge permit. The noise pollution has been included in the Pollution Discharge Permit, a through qualified testing institutions to comply with the laws, which is required by laws.

The PRC government has the authority to shut down a company's operations for its failure to maintain a valid permit. We renewed our Pollution Discharge Permit in June 20 28, 2020 through June 27, 2025. Pollution discharge Permit for Hebei Tengsheng Paper was effective from August 10, 2021 through August 9, 2026. An application to renew will protection agency before the expiration.

The failure by us to obtain any certificate, permit, and license necessary for our operations or the failure by us to obtain the renewal of any such certificate, permit or licens business, prospects, financial condition and results of operation.

Compliance with environmental regulations is expensive, and noncompliance may result in adverse publicity and potentially significant monetary damages and fines or suspe

We are required to comply with all Chinese national and local regulations regarding the protection of the environment. Compliance with environmental regulation is exper even more stringent environmental protection and operational safety regulations and the costs of complying with these regulations are expected to increase. Although we have c permits for our production facilities currently existing, we cannot assure you that we will be able to comply with all applicable environmental protection and operational safety re governmental approvals and permits that may be or may become applicable to us on a timely basis, or at all, or will be able to complete all our registrations and filings with the g The relevant governmental authorities may impose on us fines for any non-compliance, set deadlines for rectification, and order us to cease construction or production if we fail to

If we are unable to respond to pricing pressures, our business may be harmed.

In order to remain competitive, from time to time we have to adjust the prices of our products to remain competitive. We may not have available sufficient financia investments necessary to maintain our competitive position.

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If we fail to introduce enhancements to our existing products or to develop new products, our business and results of operations could be adversely affected.

We believe that our future success depends in part on our ability to enhance our existing products and develop new products in order to continue to meet customer
enhanced products on a timely and cost-competitive basis, or the development of processes that make our existing products obsolete, could harm our business and results of oper

We have limited insurance coverage and may incur losses resulting from product liability claims or business interruptions.

As the insurance industry in China is still in an early stage of development, insurance companies in China currently offer limited business insurance products. We do not have
interruption insurance. Based on the insurance products available in China, even if we decide to take out business interruption coverage, such insurance as currently available
offered in many other jurisdictions. Any business disruption, natural disaster, or product liability claim could result in our incurring substantial costs and diversion of resources, v
business and results of operations.

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Our failure to protect our intellectual property rights may undermine our competitive position, and external infringements of our intellectual property rights may adversely af

Our success and ability to compete depends in part on our intellectual property. We primarily rely on a combination of trademark, trade secret, and copyright laws, contractual restrictions with our employees, contractors and others to establish and protect our intellectual property rights. However, confidentiality and license arrangements may may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contr may be leaked or otherwise become available to, or be independently discovered by, our competitors. The steps we take to protect our intellectual property rights may be in intellectual property protection for some of our properties. Infringement of intellectual property rights continues to pose a serious risk of doing business.

We may in the future file, patent applications on certain of our innovations. It is possible, however, that these innovations may not be patentable. In addition, given the co application, we may choose not to seek patent protection for some innovations. Furthermore, our patent applications may not lead to granted patents, the scope of the protecti patent may be deemed invalid or unenforceable. We also cannot guarantee that any of our present or future patents or other intellectual property rights will not lapse or be abandoned.

If we are unable to protect our intellectual property, our competitors could use our intellectual property to market offerings similar to ours and our ability to compete effect may independently develop technologies that are competitive to ours or infringe on our intellectual property. The enforcement of our intellectual property rights depends on our successful, but we cannot be sure these actions will be successful, even when our rights have been infringed. In addition, defending our intellectual property rights might e management resources. Any of our intellectual property rights may be challenged by others or invalidated through administrative processes or litigations. We can provide no assur and, even if we do prevail, we may not obtain a meaningful relief. Accordingly, despite our efforts, we may be unable to prevent external parties from infringing or misappropriatin property that we own may not provide us with competitive advantages or may be successfully challenged by external parties.

We may be subject to intellectual property infringement claims or other allegations, which may materially and adversely affect our business, financial condition and prospects

We cannot be certain that we do not or will not infringe patents, copyrights, trademarks or other intellectual property rights held by external parties. From time to time, w claims alleging infringement of patents, trademarks, copyrights or other intellectual property rights, or misappropriation of creative ideas or formats, or other infringement of propr affect our business, financial condition and prospects.

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Risks Related To Doing Business in the PRC

The PRC government has significant oversight and discretion over the conduct of a PRC company's business operations or to exert control over any offering of securities cond in China-based issuers, and may intervene with or influence our operations, may limit or completely hinder our ability to offer or continue to offer securities to investors, and significantly decline or be worthless, as the government deems appropriate to further regulatory, political and societal goals.

The PRC government may intervene or influence our operations at any time, which could result in a material change in our operations and/or the value of our common sto recently published new policies that significantly affected certain industries such as the education and internet industries, and we cannot rule out the possibility that it will in regarding any industry that could adversely affect the business, financial condition and results of operations of our company. Furthermore, the PRC government has also recently i and control over securities offerings and other capital markets activities that are conducted overseas and foreign investment in China-based companies. Any such action, o significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or in extreme case

Recently, the PRC government initiated a series of regulatory actions and statements to regulate business operations in China with little advance notice, including crackin market, enhancing supervision over China-based companies listed overseas using variable interest entity structure, adopting new measures to extend the scope of cyber security monopoly enforcement. Currently, these statements and regulatory actions have had no impact on our daily business operation, the ability to accept foreign investments and lis exchange. Since these statements and regulatory actions are new, it is highly uncertain how soon legislative or administrative regulation making bodies will respond and what exis implementations and interpretations will be modified or promulgated, if any, and the potential impact such modified or new laws and regulations will have on our daily busin investments and list our securities on an U.S. or other foreign exchange.

The CSRC has released the Trial Measures for Administration of Overseas Securities Offerings and Listings by Domestic Companies (the "Trial Measures"). While such rules h government may exert more oversight and control over offerings that are conducted overseas and foreign investment in China-based issuers, which could significantly limit or to offer our securities to investors and could cause the value of our securities to significantly decline or become worthless.

On February 17, 2023, with the approval of the State Council, the CSRC released the Trial Measures and five supporting guidelines, which will come into effect on March 31 domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedures and report relevant information to the CSRC; if a do procedures or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties by the CSRC,, such controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings an following conditions, the overseas offerings and listings shall be determined as an indirect overseas offerings and listings by a domestic company: (i) 50% or more of the issuer's op net assets as documented in its audited consolidated financial statements for the most recent accounting year is accounted for by domestic enterprises; and; (ii) its major operatio main places of business are located in China, or the senior managers in charge of its business operation and management are mostly Chinese citizens or domiciled in China; an indirectly offer and list securities in an overseas market, the issuer shall designate a major domestic operating entity responsible for all filing procedures with the CSRC, and whe public offerings or listings in an overseas market, the issuer shall submit filings with the CSRC within three business days after such application is submitted; if the issuer submits listings in secret or non-public ways overseas, it may submit an explanation at the time of filing, and the application shall be postponed until the application documents are report after the application documents are disclosed overseas.

The Trial Measures, when coming into effect on March 31, 2023, may subject us to additional compliance requirements in the future, and we cannot assure you that w procedures under the Trial Measures on a timely basis, or at all. Any failure of us to fully comply with new regulatory requirements may significantly limit or completely hinder ou cause significant disruption to our business operations, and severely damage our reputation, which would materially and adversely affect our consolidated financial conditio securities to significantly decline in value or become worthless. We believe that we, our PRC Subsidiaries, the consolidated VIE and its subsidiary are not required to fulfill filing proce to continue to offer our securities or operate the business of the consolidated VIE and its subsidiary. In addition, to date, none of us, our PRC Subsidiaries, consolidated VIE an compliance requirements from CSRC for the listing of the Company at NYSE American and all of its overseas offerings. Based on our understanding of the current PRC laws, we belie to be obtained for ITP's listing on NYSE American; however, there are substantial uncertainties regarding the interpretation and application of the M&A Rules, other PRC Laws and can be no assurance that any PRC governmental agency will not take a view that is contrary to or otherwise different from our belief stated herein.

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Recent greater oversight by the Cyberspace Administration of China, or the "CAC," over data security, particularly for companies seeking to list on a foreign exchange, coul consolidated VIE and its subsidiary and investing in our securities.

On December 28, 2021, the CAC, together with 12 other governmental departments of the PRC, jointly promulgated the Cybersecurity Review Measures, which be Cybersecurity Review Measures provides that, in addition to critical information infrastructure operators ("CIIOs") that intend to purchase Internet products and services, da processing activities that affect or may affect national security must be subject to cybersecurity review by the Cybersecurity Review Office of the PRC. According to the Cybersecurit assesses potential national security risks that may be brought about by any procurement, data processing, or overseas listing. The Cybersecurity Review Measures further require that possess personal data of at least one million users must apply for a review by the Cybersecurity Review Office of the PRC before conducting listings in foreign countries.

On November 14, 2021, the CAC published the Draft Regulations on the Network Data Security Administration (Draft for Comments) (the "Security Administration Dr operators engaging in data processing activities that affect or may affect national security must be subject to network data security review by the relevant Cyberspace Administr Administration Draft, data processing operators who possess personal data of at least one million users or collect data that affects or may affect national security must be subj relevant Cyberspace Administration of the PRC. The deadline for public comments on the Security Administration Draft was December 13, 2021.

The Security Assessment Measures for Outbound Data Transfers which was released on May 19, 2022 at the 10th executive meeting of the Cybersecurity Administrati September 1, 2022, stipulates that a data processor shall declare security assessment for its outbound data transfer to the CAC at the provincial level: (i) where a data processor pr or a data processor processing the personal information of more than one million people provides personal information abroad; (iii) where a data processor has provided personal personal information of 10,000 people in total abroad since January 1 of the previous year; and (iv) other circumstances prescribed by the CAC for which declaration for security required.

We believe none of us, our PRC Subsidiaries, the consolidated VIE or its subsidiaries is a CIIO, and we believe that we, all of our PRC Subsidiaries, the consolidated VIE and its cybersecurity review from the CAC to continue to offer our securities or operate the business of the consolidated VIE and its subsidiary. In addition, as of the date of this annual rep VIE and its subsidiary have not received any notice from any authorities identifying us as a CIIO or requiring us to go through cybersecurity review or network data security rev consolidated VIE and its subsidiary have not been required to obtain any approvals or permits from CAC. When the Cybersecurity Review Measures become effective and if the proposed, we believe that the operations of the consolidated VIE and its subsidiary and our listing will not be affected and that we, the consolidated VIE and its subsidiary will network data security review by the CAC, given that: (i) as a company that mainly engages in paper production and distribution, our PRC Subsidiaries, the consolidated VIE and VIE's CIIOs by the PRC regulatory agencies; (ii) we, the consolidated VIE and its subsidiary possess personal data of fewer than one million individual clients in the business operations as anticipate that we, the consolidated VIE and its subsidiary will be collecting over one million users' personal information in the near future, which we understand might otherwi subsidiary to the Cybersecurity Review Measures; and (iii) data processed in the business of the consolidated VIE and its subsidiary is unlikely to have a bearing on national security core or important data by the authorities. There remains uncertainty, however, as to how the Cybersecurity Review Measures and the Security Administration Draft will be interpr regulatory agencies, including the CAC, may adopt new laws, regulations, rules, or detailed implementation and interpretation related to the Cybersecurity Review Measures and th new laws, regulations, rules, or implementation and interpretation come into effect, we will take all reasonable measures and actions to comply and to minimize the adverse effec however, that we, the consolidated VIE and its subsidiary will not be subject to cybersecurity review and network data security review in the future. During such reviews, we, the required to suspend our operation or experience other disruptions to our operations. Cybersecurity review and network data security review could also result in negative publicity of our managerial and financial resources, which could materially and adversely affect the business, financial conditions, and results of operations of us, the consolidated VIE and its

Our business may be subject to a variety of PRC laws and other obligations regarding cyber security and data protection.

Our business may be subject to PRC laws relating to the collection, use, sharing, retention, security, and transfer of confidential and private information, such as person continue to develop, and the PRC government may adopt other rules and restrictions in the future. Non-compliance could result in penalties or other significant legal liabilities.

Pursuant to the PRC Cyber security Law, which was promulgated by the Standing Committee of the National People's Congress on November 7, 2016 and took effect important data collected and generated by a critical information infrastructure operator in the course of its operations in China must be stored in China, and if a critical information products and services that affects or may affect national security, it should be subject to cyber security review by the Cyberspace Administration of China ("CAC"). Due to the lack o "critical information infrastructure operator" remains unclear.

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On April 13, 2020, twelve Chinese government agencies jointly promulgated the Measures for Cyber security Review (2020 version) (“Old Measures”), which became effective on June 1, 2020. The Old Measures establish the basic framework and principles for the cyber security review mechanism for critical information infrastructure operators, and provided that critical information infrastructure operators (“CIIOs”) who intend to procure network products and services that may affect national security shall be subject to a cyber security review. On June 10, 2021, the Standing Committee of the National People’s Congress promulgated the PRC Data Security Law, which took effect on September 1, 2021. The Data Security Law provides for a security review procedure for the data activities that may affect national security. Moreover, the CAC issued the Measures of Cyber security Review (Revised Draft for Comments) on July 10, 2021, which requires operators with personal information of more than one million users who want to list abroad to file a cyber security review with the CAC. Furthermore, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the Opinions on Severe and Lawful Crackdown on Illegal Securities Activities, which was available to the public on July 6, 2021. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies. These opinions proposed to take effective measures, such as promoting the construction of relevant regulatory systems, to deal with the risks and incidents facing China-based overseas-listed companies and the demand for cyber security and data privacy protection.

The Data Security Law also sets forth the data security protection obligations for entities and individuals handling personal data, including that no entity or individual may acquire such data by stealing or other illegal means, and the collection and use of such data should not exceed the necessary limits The costs of compliance with, and other burdens imposed by, PRC Cyber security Law and any other cyber security and related laws may limit the use and adoption of our products and services and could have an adverse impact on our business. Further, if the enacted version of the Measures for Cyber security Review mandates clearance of cyber security review and other specific actions to be completed by companies like us, we face uncertainties as to whether such clearance can be timely obtained, or at all.

On January 4, 2022, the CAC issued the revised Measures on Cyberspace Security Review (the “Revised Measures”)that has came into effect on February 15, 2022, which requires that, in addition to “operator of critical information infrastructure,” any “network platform operator data processor” controlling personal information of no less than one million users which seeks to list in a foreign stock exchange should also be subject to cyber security review. We do not believe we are among the “operator of critical information infrastructure” or “network platform operator data processor” who controls more than one million users’ personal information as mentioned above; however, the definition of “network platform operator” is unclear. The revised draft of the Measures for Cyber security Review is in the process of being formulated and the Opinions remain unclear on how they will be interpreted, amended and implemented by the relevant PRC governmental authorities. The Revised Measures also establish a Cyber security Review Office (the “CRO”), an administrative body under the CAC, to formulate the regulations for cyber security review and to lead the cyber security review process. Applicable CIIOs and NP operators are required to submit an application to the CRO, and the CRO shall determine whether the review is required.

As these laws, opinions and the measures were recently issued, official guidance and interpretation of these remain unclear in several respects at this time, and the PRC regulatory authorities may have broad discretion in the interpretation and enforcement of these laws, opinions and the measures. Therefore, it is uncertain whether the future regulatory changes would impose additional restrictions on companies like us.

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We believe that we are currently not be subject to the cyber security review by the CAC, given the factors discussed above. However, there remains uncertainty as to how t implemented and whether the PRC regulatory agencies, including the CAC, may adopt new laws, regulations, rules, or detailed implementation and interpretation related to th regulations, rules, or implementation and interpretation come into effect, we will take all reasonable measures and actions to comply and to minimize the adverse effect of such law

We cannot assure you that PRC regulatory agencies, including the CAC, would take the same view as we do. In the event that we are subject to any mandatory cyber security by the CAC, we face uncertainty as to whether any clearance or other required actions can be timely completed, or at all. Given such uncertainty, we may be further required to su penalties, which could materially and adversely affect our business, financial condition, and results of operations.

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Changes in the policies of the PRC government could have a significant impact upon the business we may be able to conduct in the PRC and the profitability of such business.

Our business operations, financial condition, results of operations and prospects may be adversely affected by the current and future political environment in the PRC. The the middle of the 20th century and is controlled by the Communist Party of China. The Chinese government exerts substantial influence and control over the manner in which we PRC has only permitted provincial and local economic autonomy and private economic activities since 1978. The government of the PRC has exercised and continues to exercise su of the Chinese economy, including the paper industry, through regulation and state ownership. Our ability to operate in the PRC may be adversely affected by changes in Chi relating to taxation, import and export tariffs, raw materials, environmental regulations, land use rights, property and other matters. Under its current leadership, the governmen reform policies that encourage private economic activity and greater economic decentralization. There is no assurance, however, that the government of the PRC will continue significantly alter these policies from time to time without notice.

Policies of the PRC government can have significant effects on the economic conditions of the PRC. The PRC government has confirmed that economic development will foll this direction, we believe that the PRC will continue to strengthen its economic and trading relationships with foreign countries and business development in the PRC will follow ma will continue, there can be no assurance that this will be the case.

A change in policies by the PRC government could adversely affect our interests by, among other factors: changes in laws, regulations or the interpretation thereof, conf conversion, imports or sources of supplies, or the expropriation or nationalization of private enterprises. Although the PRC government has been pursuing economic reform polici assurance that the government will continue to pursue such policies or that such policies may not be significantly altered, especially in the event of a change in leadership, social or affecting the PRC's political, economic and social life.

The PRC laws and regulations governing our current business operations are sometimes vague and uncertain. Any changes in such PRC laws and regulations may harm our bus

The PRC laws and regulations governing our current business operations are sometimes vague and uncertain. The PRC's legal system is a civil law system based on written st have little value as precedents unlike the common law system prevalent in the United States. There are substantial uncertainties regarding the interpretation and application of F limited to the laws and regulations governing our business, the enforcement and performance of our contractual arrangements with our VIE, Dongfang Paper, and its shareholde our arrangements with customers in the event of the imposition of statutory liens, death, bankruptcy and criminal proceedings. The Chinese government has been developing a c and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance because these laws and regulations are relatively new, and because of the limited volume of published cases and judicial interpretation and their lack of force as precedents, interpr regulations involve significant uncertainties. New laws and regulations that affect existing and proposed future businesses may also be applied retroactively. Our major opera operations in China, and as a result, we are required to comply with PRC laws and regulations. We cannot assure you that our current ownership and operating structure would future PRC laws or regulations. Any of these or similar actions could significantly disrupt our business operations or restrict us from conducting a substantial portion of our busin adversely affect our business, financial condition and results of operations. We cannot predict what effect the interpretation of existing or new PRC laws or regulations may have find that we are in violation of PRC laws or regulations, they would have broad discretion in dealing with such a violation, including, without limitation:

- levying fines;
- revoking Dongfang Paper's business and other licenses;
- requiring that we restructure our ownership or operations; and
- requiring that we discontinue any portion or all of our business.

Among the material laws that we are subject to are the Price Law of The People's Republic of China, Measurement Law of The People's Republic of China, Tax Law, Environm Law, Accounting Laws and Labor Law.

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A slowdown, inflation or other adverse developments in the PRC economy may harm our customers and the demand for our services and products.

All of our operations are conducted in the PRC and all of our revenue is generated from sales in the PRC. Although the PRC economy has grown significantly in recent years, continue. In 2021, 2022, China's Gross Domestic Product ("GDP") growth rate was 8.1% 3.0% as compared to 2.3% 8.1% in 2020. 2021. A slowdown in overall economic growth, an adverse economic developments in the PRC could significantly reduce the demand for our products and harm our business.

Additionally, while the PRC economy experienced rapid growth, such growth has been uneven among various sectors of the economy and in different geographical areas of lead to growth in the money supply and rising inflation. If prices for our products rise at a rate that is insufficient to compensate for the rise in the costs of supplies, it may harm our the past, the PRC government has imposed controls on bank credit, limits on loans for fixed assets and restrictions on state bank lending. Such an austere policy can lead to a slowir

Our PRC Subsidiaries, consolidated VIE and its subsidiary in China are subject to restrictions on making dividends and other payments to us or any other affiliated company.

We are a holding company and may receive dividends paid by our subsidiaries established in China for our cash needs, including the funds necessary to pay divid shareholders to the extent we choose to do so, to service any debt we may incur and to pay our operating expenses. Baoding Shengde's income in turn depends on the service and addition, ITP, its subsidiaries, the consolidated VIE and the VIE's subsidiaries may also transfer cash to each other as part of the group cash management. If any of our subsidiaries, incurs debt on its own behalf in the future, the instruments governing such debt may restrict their ability to pay dividends or make other payments to us. Current PRC regul dividends to us only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, under the applicable requ consolidated VIE and its subsidiary incorporated as companies may only distribute dividends after they have made allowances to fund certain statutory reserves. These reserves are

In addition, under the Enterprise Income Tax Law of the PRC, which became effective on January 1, 2008 and its implementation rules, dividends paid to us by our PRC Subs withholding tax on dividends may be exempted or reduced by the PRC State Council. Currently, the withholding tax rate is 10% unless reduced or exempted by treaty between the the PRC Subsidiaries.

Furthermore, if our PRC Subsidiaries, consolidated VIE and its subsidiary in China incur debt on their own behalf in the future, the instruments governing the debt may res other payments to us. In addition, the PRC tax authorities may require our PRC Subsidiaries, consolidated VIE and its subsidiary to adjust their taxable income under the contractu in a manner that would restrict our subsidiaries' ability to pay dividends and make other distributions to us.

In addition, the PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of Ch prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders.

To date, our PRC Subsidiaries have not paid dividends to us out of their accumulated profits. In the near future, we do not expect to receive dividends from our PRC subsi the PRC Subsidiaries are expected to be used for their own business or expansions.

For the year ended December 31, 2022, the cash flows occurred between IT Tech Packaging, its subsidiaries and the VIE included (i) funding through Shengde Holdings In $6,500,000 as capital contributions; (ii) Baoding Shengde loans to Dongfang Paper with total amount of $1,727,644;(iii) Baoding Shengde loans to Tengsheng Paper with total amou Shengde Holdings Inc. to Qianrong, with an amount of $3,500,000 as capital contributions. We do not have an established cash management policy that dictates how funds are tra consolidated VIE and its subsidiary. We do not, at this time, intend to distribute earnings or settle amounts owed under the VIE Agreements.

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In the future, cash proceeds raised from overseas financing activities may be transferred by ITP to our PRC Subsidiaries and other subsidiaries or the consolidated VIE an loans, as the case may be. Amounts owed under the VIE Agreements may be returned by Baoding Shengde or the consolidated VIE and its subsidiary through repayment of loans exclusive technical service and business consulting agreement, subject to satisfaction of applicable government registration and approval requirements. To the extent cash in the b available to fund operations or for other use outside of the PRC due to interventions in or the imposition of restrictions and limitations on the ability of us, our PRC Subsid government to transfer cash.

We may rely on dividends and other distributions on equity paid by our PRC subsidiary subsidiaries to fund any cash and financing requirements we may have, and Subsidiary Subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

IT Tech Packaging Inc. is a Nevada holding company and conducts all of its business through its operating subsidiaries and the VIE. IT Tech Packaging Inc. relies principall equity from our PRC Subsidiary Subsidiaries for cash requirements, including for services of any debt IT Tech Packaging Inc. may incur.

Our PRC Subsidiary's Subsidiaries' ability to distribute dividends is based upon its distributable earnings. Current PRC regulations permit our PRC Subsidiary Subsidiaries to pa its accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. If our PRC Subsidiary Subsidiaries incurs debt on its own behalf in the f may restrict its ability to pay dividends or make other payments to us. Any limitation on the ability of our PRC Subsidiary Subsidiaries to distribute dividends or other payment adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends or otherwise fund and conduct our business.

In addition, the Enterprise Income Tax Law and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by Chinese c unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-F

Governmental control of currency conversion may limit our ability to utilize our revenues effectively and affect the value of investors' investment.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We rece Renminbi. Under our current corporate structure, our Nevada holding company may rely on dividend payments from our PRC Subsidiary Subsidiaries to fund any cash and fin existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange tran without prior approval of SAFE by complying with certain procedural requirements. Specifically, under the existing exchange restrictions, without prior approval of SAFE, cash g subsidiary subsidiaries in China may be used to pay dividends to our Nevada holding company.

However, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of repayment of loans denominated in foreign currencies. As a result, we need to obtain SAFE approval to use cash generated from the operations of our PRC subsidiary subsidiaries a currency other than Renminbi owed to entities outside China, or to make other capital expenditure payments outside China in a currency other than Renminbi.

The PRC government has imposed more restrictive foreign exchange policies and stepped up scrutiny of major outbound capital movement including overseas direct inve vetting process are put in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may at its discretion further restrict access in account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to shareholders of our common stock.

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PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay us from making lo our PRC Subsidiary, Subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Any funds IT Tech Packaging Inc. transfers to its PRC Subsidiary, Subsidiaries, either as a shareholder loan or as an increase in registered capital, are subject to approval by authorities in China. According to the relevant PRC regulations on foreign invested enterprises, or FIEs, in China, capital contributions to our PRC Subsidiary Subsidiaries are subje information to the MOFCOM or their respective local branches and registration with a local bank authorized by the SAFE. In addition, any foreign loan procured by our PRC Subsi limits and is required to be registered with SAFE or its local branches. Any medium or long-term loan to be provided by IT Tech Packaging Inc. to the VIE must be registered wi Commission, or NDRC, and the SAFE or its local branches. We may not be able to complete such registrations on a timely basis, with respect to future capital contributions or foreig Subsidiary. Subsidiaries. If we fail to complete such registrations, our ability to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity an

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested E effect on June 1, 2015. SAFE Circular 19 launched a nationwide reform of the administration of the settlement of the foreign exchange capitals of FIEs and allows FIEs to settle their but continues to prohibit FIEs from using the Renminbi fund converted from their foreign exchange capital for expenditure beyond their business scopes, providing entrusted loa enterprises. The SAFE issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or SAFE Circular 16, effective enterprises registered in China may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. SAFE Circular 16 provides an integrated standar capital account items (including but not limited to foreign currency capital and foreign debts) on a self-discretionary basis which applies to all enterprises registered in China. SA Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Renminbi shall not be provided as loans to its non-affiliated entities. As this circular is relatively new, there remains uncertainty as to its interpretation and application and any o Violations of these Circulars could result in severe monetary or other penalties. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to fund the establishment of n or acquire any other PRC companies through our PRC Subsidiary, Subsidiaries, or to establish new consolidated VIE in China, which may adversely affect our business, financial cond

On October 23, 2019, the SAFE promulgated the Notice of the State Administration of Foreign Exchange on Further Promoting the Convenience of Cross-border Trade and among other things, allows all foreign-invested companies to use Renminbi converted from foreign currency-denominated capital for equity investments in China, as long as th violate applicable laws, and complies with the negative list on foreign investment. However, since the SAFE Circular 28 is newly promulgated, it is unclear how SAFE and competent b

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you tha government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by IT Tech Packaging to its PRC Subsidiary Sul contributions by IT Tech Packaging Inc. to its PRC Subsidiary. Subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to to capitalize or otherwise f affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

The fluctuation of the Renminbi may harm your investment.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in the PRC's political and economic Fiscal Service, as of December 31, 2021 December 31, 2022, $1 is converted into 6.3757Yuan 6.9646 Yuan (RMB). As we rely entirely on revenues earned in the PRC, any significant r and adversely affect our cash flows, revenues and financial condition. For example, to the extent that we need to convert U.S. dollars we receive from an offering of our secu operations, appreciation of the Renminbi against the U.S. dollar would diminish the value of the proceeds of the offering and this could harm our business, financial condition a reduce the proceeds available to us for capital investment in proportion to the appreciation of the Renminbi. Thus, if we raise 1,000,000 U.S. dollars and the Renminbi appreciat proceeds will be worth only RMB5,544,087 RMB5,919,910 as opposed to RMB 6,375,700 6,964,600 prior to the appreciation. Conversely, if we decide to convert our Renminbi in payments for dividends on our common shares or for other business purposes and the U.S. dollar appreciates against the Renminbi, the U.S. dollar equivalent of the Renminbi we the amount the U.S. dollar appreciates. In addition, the depreciation of significant RMB denominated assets could result in a charge to our income statement and a reduction Dongfang Paper has RMB1,000,000 in assets and Renminbi is depreciated against the U.S. dollar by 15%, then the assets will be valued at $136,387 $124,855 as opposed to $156,846 $

On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar. Under the new policy, the Renminbi is permitted band against a basket of certain foreign currencies. This change in policy resulted in an approximately 2.44% 8.20% appreciation of the Renminbi against the U.S. dollar as of Decem international reaction to the Renminbi revaluation has generally been positive, there remains significant international pressure on the PRC government to adopt an even more flex further and more significant depreciation of the Renminbi against the U.S. dollar.

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Failure to comply with PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may materially adversely affect us.

The PRC State Administration of Foreign Exchange, or SAFE, has promulgated regulations, including the Notice on Relevant Issues Relating to Domestic Residents' I Investment through Special Purpose Vehicles, or SAFE Circular No. 37, effective on July 14, 2014, and its appendixes, that require PRC residents, including PRC institutions and indivi SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally ov enterprises or offshore assets or interests, referred to in SAFE Circular No. 37 as a "special purpose vehicle." SAFE Circular No. 37 further requires amendment to the registration i respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. I interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit dist carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in their ability to contribute additional capital into its PRC comply with the various SAFE registration requirements described above could result in liability under PRC law for foreign exchange evasion.

Because of uncertainty over the interpretation of Circular 37, we cannot assure you that, if challenged by government agencies, the structure of our organization has fully c approvals required by Circular 37. Moreover, because of uncertainty over how Circular 37 will be interpreted and implemented, and how or whether SAFE will apply it to us, we ca operations or future strategies. A failure by such PRC resident beneficial holders or future PRC resident stockholders to comply with Circular 37, if SAFE requires it, could subject th or legal sanctions, restrict our overseas or cross-border investment activities, limit our subsidiaries' ability to make distributions or pay dividends or affect our ownership structure and prospects.

While the approval and/or other requirements of the CSRC or other PRC governmental authorities are currently not required, they may be required, in connection with our over policies, and, if required, we cannot predict whether or how soon we will be able to obtain such approval.

On August 8, 2006, six PRC regulatory agencies, including the China Securities Regulatory Commission ("CSRC"), promulgated the Regulation on Mergers and Acquisitions of ("M&A Rules"), which became effective on September 8, 2006 and then was further amended on June 22, 2009. This regulation, among other things, has certain provisions that purp purpose of listing and controlled by PRC individuals or companies, to obtain the approval of the CSRC prior to listing their securities on an overseas stock exchange. On September website a notice specifying the documents and materials that are required to be submitted for obtaining CSRC approval.

In addition, the PRC government authorities may strengthen oversight over offerings that are conducted overseas. For instance, on July 6, 2021, the relevant PRC governme on Strictly Cracking Down on Illegal Securities Activities, which emphasized the need to strengthen the supervision over overseas listings by PRC companies. Effective measur relevant regulatory systems, are to be taken to deal with the risks and incidents of China-based overseas-listed companies, cyber security and data privacy protection requireme Cyber security Review issued by the CAC on January 4, 2022 also required that, among others, "critical information infrastructure" or internet platform operator holding over one r for a cyber security review before any listing at a foreign country. These statements and regulations are recently issued and there remain substantial uncertainties about their interp

On December 24, 2021, CSRC issued Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Co and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (the "Measures"), which are open for public comments by Janu and Measures for overseas listings lay out specific requirements for filing documents and include unified regulation management, strengthening regulatory coordination, and cros companies seeking to list abroad must carry out relevant security screening procedures if their businesses involve supervisions such as foreign investment security and cyber national security are among those off-limits for overseas listings. According to Relevant Officials of the CSRC Answered Reporter Questions ("CSRC Answers"), after the Adr implemented upon completion of public consultation and due legislative procedures, the CSRC will formulate and issue guidance for filing procedures to further specify the deta market entities could refer to clear guidelines for filing, which means it will still take time to put the Administration Provisions and Measures into effect. As the Administration Provis effect, we are currently unaffected by them. However, according to CSRC Answers, only new initial public offerings and refinancing by existing overseas listed Chinese compani process; other existing overseas listed companies will be allowed a sufficient transition period to complete their filing procedure. However, it is uncertain when the Administration or if they will take effect as currently drafted.

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We believe that, as of the date of this annual report, we are not required to obtain any permission from PRC authorities to operate and issue securities to foreign investo CAC. However, there is no guarantee that this will continue to be the case in the future in connection with the listing or continued listing of our securities on NYSE American, or eve is required and obtained, the approval could be subsequently revoked or rescinded. Any failure to obtain or a delay in obtaining the necessary permissions from the PRC authoriti China may subject us to sanctions imposed by the PRC regulatory authorities. If we do not receive or maintain the approvals, or we inadvertently conclude that such appr regulations, or interpretations change such that we are required to obtain approval in the future, we may be subject to an investigation by competent regulators, fines or conducting an offering, and these risks could result in a material adverse change in our operations and the value of our company's securities, significantly limit or completely hin securities to investors, or cause such securities to significantly decline in value or become worthless.

As of the date of this annual report, we have not received any inquiry, notice, warning, sanctions or regulatory objection to our operations from the CSRC, CAC or any other F Subsidiary Subsidiaries and the VIE have obtained all requisite permissions from PRC governmental authorities to operate our business as currently conducted under relevant PR have been denied by governmental authorities.

The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more acquisitions in China.

Among other things, the M&A Rules established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time requires, among other things, that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC dom substantial PRC operations, if certain thresholds under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings, issued by the State Council in 2008, a Law requires that the anti-monopoly law enforcement authority shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. In addition, th Council that became effective in March 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisi acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the Ministry of Commerce, and the rules prohibit any activit including by structuring the transaction through a proxy or contractual control arrangement.

In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant be time consuming, and any required approval processes, including obtaining approval from the Ministry of Commerce or its local counterparts may delay or inhibit our ability t affect our ability to expand our business or maintain our market share.

The PRC's legal and judicial system may not adequately protect our business and operations and the rights of foreign investors.

The PRC legal and judicial system may negatively impact foreign investors. In 1982, the National People's Congress amended the Constitution of China to authorize foreign in and interests" of foreign investors in the PRC. However, the PRC's system of laws is not yet comprehensive. The legal and judicial systems in the PRC are still rudimentary, and e Many judges in the PRC lack the depth of legal training and experience that would be expected of a judge in a more developed country. Because the PRC judiciary is relatively inexpe anticipation of judicial decision-making is more uncertain than would be expected in a more developed country. It may be impossible to obtain swift and equitable enforc enforcement of the judgment of one court by a court of another jurisdiction. The PRC's legal system is based on the civil law regime, that is, it is based on written statutes; a precedent that is required to be followed by judges in other cases. In addition, the interpretation of Chinese laws may be varied to reflect domestic political changes.

The trend of legislation over the last 20 years has significantly enhanced the protection of foreign investment and allowed for more control by foreign parties of their investr promulgation of new laws, changes to existing laws and the pre-emption of local regulations by national laws may adversely affect foreign investors. A change in leadership, s circumstances affecting the PRC's political, economic or social life, may affect the PRC government's ability to continue to support and pursue these reforms. Such a shift could hav and prospects.

The practical effect of the PRC legal system on our business operations in the PRC can be viewed from two separate but intertwined considerations. First, as a matter of subs laws provide significant protection from government interference. In addition, these laws guarantee the full enjoyment of the benefits of corporate articles and contracts to fore laws, however, do impose standards concerning corporate formation and governance, which are qualitatively different from the general corporation laws of the United States. S accounting practices, which are not consistent with U.S. generally accepted accounting principles. PRC's accounting laws require that an annual "statutory audit" be performed in and that the books of account of foreign invested enterprises are maintained in accordance with Chinese accounting laws. Article 14 of the People's Republic of China Wholly Foreig foreign-owned enterprise to submit certain periodic fiscal reports and statements to designated financial and tax authorities, at the risk of business license revocation. While t appear less clear than United States procedures, foreign invested enterprises and wholly foreign-owned enterprises are Chinese registered companies, which enjoy the same statu business-to-business dispute resolution. Any award rendered by an arbitration tribunal is enforceable in accordance with the United Nations Convention on the Recognition ar (1958). Therefore, as a practical matter, although no assurances can be given, the Chinese legal infrastructure, while different in operation from its United States counterpart, should the operation of foreign invested enterprises.

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Because our principal assets are located outside of the United States and most of our directors and officers reside outside of the United States, it may be difficult for you to e rights based on U.S. federal securities laws against us and our officers or to enforce U.S. court judgment against us or them in the PRC.

All of our directors and officers reside outside the United States. In addition, our operating company is located in the PRC and substantially all of our assets are located outsi difficult for investors in the United States to enforce their legal rights based on the civil liability provisions of the U.S. Federal securities laws against us in the courts of either the U.S obtained in U.S. courts, to enforce such judgments in PRC courts. Further, it is unclear if extradition treaties now in effect between the United States and the PRC would permit effe and directors of criminal penalties, under the U.S. Federal securities laws or otherwise.

It may be difficult for overseas regulators to conduct investigation or collect evidence within China.

Shareholder claims or regulatory investigation that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. For examp other obstacles to providing information needed for regulatory investigations or litigations initiated outside China. Although the authorities in China may establish a regulatory c regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, or Article 177, which became effective in March 2020, no directly conduct investigation or evidence collection activities within the territory of the PRC. While detailed interpretation of or implementation rules under Article 177 have y overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase difficulties faced by our investors in protecting their

We may be required to broaden the coverage of the mandatory social security insurance programs under the Labor Law of the PRC.

The PRC Labor Law, effective January 1, 2008, requires that employers enroll in the following social security insurance programs and offer certain employer-sponsored p retirement endowment, (2) healthcare insurance, (3) unemployment insurance, (4) workers' compensation insurance, and (5) pregnancy insurance. Of these insurance programs, employee withholdings of 4% to 8% of the gross compensation, while the employer's matching contribution varies from 16% to 20% of such compensation. While the Company is e and is withholding employees' portion and the employer's portion of the endowment contribution, many of the Company's employees have elected to waive their coverage under programs in favor of certain other low-cost, local government-sponsored social security insurance programs for residents in non-urban districts. Although we have verified with the of the employee waivers and reasonably believe that we are not required to cover the employees who waived the benefits, the local government may change its policy and ask us t who have specifically waived their rights.

The current tensions in international trade and rising political tensions, particularly between U.S. and China, may adversely impact our business, financial condition, and resu

Although cross-border business may not be an area of our focus, if we plan to expand our business internationally in the future, any unfavorable government policies on int tariffs, may affect the demand for our products and services, impact our competitive position, or prevent us from being able to conduct business in certain countries. If any implemented, or if existing trade agreements are renegotiated, such changes could adversely affect our business, financial condition, and results of operations. Recently, there have economic relations, such as the one between the United States and China. The U.S. government has recently imposed, and has recently proposed to impose additional, new, or h from China to penalize China for what it characterizes as unfair trade practices. China has responded by imposing, and proposing to impose additional, new, or higher tariffs on c States. Following mutual retaliatory actions for months, on January 15, 2020, the United States and China entered into the Economic and Trade Agreement between the United Sta China as a phase one trade deal, effective on February 14, 2020.

In addition, political tensions between the United States and China have escalated due to, among other things, trade disputes, the COVID-19 outbreak, sanctions impos certain officials of the Hong Kong Special Administrative Region and the PRC central government and the executive orders issued by U.S. President Donald J. Trump in August 2 certain Chinese companies and their applications. Rising political tensions could reduce levels of trades, investments, technological exchanges and other economic activities betwe have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on our busines of operations.

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Although the direct impact of the current international trade tensions and political tensions between the United States and China, and any escalation of such tensions, uncertain, the negative impact on general, economic, political and social conditions may adversely impact our business, financial condition and results of operations.

Risks Related to Our Corporate Structure

Our current corporate structure and business operations may be affected by the newly enacted Foreign Investment Law.

On March 15, 2019, the National People's Congress, China's national legislative body (the "NPC") approved the Foreign Investment Law, which became effective on uncertainties exist in relation to its interpretation and its implementation rules that are yet to be issued. The Foreign Investment Law does not explicitly classify whether variable in contractual arrangements would be deemed as foreign-invested enterprises if they are ultimately "controlled" by foreign investors. However, it has a catch-all provision under includes investments made by foreign investors in China through other means as provided by laws, administrative regulations or the State Council. Therefore, it still leaves leeway fo provisions of the State Council to provide for contractual arrangements as a form of foreign investment. There can be no assurance that our control over our consolidated VIEs VIE be deemed as a foreign investment in the future.

The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as eithe investment in the Special Administrative Measures for Market Access of Foreign Investment (Negative List), which was approved by the CPC Central Committee and the State Cou and Reform Commission and the Ministry of Commerce with an effective date of July 30, 2019and renew on January 1, 2022. The Foreign Investment Law provides that foreign-in "prohibited" industries will require market entry clearance and other approvals from relevant PRC government authorities. If our control over our consolidated VIEs VIE through foreign investment in the future, and any business of our consolidated VIEs VIE is considered "restricted" or "prohibited" from foreign investment under the "negative list" effectiv violation of the Foreign Investment Law, the contractual arrangements that allow us to have control over our consolidated VIEs VIE may be deemed as invalid and illegal, and we m arrangements and/or restructure our business operations, any of which may have a material adverse effect on our business operation.

Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to existing contractual arrangements, w whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance chall our current corporate structure and business operations.

Any failure by our consolidated VIEs VIE or their its shareholders to perform their obligations under our contractual arrangements with them would have a material adverse eff

We, through our wholly foreign-owned enterprise in the PRC, have entered into a series of contractual arrangements with our consolidated VIEs VIE and their its sharehold arrangements, see "Overview and Corporation History." If our consolidated VIEs VIE or their its shareholders fail to perform their respective obligations under these contractual arra and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC laws, including seeking specific performance or injuncti cannot assure you will be effective under PRC laws. For example, if the shareholders of our consolidated VIEs VIE were to refuse to transfer their equity interests in the consolidat exercise the purchase option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to obligations. In addition, if there are any disputes or governmental proceedings involving any interest in such shareholders' equity interests in our VIEs, VIE, our ability to exercise s interest pledges according to the contractual arrangements may be impaired. If these disputes or proceedings were to impair our control over our VIEs, VIE, we may not be able to m operations in the PRC and thus would not be able to continue to consolidate our VIEs' VIE's financial results, which would in turn result in a material adverse effect on our business,

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In order to comply with PRC regulatory requirements, we operate our businesses through companies with which we have contractual relationships but in which we do not have

We do not have direct or indirect equity ownership of Dongfang Paper which operates a majority of our business. Although we have entered into contractual arrangemer owners pursuant to which we receive an economic interest in Dongfang Paper, and exert a controlling influence over Dongfang Paper, in a manner substantially similar to a co arrangements are not as effective in providing control over Dongfang Paper as direct ownership. For example, Dongfang Paper may be unwilling or unable to perform their con agreements, including payment of consulting fees under the Exclusive Technical Service and Business Consulting Agreement as they become due. If that were to occur, we would nc manner currently planned. In addition, we may not succeed in enforcing our rights under the contractual arrangements insofar as our contractual rights and legal remedie Furthermore, Dongfang Paper may seek to renew their agreements on terms that are disadvantageous to us. If we are unable to renew these agreements on favorable terms wher similar agreements with other parties, we will lose control of Dongfang Paper.

Because we rely on the consulting services agreement with Dongfang Paper for essentially all of our revenue and cash flows, any difficulty for Dongfang Paper to pay cons consulting agreement may have a material adverse effect on our operations.

We are a holding company and currently conduct business through Dongfang Paper in China. As a result, we rely on payments from the consulting services agreeme arrangements between Baoding Shengde and Dongfang Paper. Since Baoding Shengde is not a legal shareholder of Dongfang Paper under PRC statutes, the arrangement for Dong its net income to Baoding Shengde may be challenged by the PRC government, which could prevent us from receiving required funds or making required payments to some of our s

If the PRC government determines that the contractual agreements constituting part of our VIE structure do not comply with applicable PRC regulations , or if these regulatior the future, we may be unable to assert our contractual rights over the assets of the VIE, and our common stock may decline in value.

Recently, the PRC government adopted a series of regulatory actions and issued statements to regulate business operations in China, including those related to variab relevant laws or regulations in the PRC that prohibit companies whose entity interests are within the PRC from listing on overseas stock exchanges. Although we believe tha arrangements comply with current applicable PRC laws and regulations, in the event that PRC government determines that the contractual arrangements constituting part of regulations, or if these regulations change or are interpreted differently in the future, we may be unable to assert our contractual rights over the assets of the VIE, and our common Additionally, our common stock may decline in value or become worthless if we are unable to assert our contractual control rights over the assets of our PRC Subsidiary Subsidiarie all of our business operations.

The contractual arrangements under a VIE Structure may not be as effective as direct ownership in respect of our relationship with the VIE, and thus, we may incur subs arrangements, which we may not be able to enforce at all.

The contractual arrangements may not be as effective as direct ownership in respect of our relationship with the VIE. For example, the VIE and its shareholders could breach among other things, failing to conduct their operations in an acceptable manner or taking other actions that are detrimental to our interests. If we had direct ownership of the VIE, v shareholder to effect changes in the board of directors of the VIE, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management anc Agreements, we rely on the performance by the VIE and its shareholders of their obligations under the contracts to exercise control over the VIE. The shareholders of the consolida our company or may not perform their obligations under these contracts. Such risks exist throughout the period in which we intend to operate certain portions of our business t the VIE.

If the VIE or its shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additiona For example, if the shareholders of the VIE refuse to transfer their equity interest in the VIE to us or our designee if we exercise the purchase option pursuant to the contractual ar faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations. In addition, if any third parties claim any interest in such shareho to exercise shareholders' rights or foreclose the share pledge according to the contractual arrangements may be impaired. If these or other disputes between the shareholders of t relationship with the VIE, our ability to consolidate the financial results of the VIE would be affected, which would in turn result in a material adverse effect on the business, operatio

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The shareholders of Dongfang Paper may have actual or potential conflicts of interests with us, which may adversely affect our business.

As of the date of this annual report, we are not aware of any conflicts between the shareholders of the VIE and IT Tech Packaging. However, the shareholders of Dongfang P conflicts of interest with IT Tech Packaging in the future. These shareholders may refuse to sign or breach, or cause the VIE to breach, or refuse to renew, the existing contractua them and the VIE, which would have a material and adverse effect on IT Tech Packaging' ability to effectively control the VIE and receive economic benefits from them. For example Tech' agreements with the VIE to be performed in a manner adverse to IT Tech Packaging by, among other things, failing to remit payments due under the contractual arrangeme We cannot assure you that when conflicts of interest arise any or all of these shareholders will act in the best interests of IT Tech Packagingor Packaging or such conflicts will be reso IT Tech Packaging does not have any arrangements to address potential conflicts of interest between these shareholders and IT Tech Packaging. If we cannot resolve any conf Packaging and these shareholders, IT Tech Packaging would have to rely on legal proceedings, which could result in disruption of IT Tech Packaging's business and subject IT Tech the outcome of any such legal proceedings.

Our Chairman, Chief Executive Officer and 5.4% 4.7% shareholder, Zhenyong Liu, owns 93.39% 100% of the equity interest in Dongfang Paper. Conflicts of interests between h may arise. We cannot assure you that when conflicts of interest arise, he will act in the best interests of IT Tech or that any conflict of interest will be resolved in our favor. These co that could negatively affect our operations and potentially result in the loss of opportunities.

We may lose the ability to use and enjoy assets held by the VIE that are material to the operation of its business if the entity goes bankrupt or becomes subject to a dissolution

As part of our contractual arrangements with the VIE, the entity holds certain assets that are material to the operation of our business, including permits, domain names an or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of its business activities, which could adversely affect our operations. Under the contractual arrangements, the VIE may not, in any manner, sell, transfer, mortgage or dispose of its assets or legal or beneficial interests in the business with a voluntary or involuntary liquidation proceeding, the independent third party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, financial condition and results of operations.

Our arrangements with Dongfang Paper and its shareholders may be subject to a transfer pricing adjustment by the PRC tax authorities which could have an adverse effect on

We could face material and adverse tax consequences if the PRC tax authorities determine that our contracts with Dongfang Paper and its shareholders were not entered the PRC tax authorities determine that these contracts were not entered into on an arm's length basis, they may adjust our income and expenses for PRC tax purposes in the forr adjustment may require that we pay additional PRC taxes plus applicable penalties and interest, if any.

We may lose the ability to use, or otherwise benefit from, the licenses, approvals and assets held by the VIE, which could severely disrupt our business, render us unable to and constrain our growth.

IT Tech Packaging relies on contractual arrangements with the VIE to use, or otherwise benefit from, certain foreign restricted licenses and permits that it needs or may nee expand. The contractual arrangements contain terms that specifically obligate the VIE's shareholders to ensure the valid existence of the VIE and restrict the disposal of material a VIE's shareholders breach the terms of these contractual arrangements and voluntarily liquidate the VIE, or the VIE declares bankruptcy and all or part of its assets become subject is otherwise disposed of without IT Tech's consent, IT Tech may be unable to conduct its business operations or otherwise benefit from the assets held by the VIE, which could ha financial condition and results of operations. Furthermore, if the VIE undergoes a voluntary or involuntary liquidation proceeding, its shareholders or unrelated third-party credi assets of the VIE, thereby hindering IT Tech's ability to operate its business.

The exercise of our option to purchase part or all of the equity interests in Dongfang Paper under the Call Option Agreement might be subject to approval by the PRC govern may impair our ability to substantially control Dongfang Paper and could result in actions by Dongfang Paper that conflict with our interests.

Our Call Option Agreement with Dongfang Paper and its shareholders gives our Chinese subsidiary, Baoding Shengde or its designated entity or natural person, the op interests in Dongfang Paper. The option may not be exercised by Baoding Shengde if the exercise would violate any applicable laws and regulations in China or cause any licens operation of Dongfang Paper, to be cancelled or invalidated. Under the laws of China, if a foreign entity, through a foreign investment company that it invests in, acquires a dom regarding mergers and acquisitions may technically apply to the transaction. If these regulations apply, an examination and approval of the transaction by China's Ministr counterparts would be required. In addition, an appraisal of the equity interest or the assets to be acquired would also be mandatory. Since the scope of business activities (makir the business license of Baoding Shengde does not involve the MOFCOM approval and monitoring, we do not believe at this time that an approval or an appraisal is required for acquire Dongfang Paper. In light of the different views on this issue, however, it is possible that the central MOFCOM office in Beijing will issue a standardized opinion imposing the are not able to purchase the equity of Dongfang Paper, then we will lose a substantial portion of our ability to control Dongfang Paper and our ability to ensure that Dongfang Paper

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Risks Related to Our Common Stock

The recent joint statement by Our common stock may be delisted from the SEC and PCAOB, proposed rule changes submitted by Nasdaq, and NYSE American under the Holdi call for additional and more stringent criteria to be applied to emerging market companies upon assessing the qualification of their auditors, especially the non-U.S. audit These developments could add uncertainties to investing in our securities.

On April 21, 2020, SEC Chairman Jay Clayton and PCAOB Chairman William D. Duhnke III, along with other senior SEC staff, released a joint statement highlighting the ris based in or have substantial operations in emerging markets including China. The joint statement emphasized the risks associated with lack of access for the PCAOB to inspect au higher risks of fraud in emerging markets.

On May 18, 2020, Nasdaq filed three proposals with the SEC to (i) apply a minimum offering size requirement for companies primarily operating in a "Restrictive Market," (qualification of management or the board of directors for Restrictive Market companies, and (iii) apply additional and more stringent criteria to an applicant or listed company ba auditor. We are very likely to be deemed as a company primarily operating in a Restrictive Market under such proposed rules of Nasdaq. Therefore, Nasdaq might apply the additio and continued listing, which might cause delay or even denial of our listing application.

On May 20, 2020, the U.S. Senate passed the Holding Foreign Companies Accountable Act, or HFCAA, requiring a foreign company to certify it is not owned or controlle unable to adequately inspect audit specified reports because documentation located in China. The delisting of our common stock, or the company uses a foreign auditor not sub being delisted, may materially and adversely affect the PCAOB is unable to inspect the company's auditors for three consecutive years, the issuer's securities are prohibited to trad 2020, the U.S. House value of Representatives approved the Holding Foreign Companies Accountable Act. On December 18, 2020, the Holding Foreign Companies Accountable Act w

On March 24, 2021, The HFCAA, was enacted on December 18, 2020. The HFCAA states if the SEC announced determines that it had adopted interim final amendments submission and disclosure requirements of the Act. The interim final amendments will apply to registrants that the SEC identifies as having a company has filed an annual report audit report reports issued by a registered public accounting firm that is located in a foreign jurisdiction and that has not been subject to inspection by the PCAOB has determi beginning in 2021, the SEC shall prohibit such ordinary shares from being traded on a national securities exchange or in the over the counter trading market in the U.S.

On March 24, 2021, the SEC adopted interim final rules relating to inspect or investigate completely because the implementation of a position taken by an authority in process for identifying such a registrant certain disclosure and any such identified registrant documentation requirements of the HFCAA. A company will be required to submit docu SEC establishing that identifies it as having a "non-inspection" year under a process to be subsequently established by the SEC. The SEC is not owned or controlled b jurisdiction, assessing how to implement other requirements of the HFCAA, including the listing and will also require disclosure in the registrant's annual report regarding the influence trading prohibition requirements described above. Furthermore, on such a registrant.

On June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, ("AHFCAA"), which if passed by the U.S. House of Representatives December 29, 2022 amends the number HFCAA and requires the SEC to prohibit an issuer's securities from trading on any U.S. stock exchanges if its auditor is not subject to PC instead of consecutive non-inspection years required for triggering the prohibitions under the Holding Foreign Companies Accountable Act from three years to two.

three. On September 22, 2021, the PCAOB adopted rules to create a final rule implementing the HFCAA, which provides a framework for the PCAOB to use when determini whether it the PCAOB is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more au

On December 2, 2021, the SEC issued amendments to finalize the interim final rules implementing previously adopted in March 2021 to implement the submission and discl Companies Accountable Act. HFCAA. The rules apply to registrants that the SEC identifies as having filed an annual report with an audit report issued by a registered public a jurisdiction and that the PCAOB is unable to inspect or investigate completely because of a position taken by an authority in a foreign jurisdictions.

jurisdiction. On December 16, 2021, the PCAOB issued a Determination Report which found that the PCAOB is unable to inspect or investigate completely registered pu mainland China of the People's Republic of China, PRC, because of a position taken by one or more authorities in mainland China; and (2) Hong Kong, a Special Administrative Regio position taken by one or more authorities in Hong Kong.. The PCAOB has made such designations as mandated under the HFCAA. Pursuant to each annual determination by th identify issuers that have used non-inspected audit firms and thus are at risk of such suspensions in the future.

On August 26, 2022, the PCAOB signed the Protocol with the CSRC and the MOF of the People's Republic of China, governing inspections and investigations of audit firms ba Protocol remains unpublished and is subject to further explanation and implementation. Pursuant to the fact sheet with respect to the Protocol disclosed by the SEC, the PCAOB any issuer audits for inspection or investigation and the unfettered ability to transfer information to the SEC. On December 15, 2022, the PCAOB announced that it was able investigate PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong completely in 2022. The PCAOB Board vacated its previous 2021 determina or investigate completely registered public accounting firms headquartered in China mainland and Hong Kong. However, whether the PCAOB will continue to be able to satisfactori public accounting firms headquartered in China mainland and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor's, control. Th conduct demand complete access in China mainland and Hong Kong moving forward and is already making plans to resume regular inspections in China without early 2023 an ongoing investigations and initiate new investigations as needed. The PCAOB has indicated that it will act immediately to consider the approval of Chinese government authorities new determinations with the HFCAA if needed. Therefore, the PCAOB may in the future determine that it is unable to inspect or investigate our auditor completely investors inspection. Any audit reports not issued by auditors that are completely inspected by the PCAOB, or a lack of PCAOB inspections of audit work undertaken registered public accoun the PCAOB from regularly evaluating our auditors' audits and their quality control procedures, could result in a lack of assurance that our financial statements and disclosures are a

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Our auditor, WWC, P.C., Certified Public Accountants, is an the independent registered public accounting firm with that issued the PCAOB, and as audit report inclu
publicly companies that are traded companies publicly in the United States and an U.S., -based accounting firm registered with the PCAOB, is subject to laws in the U.S. United Stat
regular inspections to assess its compliance with the applicable professional standards. WWC, P.C., Certified Public Accountants, Our auditor is based in the United States and has
the PCAOB on a regular basis with the last inspection in November 2021. WWC, P.C., Certified Public Accountants,

However, our auditor's working papers related to us and the consolidated VIE and its subsidiary are located in China. If our auditor is not headquartered permitted to provi
mainland China or Hong Kong and was not identified as a firm subject to the determinations announced by PCAOB, investors would be deprived of the PCAOB on December 16,
conduct inspection benefits of PCAOB's oversight of our auditor's work papers auditor through such inspections which could result in China, it will make it difficult limitation o
effectiveness U.S. capital markets, and trading of our auditor's audit procedures or equity control procedures. Investors securities may consequently lose confidence in our reporte
quality of the financial statements, which would adversely affect us and our securities. Moreover, if trading in our securities is be prohibited under the HFCAA, which would re
securities from the PCAOB determines that it cannot inspect or fully investigate our auditor at such future time, an exchange may determine to delist our securities. NYSE American.

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If we fail to comply with Section 404 of the Sarbanes-Oxley Act of 2002 in a timely manner, our business could be harmed and our stock price could decline.

Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 require annual assessment of U.S. public companies' internal control over financial repo management to assess the internal control over financial reporting as effective are complex, and require significant documentation, testing and possible remediation to meet t detected any significant deficiency or material weakness in our internal control and with respect to the assessment of the internal control for the year ended December 31, 2021 De implementation of controls and procedures in future years to be without any significant deficiency or material weakness.

If we become directly subject to the scrutiny involving U.S. listed Chinese companies, we may have to expend significant resources to investigate and/or defend the matter, w stock price and reputation.

U.S. public companies that have substantially all of their operations in China have been the subject of intense scrutiny by investors, financial commentators and regulatory a around financial and accounting irregularities and mistakes, a lack of effective internal controls over financial reporting and, in many cases, allegations of fraud. As a result of the s U.S. listed China-based companies that have been the subject of such scrutiny has sharply decreased in value. Many of these companies are now subject to shareholder lawsuits conducting internal and/or external investigations into the allegations. If we become the subject of any such scrutiny, whether any allegations are true or not, we may have to expe allegations and/or defend our company. Such investigations or allegations will be costly and time-consuming and distract our management from our business plan and could resu stock price could decline as a result of such allegations, regardless of the truthfulness of the allegations.

Our officers and directors control us through their positions and stock ownership and their interests may differ from other stockholders.

As of March 1, 2021 March 23, 2023, there were 96,968,400 10,065,920 shares of our common stock issued and outstanding. Mr. Zhenyong Liu, our Chief Executive Officer, be common stock. As a result, he is able to influence the outcome of stockholder votes on various matters, including the election of directors and extraordinary corporate transactior Liu's interests may differ from those of other stockholders. Furthermore, ownership of 4.7% of our common stock by Mr. Liu reduces the public float and liquidity, and may affect traded on the NYSE American.

We may not continue to pay cash dividends and any return on investment may be limited to the value of our common stock.

While we intend to retain the majority of any future earnings for use in the operation and expansion of our business, we did declare four quarterly cash dividends in April 20 that our Board of Directors will continue the quarterly cash dividend as a regular dividend policy in the coming years, there is no guarantee that the cash dividend will not be disc continue the cash dividend, as a holding company, our ability to pay dividends and meet other obligations depends upon the receipt of dividends or other payments from o operating subsidiaries, from time to time, may be subject to restrictions on their ability to make distributions to us, including restrictions on the conversion of local currency into U. regulatory restrictions.

Our common stock may be affected by limited trading volume and may fluctuate significantly.

Our common stock is traded on the NYSE American. Although a trading market has developed for our common stock, there can be no assurance that the trading marke Failure to maintain a trading market for our common stock may adversely affect our shareholders' ability to sell our common stock in short time periods, or at all. Our common sto the future, significant price and volume fluctuations, which could adversely affect the market price of our common stock.

Future financings may dilute stockholders or impair our financial condition.

In the future, we may need to raise additional funds through public or private financing, which might include the sale of equity securities. The issuance of equity securities co our existing stockholders. The issuance of debt could result in effective subordination of stockholders' interests to the debt, create the possibility of default, and limit our financial a

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Item 1B. Unresolved Staff Comments

None.Not applicable.

Item 2. Properties

Our headquarters are located at Hebei Baoding Dongfang Paper Milling Company Limited, Juli Road, Xushui District, Baoding City, Hebei Province, China. We have two ma located approximately 4 kilometers away from our headquarters, and the second production base located in Wei County, Xingtai City, Hebei Province.

All land in the PRC is owned by the government and cannot be sold to any individual or entity. Instead, the government grants landholders a "land use right" after a purcha the government. The "land use right" allows the holder the right to use the land for a specified long-term period of time and enjoys all the incidents of ownership of the land. The fo Paper's land use rights with regard to the land that it uses in its business.

The land of our first production base (the "Xushui Paper Mill"), comprising 200 mu, or approximately 33 acres, of land, is leased from the local government pursuant to a 30 The lease requires an annual payment of approximately $ 17,406 (RMB 120,000) due by June 30 every year.

The land of the second production base (the "Xingtai Paper Mill"), comprising 300 mu, or approximately 50 acres, of land, is owned by Hebei Tengsheng Paper Co., Ltd., a lim laws of the PRC. ("Hebei Tengsheng" Tengsheng Paper"). On June 25, 2019, Dongfang Paper entered into an acquisition agreement with the shareholder of Hebei Tengsheng Paper C agreed to acquire Hebei Tengsheng Paper for the consideration in the amount of RMB 320 million (approximately $45 million) which was fully paid on February 23, 2022.

The office building and essentially all industrial-use buildings at our headquarters (the "Industrial Buildings") are leased to us by a third party, Hebei Fangsheng Real Estate D for a term of up to three years starting August 2013, with an annual rental payment of approximately $155,101 (RMB1,000,000). The lease agreement expired in August 2016. C Company entered into a supplementary agreement with Hebei Fangsheng, who agreed to extend the lease term to August 9, 2022, with the same rental payment as original lease ag

In the spring of 2010, we initiated the process of acquiring approximately 667,000 square meters of land adjacent to our first production base, Xushui Paper Mill and subseq our capacity expansion plan. On April 13, 2012, we closed our acquisition of 58,566 square meters of land and secured all associated land use right permits (the "Xushui Mill Anne Annex, we paid a total of $7.5 million for various payments of compensation, taxes, and recording fees to the sellers and the local government. On October 26, 2012, we made a pr the purchase of land use right from the local residents' council for approximately 65,023 square meters of land located inside of our Xushui Paper Mill. In December 2016, the Com use right, with a land use term of 50 years expiring in 2066.

As of December 31, 2021 December 31, 2022, our facilities include a total of nine production lines, among which PM7 is currently idle and under renovation, and each PM4 a been suspended, nine warehouses, two office buildings, two cafeterias, and five dormitories.

Item 3. Legal Proceedings

We are currently not a party to any legal or administrative proceedings and are not aware of any pending or threatened legal or administrative proceedings against us in all r become a party to various legal or administrative proceedings arising in the ordinary course of our business.

Item 4. Mine Safety Disclosures

Not Applicable.

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

IT Tech Packaging's common stock is traded on the NYSE American under the symbol "ITP".

Holders

As of March 15, 2022 March 23, 2023, we had approximately 9,000 shareholders of record of our common stock.

Dividends

On November 21, 2013, the Company declared another quarterly dividend of $0.005 per share to shareholders of record as of November 29, 2013.

The dividend was paid on December 10, 2013. Total dividends declared and paid for the year ended December 31, 2013 were $323,032.

We do not expect to pay dividends in the near future. Future declaration of dividends will depend on, among other things, the Company's results of operations, capital req
other factors as the Company's Board of Directors may in its discretion consider relevant and in the best long term interest of the shareholders.

Equity Compensation Plan Information

On August 29, 2015, the Company's Annual General Meeting approved the 2015 Omnibus Equity Incentive Plan (the "2015 ISP"). Under the 2015 ISP, the Company may gra
Company's common stock to the directors, officers, employees and/or consultants of the Company and its subsidiaries. The 2015 ISP provides for the granting of non-qualifi
restricted stock awards, restricted stock unit awards, stock appreciation rights, performance stock awards, performance unit awards, unrestricted stock awards, distribution ec
foregoing. The 2015 ISP is administered by the Compensation Committee of the Board of Directors. Subject to the provisions of the 2015 ISP, the Compensation Committee has the
determinations under the plan, including but not limited to (i) determining which employees, directors or consultants shall receive an award, (ii) the time or times when an award
be granted, (iv) the term of an award, (v) the date or dates on which an award vests, (vi) the form of any payment to be made pursuant to an award, (vii) the terms and condition
restricted stock award, (ix) the number of shares which may be issued under an award, (x) performance goals applicable to any award and certification of the achievement of such
or performance goals, subject in all cases to compliance with applicable laws. On January 12, 2016, the Company granted an aggregate of 1,133,916 shares of common stock unde
officers, directors and employees of and a consultant when the stock was at $1.25 per share, as compensation for their services in the past years, of which 168,416 shares of co
Incentive Stock Plan and 965,500 shares were granted under the 2015 Omnibus Equity Incentive. On September 13, 2018, the compensation committee granted an aggregate of
officers, directors and employees of the Company, which were granted under the 2015 Omnibus Equity Incentive Plan. Total fair value of the shares of common stock granted w
issuance at $0.88 per share.

On August 14, 2019, the Company's Annual General Meeting approved the 2019 Incentive Stock Plan (the "2019 ISP"). Under the 2019 ISP, the Company may grant an aggre
common stock to the Company's directors, officers, employees or consultants. Specifically, the Board and/or the Compensation Committee have authority to (a) grant, in its d
statutory Options, Stock Awards or Restricted Stock Purchase Offers; (b) determine in good faith the fair market value of the stock covered by any grant; (c) determine which el
number of shares, restrictions, terms and conditions to be included in such grants; and (d) make all other determinations necessary or advisable for the 2019 ISP's administration.

All shares of common stock under the 2015 and 2019 ISPs, including shares originally authorized by equity holders and shares remaining for future issuance as of December

2021 Incentive Stock Plan

On November 12, 2021, the Company's Annual General Meeting adopted and approved the 2021 Omnibus Equity Incentive Plan of IT Tech Packaging, Inc.(the"2021 Plan")
has reserved a total of 1,500,000 150,000 shares of common stock for issuance as or under awards to be made to the directors, officers, employees and/or consultants of the Compa

All shares of common stock under the 2021 ISP, including shares originally authorized by equity holders and shares remaining for future issuance as of December 31, 2022, ha
Equity Compensation Plan

The following table provides information as of December 31, 2022 about our equity compensation plan and arrangements:

Plan category	Number of securities to be issued upon exercise of outstanding options and restricted stock units	Weigh exerc out o and sto
Equity compensation plans approved by security holders	-	$
Equity compensation plans not approved by security holders	-	
Total		**$**

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 6. [Reserved]

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of the financial condition and results of operations of the Company should be read in conjunction with the selected financial data, the financial state that are included elsewhere in this annual report.

Results of Operations

Revenue for the year ended December 31, 2021 December 31, 2022 was $160,881,720, $100,352,434, representing an increase a decrease of $59,938,451, $60,529,286, or 59.3 for the previous year. This was mainly due to the increase decrease in sales volume of corrugating medium paper ("CMP") and offset printing paper and increase in average selling and tissue paper products, partially offset by the decrease in sales volume of tissue paper products.

Revenue of Offset Printing Paper, Corrugating Medium Paper and Tissue Paper Products

Revenue from sales of offset printing paper, CMP and tissue paper products for the year ended December 31, 2021 December 31, 2022 was $160,343,920, $60,502,595, $60,262,256, or 60.60% 37.58%, from $99,841,325 $160,343,920 for the year ended December 31, 2020 December 31, 2021. This was mainly due to the increase decreas Light-Weight CMP and offset printing paper and the increase in ASP of light-weight CMP, offset printing paper and tissue paper products, partially offset by and the decrease products.

Total quantities of offset printing paper, CMP and tissue paper products sold during the year ended December 31, 2021 December 31, 2022 amounted to 292,459 219,604 ton tonnes, or 28.65% 24.91%, compared to 227,331 292,459 tonnes sold during the year ended December 31, 2020 December 31, 2021. Total quantities of CMP and offset printing pape tonnes in the year of 2021 2022 as compared to 2020. 2021. We sold 1,273 tonnes of tissue paper products in the year of 2022 as opposed to 8,255 tonnes in 2021. Production c February 2022 and offset printing paper suspended during the year. Production was restricted due to Winter Olympics held in Beijing 2022 and COVID-19 control measures durin The changes in revenue and quantity sold for the year ended December 31, 2021 December 31, 2022 and 2020 2021 are summarized as follows:

	Year Ended December 31, 2021		Year Ended December 31, 2020		Change in		Percentage Change		Year Ended December 31, 2022		Year Ended December 31, 2021		C
Sales Revenue	**Quantity (Tonne)**	**Amount**	**Quantity (Tonne)**	**Amount**	**Quantity (Tonne)**	**Amount**	**Quantity**	**Amount**	**Quantity (Tonne)**	**Amount**	**Quantity (Tonne)**	**Amount**	**Quantit (Tonne**
Regular CMP	213,490	$111,079,432	154,084	$62,324,519	59,406	$48,754,913	38.55%	78.23%	180,977	$ 82,297,055	213,490	$111,079,432	(32,51
Light-Weight CMP	46,201	$ 23,432,323	42,801	$16,836,407	3,400	$ 6,595,916	7.94%	39.18%	37,354	$ 16,428,354	46,201	$ 23,432,323	(8,84
Total CMP	259,691	$134,511,755	196,885	$79,160,926	62,806	$55,350,829	31.90%	69.92%	218,331	$ 98,725,409	259,691	$134,511,755	(41,36
Offset Printing Paper	24,513	$ 17,062,564	20,358	$12,265,746	4,155	$ 4,796,818	20.41%	39.11%	-	$ -	24,513	$ 17,062,564	(24,51
Tissue Paper Products	8,255	$ 8,769,601	10,088	8,414,653	(1,833)	$ 354,948	-18.17%	4.22%	1,273	$ 1,356,255	8,255	$ 8,769,601	(6,98
Total CMP, Offset Printing Paper and Tissue Paper Revenue	292,459	$160,343,920	227,331	$99,841,325	65,128	$60,502,595	28.65%	60.60%	219,604	$100,081,664	292,459	$160,343,920	(72,85

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Monthly revenue (excluding revenue of digital photo paper and tissue paper products) for the 24 months ended December 31, 2021 December 31, 2022, are summarized belo

The average selling price, or ASP, for our major products for the years ended December 31, 2021 December 31, 2022 and 2020 2021 are summarized as follows:

	Offset Printing Paper ASP		Regular CMP ASP		Light-'
Year Ended December 31, 2020	$	603	$	404	$
Year Ended December 31, 2021	$	696	$	520	$
Increase from comparable period in the previous year	$	93	$	116	$
Increase by percentage		15.42 %		28.71 %	

	Offset Printing Paper ASP		Regular CMP ASP		Light-'
Year Ended December 31, 2021	$	696	$	520	$
Year Ended December 31, 2022	$	-	$	455	$
Increase (Decrease) from comparable period in the previous year	$	-696	$	-65	$
Increase (Decrease) by percentage		-%		-12.50%	

The following is a chart showing the month-by-month ASPs for the 24 month period ended December 31, 2021 December 31, 2022:

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Corrugating Medium Paper

Revenue from CMP amounted to $134,511,755 (83.89% $98,725,409 (98.64% of the total offset printing paper, CMP and tissue paper products revenues) for the year end representing an increase a decrease of $55,350,829, $35,786,346, or 69.92% 26.60%, from $79,160,926 $134,511,755 during 2020.2021.

We sold 259,691 218,331 tonnes of CMP in the year ended December 31, 2021 December 31, 2022 as compared to 196,885 259,691 tonnes in the year ended December 3 31.90% increase 15.93% decrease in quantity sold.

ASP for regular CMP increased dropped from $404/tonne in 2020 to $520/tonne in 2021 to $455/tonne in 2022, representing a 28.71% increase. 12.50% decrease. ASP in RMB f was RMB2,789 RMB3,355 and RMB3,355, RMB3,073, respectively, representing a 20.29% increase. 8.41% decrease. The quantity of regular CMP sold increased decreased by 59,406 32,5 213,490 tonnes in 2021.2021 to 180,977 tonnes in 2022.

ASP for light-weight CMP increased dropped from $393/tonne in 2020 to $507/tonne in 2021 to $440/tonne in 2022, representing a $29.01% increase. $13.21% decrease. ASP and 2021 2022 was RMB2,712 RMB3,270 and RMB3,270, RMB2,972, respectively, representing a 20.58% increase. 9.11% decrease. The quantity of light-weight CMP sold increased de tonnes in 2020, to 46,201 tonnes in 2021.2021, to 37,354 tonnes in 2022.

Our PM6 production line, which produces regular CMP, has a designated capacity of 360,000 tonnes /year. The utilization rates for the year ended December 31, 202 60.94% 49.28% and 42.56% 60.94%, respectively, representing an increase a decrease of 18.38% 11.66%.

Quantities sold for regular CMP that was produced by the PM6 production line from January 2020 2021 to December 2021 2022 are as follows:

Offset Printing Paper

Revenue from offset printing paper was $nil for the year ended December 31, 2022 compared to the revenue of $17,062,564 (10.64% for the year ended December 31, 2021. D restricted and production of offset printing paper was suspended in 2022.

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Tissue Paper Products

Revenue from tissue paper products was $1,356,255 (1.36% of the total offset printing paper, CMP and tissue paper products revenues) for the year ended December 31 increase a decrease of $4,796,818, $7,413,346, or 39.11% 84.53%, from $12,265,746 $8,769,601 in 2020. 2021. We sold 24,513 tonnes of offset printing paper in the year ended Decemb 2020, an increase of 4,155 tonnes, or 20.41%. ASPs for offset printing paper in the year ended December 31, 2020 and 2021 was $603/tonne and $696/tonne, respectively, representi printing paper for the year ended December 31, 2020 and 2021 was RMB4,154 and RMB4,488, respectively, representing a 8.04% increase.

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Tissue Paper Products

Revenue from tissue paper products was $8,769,601 (5.47% of the total offset printing paper, CMP and tissue paper products revenues) for the year ended December 31, 20 4.22%, from $8,414,653 in 2020. We sold 8,255 1,273 tonnes of tissue paper products in the year ended December 31, 2021 December 31, 2022, as compared to 10,088 8,255 tonr tonnes, or 18.17%.ASP 84.58%.

ASP for tissue paper products was $834 $1,062/tonne and /tonne$1,062/ $1,065/tonne in the year ended December 31, 2020 December 31, 2021 and 2021, 2022, respectively, in RMB for tissue paper products for the year ended 2020 2021 and 2021 2022 was RMB5,821 RMB6,849 and RMB6,849, RMB7,198, respectively, representing a 17.66% 5.10% increase.

Revenue of Face Mask

On April 29, 2020, we launched a production line of non-medical single-use face masks, following the completion of raw materials preparation, trial run of the equipment anc generated from selling face mask masks were $537,800 $257,820 and $1,101,944 $537,800 for the year ended December 31, 2021 December 31, 2022 and 2020. 2021. We sold 12,664 5 year fourth quarter of 2021, 2022, as compared to 10,301 12,664 thousand pieces in year the comparable period of 2020, an increase 2021, a decrease of 2,363 7,039 thousand pieces, c

Cost of Sales

Total cost of sales for CMP, offset printing paper and tissue paper products in the year ended December 31, 2021 December 31, 2022 was $149,429,711, an increase $95,384,: or 57.84% 36.17%, from $94,669,389 $149,429,711 for the year ended December 31, 2020 December 31, 2021. This was mainly a result of the increase decrease in sales volum increase decrease of material costs. costs of CMP.

Cost of sales for CMP was $125,445,157 $91,093,891 for the year ended December 31, 2021 December 31, 2022, as compared to $74,279,241 $125,445,157 in 2020. 2021. Th $51,165,916 $34,351,266 for CMP was mainly due to the increase decrease in the quantities of regular CMP sold and the increase decrease in average cost of recycled paper board sale sales per tonne for CMP increased decreased by 28.12% 13.66%, from $377 $483 for the year ended December 31, 2020 December 31, 2021, to $483 $417 in 2021.This 2022.This is mair unit purchase costs (net of applicable value added tax) of recycled paper board.

Cost of sales for offset printing paper was $13,963,983 $nil for the year ended December 31, 2021 December 31, 2022, as compared to $10,147,280 $13,963,983 in 2020. Averag paper increased by 14.46%, from $498 for the year ended December 31, 2020, to $570 in 2021. The increase was mainly attributable to higher average unit purchase costs (net of ap scrap paper.

Cost of sales for tissue paper products was $10,020,571 $4,290,443 for the year ended December 31, 2021 December 31, 2022, as compared to $10,242,868 $10,020,571 in 202 $5,730,128 for tissue paper products was mainly due to the decrease in sales volume of tissue paper products, partially offset by the increase in average cost of sales. Average cost increased by 19.61% 177.59%, from $1,015 for $1,214 in 2021 to $ 3,370 in 2022. This was mainly due to the year ended December 31, 2020, increase in cost of tissue base paper absorbed in the unit cost of sales due to $1,214 for 2021. low production yield.

Changes in cost of sales and cost per tonne by product for the year ended December 31, 2021 December 31, 2022 and 2020 2021 are summarized below:

	Year Ended December 31, 2021		Year Ended December 31, 2020		Change in		Change in percentage		Year Ended December 31, 2022		Year Ended December 31, 2021	
	Cost of Sales	Cost per Tonne	Cost of Sales	Cost per tonne	Cost of Sales	Cost per Tonne	Cost of Sales	Cost per Tone	Cost of Sales	Cost per Tonne	Cost of Sales	Cost per tonne
Regular CMP	$ 104,057,538	$ 487	$ 58,947,059	$ 383	$ 45,110,479	$ 104	76.53 %	27.15 %	$76,213,404	$ 421	$104,057,538	$ 487
Light-Weight CMP	$ 21,387,619	$ 463	$ 15,332,182	$ 358	$ 6,055,437	$ 105	39.49 %	29.33 %	$14,880,487	$ 398	$ 21,387,619	$ 463
Total CMP	$ 125,445,157	$ 483	$ 74,279,241	$ 377	$ 51,165,916	$ 106	68.88 %	28.12 %	$91,093,891	$ 417	$125,445,157	$ 483
Offset Printing Paper	$ 13,963,983	$ 570	$ 10,147,280	$ 498	$ 3,816,703	$ 72	37.61 %	14.46 %	$ -	$ -	$ 13,963,983	$ 570
Tissue Paper Products	$ 10,020,571	$ 1,214	$ 10,242,868	$ 1,015	$ (222,297)	$ 199	-2.17 %	19.61 %	$ 4,290,443	$ 3,370	$ 10,020,571	$ 1,214
Total CMP, Offset Printing Paper and Tissue Paper Revenue	$ 149,429,711	$ n/a	$ 94,669,389	$ n/a	$ 54,760,322	$ n/a	57.84 %	n/a %	$95,384,334	$ n/a	$149,429,711	$ n/a

Our average unit purchase costs (net of applicable value added tax) of recycled paper board and recycled white scrap paper for the year ended December 31, 2022 were RMI as compared to RMB 1,997/tonne (approximately $310/tonne) for the year ended December 31, 2021 were RMB 1,997/tonne (approximately $310/tonne) and RMB 2,322/tonne (a compared to RMB 1,582/tonne (approximately $229/tonne) and RMB 2,086/tonne (approximately 303/tonne) for the year ended December 31, 2020, respectively.. These changes increase decrease of 35.37% 19.35% for the unit purchase cost of recycled paper board and a year-over-year increase of 18.81% for the unit purchase cost of recycled white scrap pap (sourced mainly from the Beijing-Tianjin metropolitan area) exclusively. Although we do not rely on imported recycled paper, the pricing of which tends to be more volatile thai suggests that the pricing of domestic recycled paper bears some correlation to the pricing of imported recycled paper.

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The pricing trends of our major raw materials for the 24-month period from January 2020 2021 to December 2021 2022 are shown below:

Electricity and gas are our two main energy sources. Electricity and gas accounted for approximately 4% and 10.5% 12.4% of total sales in 2021, 2022, respectively, con
2020. 2021. The monthly energy cost (electricity coal and gas) as a percentage of total monthly sales of our main paper products for the 24 months ended December 31, 2021 Decemb

Gross Profit
Gross Profit
Gross profit for December 31, 2021 December 31, 2022 was $11,017,559 (6.85% $4,754,196 (4.74% of the total revenue), representing an increase a decrease of $5,315,574, $6
profit of $5,701,985 (5.65% $11,017,559 (6.85% of the total revenue) for the year ended December 31, 2020 December 31, 2021. The increase decrease was mainly due to (i) the incre
offset printing paper and (ii) the increase of ASP of CMP, offset printing paper and tissue paper products, partially offset by and (ii) the increase in material costs. costs of tissue pape

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Corrugating Medium Paper, Offset Printing Paper and Tissue Paper Products

Gross profit for offset printing paper, CMP and tissue paper products for the year ended December 31, 2021 December 31, 2022 was $10,914,209, an increase $4,697,33 111.03% 56.96%, from the gross profit of $5,171,936 $10,914,209 for the year ended December 31, 2020 December 31, 2021. The increase decrease was mainly the result of the factors

The overall gross profit margin for offset printing paper, CMP and tissue paper products increased decreased by 1.63percentage 2.12 percentage points, from 5.18% for the y the year ended December 31, 2021 , to 4.69% for the year ended December 31, 2022.

Gross profit margin for regular CMP for the year ended December 31, 2021 December 31, 2022 was 6.32% 7.39%, or 0.90 1.07 percentage points higher, as compared to gros ended December 31, 2020 December 31, 2021. Such increase was primarily due to increase decrease in material costs, partially offset by the decrease in ASP of regular CMP, par sales.CMP.

Gross profit margin for light-weight CMP for the year ended December 31, 2021 December 31, 2022 was 8.73% 9.42%, or 0.20 0.69 percentage points lower, higher, as compare the year ended December 31, 2020 December 31, 2021. Such decrease increase was primarily due to the increase decrease in unit cost of sales, material costs, partially offset by tl CMP.

Gross profit margin for offset printing paper was 18.16% for the year ended December 31, 2021, an increase of 0.89 percentage points, as compared to 17.27% for the year er mainly due to the increase in ASP of offset printing paper, partially offset by the increase of purchase price of recycled white scrap paper.

Gross profit margin for tissue paper products was -216.34% for the year ended December 31, 2022, a decrease of 202.08 percentage points, as compared to -14.26% for the y of 7.47 percentage points, as compared to -21.73% for the year ended December 31, 2020. The increase .The decrease was mainly due to the increase in ASP of tissue base paper, par base paper.

Monthly gross profit margins for our corrugating medium paper and offset printing paper for the 24-month period ended December 31, 2021 December 31, 2022 are as follov

Face Masks

Face Masks

Gross profit for face mask for the year ended December 31, 2021 December 31, 2022 was $67,328, representing a gross margin of 26.11% compared with a gross profit o 19.22% compared with a gross profit of $530,049, representing a gross margin of 48.10%, for the year ended December 31, 2020 December 31, 2021.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the year ended December 31, 2021 December 31, 2022 were $9,558,190, a decrease $10,058,723, an increase of $1 $11,157,789 $9,558,190 for the year ended December 31, 2020 December 31, 2021. The decrease increase was mainly due to higher share based compensation 150,000 shar compensatory incentive plan in year 2020.August 2022, value at $156,000 and additional bad debt provision.

Income (Loss) from Operations

Operating income loss for the year ended December 31, 2021 December 31, 2022 was $1,459,369, an increase $5,304,527, a decrease of $6,915,173, $6,763,896, or 126.75% 463 $5,455,804 $1,459,369 for the year ended December 31, 2020 December 31, 2021. The increase decrease was primarily due to the increase decrease in gross profit and decrease incr expenses.

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Other Income and Expenses

Interest expense for the year ended December 31, 2021 increased December 31, 2022 decreased by $98,190, $96,751, from $1,026,512 $1,124,702 for the year ended D
$1,124,702. $1,027,951. The Company had short-term and long-term interest-bearing loans and lease obligation that aggregated $16,139,485 $15,442,807 as of December 31,
$16,566,324 $16,139,485 as of December 31, 2020 December 31, 2021.

Provision for Income Taxes

Full allowance for deferred tax asset loss was provided in the year of 2022. Income tax for the year ended December 31, 2022 is $11,711,339 as compared to the income tax $
2021.

Net Income (Loss)

As a result of the above, net income loss was $905,535 $16,571,308 for the year ended December 31, 2021 December 31, 2022, representing an increase a decrease of $6,551,
net loss income of $5,554,002 $905,535 for year ended December 31, 2020 December 31, 2021.

Accounts Receivable

Accounts Receivable

Net accounts receivable increased decreased by $2,479,877, $3,987,056, or 103.80% 81.89%, to $881,878 as of December 31, 2022, as compared with $4,868,934 as of Decembe
of December 31, 2020. We usually collect accounts receivable within 30 days of delivery and completion of sales.

Inventories

Inventories

Inventories consist of raw materials (accounting for 40.17% 51.22% of total value of inventory as of December 31, 2021 December 31, 2022), semi-finished goods and finished
31, 2022, the recorded value of inventory increased decreased by 373.73% 50.85% to $5,844,895 $2,872,622 from $1,233,801 $5,844,895 as of December 31, 2020 December 31, 2021. As
the inventory of recycled paper board, which is the main raw material for the production of CMP, was $2,097,062, $1,258,161, approximately $2,077,603, $838,901, or 10676.82% 4
December 31, 2020 December 31, 2021. Due to the volatility As a result of better control over stock turnover, recycled paper board price and the uncertainty of market finished g
situation during the pandemic, a minimum level of inventory was maintained 62.7%, respectively, as at December 31, 2022 as compared to finished goods at the end of 2020.2021.

A summary of changes in major inventory items is as follows:

	December 31, 2021	December 31, 2020	$ Change	% Change	Decem 31, 2022
Raw Materials					
Recycled paper board	$ 2,097,062	$ 19,459	2,077,603	10676.82 %	$ 1,258,
Recycled white scrap paper	11,808	11,193	615	5.49 %	10,
Tissue base paper	38,745	14,027	24,718	176.22 %	60,
Gas	32,753	55,473	-22,720	-40.96 %	42,
Mask fabric and other raw materials	167,786	167,399	387	0.23 %	99,
Total Raw Materials	2,348,154	267,551	2,080,603	777..65 %	1,471,
Semi-finished Goods	96,087	176,703	-80,616	-45.62 %	132,
Finished Goods	3,400,654	789,547	2,611,107	330.71 %	1,268,
Total inventory, gross	5,844,895	1,233,801	4,611,094	373.73 %	2,872,
Inventory reserve	-	-	-		
Total inventory, net	$ 5,844,895	$ 1,233,801	4,611,094	373.73 %	$ 2,872,

Accounts Payable

Accounts payable and notes payable was $10,255 as of December 31, 2021, a decrease of 582,136, or 98.27%, from $592,391 as of December 31, 2020.

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Renewal of operating lease

On August 7, 2013, the Company's Audit Committee and the Board of Directors approved the sale of the land use right of the Headquarters Compound (the "LUR"), the offi buildings in the Headquarters Compound (the "Industrial Buildings"), and three employee dormitory buildings located within the Headquarters Compound (the "Dormitorie approximately $2.77 million, $1.15 million, and $4.31 million respectively. In connection with the sale of the Industrial Buildings, Hebei Fangsheng agreed to lease the Industrial Bui use for a term of up to three years, with an annual rental payment of approximately $155,101 $147,988 (RMB1,000,000). The lease agreement expired was renewed in August 2016. Company entered into two supplementary agreements 2022 with Hebei Fangsheng, who agreed to extend the lease a term to August 9, 2022 of six years with the same rental original lease agreement. The accrued rental owed to Hebei Fangsheng was approximately $61,879 and $nil which was recorded as part of the current liabilities as of December 31, 20

Capital Expenditure Commitment as of December 31, 2021December 31, 2022

On May 5, 2020, the Company announced it planned the commercial launch of a new tissue paper production line PM10 and the Company signed an agreement to pur supplier. The Company expected the new tissue paper production line to be launched after the completion of trial run.

As of December 31, 2021 December 31, 2022, we had approximately $4.7 million $4.3 million in capital expenditure commitments that were mainly related to the purchase of work of PM10 has been completed and the associated ancillary facilities are working in progress. These commitments are expected to be financed by bank loans and cash flows gen

Financing with Sale-Leaseback

The Company entered into a sale-leaseback arrangement (the "Lease Financing Agreement") with TAC Leasing Co., Ltd.("TLCL") on August 6, 2020, for a total financing p (approximately US$2.5 million). Under the sale-leaseback arrangement, Hebei Tengsheng Paper sold the Leased Equipment to TLCL for 16 million (approximately US$2.5 million). Co Tengsheng Paper leases back the equipment sold to TLCL for a lease term of three years. At the end of the lease term, Hebei Tengsheng Paper may pay a nominal purchase price of and buy back the Leased Equipment. The Leased Equipment in amount of $2,349,452 was recorded as right-of-use right of use assets and the net present value of the minimum lea and calculated with TLCL's implicit interest rate of 15.6% of15.6% per annum and stated at $567,099 at the inception of the lease on August 17, 2020.

Hebei Tengsheng Paper made payments due according to the schedule. As of December 31, 2021 December 31, 2022 and 2020, 2021, the balance of Leased Equipment net and $2,397,653, $2,286,459, respectively. The lease liability were $362,394 $131,772 and $536,959, $362,394, and its current portion in the amount of $210,161 $131,772 and $182,852 $ 31, 2022 and 2020, 2021, respectively.

Amortization of the Leased Equipment was $165,441 $157,854 and $51,574 $165,441 for the year ended December 31, 2021 December 31, 2022 and 2020, 2021, respectively back arrangement was $71,798 $38,954 and $28,083 $71,798 for the year ended December 31, 2021 December 31, 2022 and 2020, 2021, respectively.

As a result of the sale and leaseback, a deferred gain in the amount of $430,695 was recorded. The deferred gain is amortized over the lease term and as an offset to amortiza

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Cash, Cash Equivalents and restricted cash

Our cash, cash equivalents and restricted cash as of December 31, 2021 December 31, 2022 was $11,201,612, an increase $9,524,868, a decrease of $7,059,175, $1,676,744, from 2020 December 31, 2021. The increase decrease of cash and cash equivalents for the year ended December 31, 2021 December 31, 2022 was attributable to a number of factors:factor

i. Net cash provided by operating activities

Net cash used in provided by operating activities was $2,436,071 $10,719,388 for the year ended December 31, 2021 December 31, 2022. The balance represented a decre 115.09% 540.03%, from $16,143,526 provided $2,436,071 used in operating activities for the year ended December 31, 2020 December 31, 2021. Net income loss for the year ended $905,535, $ $16,571,308, representing an increase a decrease of $6,459,537, $17,476,843, or 116.30% 1930.0%, from a net loss income of $5,554,002 $905,535 for the year ended Decemb various asset and liability account balances throughout the year ended December 31, 2021 December 31, 2022 also contributed to the net change in cash from operating activities i 31, 2022. Chief among such changes is the increase decrease of accounts receivable in the amount of $2,430,495 $3,750,196 (an increase to net cash) during the year of 2021. 2022 $4,531,263 $2,554,072 in the ending inventory balance as of December 31, 2021 (a decrease December 31, 2022 (an increase to net cash for the year ended December 31, 2021 D addition, the Company had non-cash expenses relating to depreciation and amortization in the amount of $15,358,452. $14,788,036, net deferred tax allowance of $10,261,104 an Company also had a net increase of $8,350,716 $3,976,010 in prepayment and other current assets (a decrease to net cash) and a net increase of $469,797 $1,018,448 in other payable (a decrease to net cash), as well as an increase a decrease in income tax payable of $832,946 (an increase $614,738 (a decrease to net cash) during the year ended December 31, 2021 D

ii. Net cash used in investing activities

We incurred $25,071,372 $10,898,531 in net cash expenditures for investing activities during the year ended December 31, 2021 December 31, 2022, as compared to $ December 31, 2020 December 31, 2021. Expenditures Payments in the year ended December 31, 2021 2022 were mainly for the payments last installments for the acquisition of acquisition.

iii. Net cash provided in financing activities

Net cash provided by financing activities

Net cash used in financing activities was proceeds from issuance of shares and warrants net of repayment of loans and lease obligation of $34,193,824 $879,596 for the ye 2022, as compared to net cash provided by financing activities in the amount of $2,054,855 $34,193,824 for the year ended December 31, 2020 December 31, 2021.

	December 31, 2022	December 31, 2021
Industrial and Commercial Bank of China ("ICBC") Loan 1	$ -	$ 5,958,561
ICBC Loan 2	5,023,978	
ICBC Loan 3	287,167	-
ICBC Loan 4	143,583	-
China Construction Bank Loan	143,583	-
Total short-term bank loans	$ 5,598,311	$ 5,958,561

Short-term On November 25, 2021, the Company entered into a working capital loan agreement with the ICBC, with a balance of $5,958,561 as of December 31, 2021. The working cap Dongfang Paper as collateral for the benefit of the bank loans and guaranteed by Mr. Liu. The loan bears a fixed interest rate of 4.785% per annum. The loan was fully repaid in Novemb

	December 31, 2021	December 31, 2020
Industrial and Commercial Bank of China ("ICBC") Loan 1	$ -	$ 6,435,348
Industrial and Commercial Bank of China ("ICBC") Loan 2	5,958,561	-
Total short-term bank loans	$ 5,958,561	$ 6,435,348

(a) On December 11, 2020, the Company entered into a working capital loan agreement with the ICBC, with a balance of $6,435,348 as of December 31, 2020. The working capital Dongfang Paper as collateral for the benefit of the bank. The loan bears a fixed interest rate of 4.785% per annum. The loan was fully repaid in November 2021.

(b) On November 25, 2021, the Company entered into a working capital loan agreement with the ICBC, with a balance of $5,958,561 as of December 31, 2021 On November 10, 2 capital loan agreement with the ICBC, with a balance of $5,023,978 as of December 31, 2022. The working capital loan was secured by the land use right of Dongfang Paper a guaranteed by Mr. Liu. The loan bears a fixed interest rate of 4.785% per annum. The loan will be due by November 13, 2023. The working capital loan was secured by the Lan for the benefit of the bank and guaranteed by Mr. Zhenyong Liu, the Company's CEO. The loan bears a fixed interest rate of 4.785% per annum. The loan will be due and repai 2022.

On November 30, 2022, the Company entered into a working capital loan agreement with the ICBC, with a balance of $287,167 as of December 31, 2022. The loan bears a fixe will be due by May 29, 2023.

On November 30, 2022, the Company entered into a working capital loan agreement with the ICBC, with a balance of $143,583 as of December 31, 2022. The loan bears a fixe will be due by May 29, 2023.

On July 29, 2022, the Company entered into a working capital loan agreement with the China Construction Bank, with a balance of $143,583 as of December 31, 2022. The lo annum. The loan will be due by July 29, 2023.

As of December 31, 2020 December 31, 2021, there were guaranteed short-term borrowings of $5,958,561 and unsecured bank loans of $nil. As of December 31, 2020 Decem term borrowings of $6,435,348 $5,023,978 and unsecured bank loans of $nil. $574,333.

The average short-term borrowing rates for the years ended December 31, 2021 December 31, 2022, and 2020 2021 were approximately 4.73% 4.72% and 4.79% 4.73%, respect

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Long-term loans from credit union

As of December 31, 2021 December 31, 2022, and 2020, 2021, long-term loans payable to Rural Credit Union of Xushui County, amounted to balance is $9,040,002 and $9,818,5

On April 16, 2014, the Company entered into a loan agreement with the Rural Credit Union of Xushui District for a term of 5 years, which was originally due in various installi 2018. The loan is guaranteed by an independent third party. Interest payment is due quarterly and bears the bore a rate of 0.64% 7.68% per month. annum. With effective from Nove to 7% per annum. On November 6, 2018, the loan was renewed for additional 5 years and will be due and payable in various installments from December 21, 2018 to November 5, 2 2022, and 2020, 2021, total outstanding loan balance was $1,348,871 $1,234,816 and $1,318,028, $1,348,871, respectively, Out of the total outstanding loan balance, current portio $214,563 $329,376 as of December 31, 2021 December 31, 2022, and 2020, 2021, respectively, which are presented as current liabilities in the consolidated balance sheet and the $1,103,465 $1,019,495 are presented as non-current liabilities in the consolidated balance sheet as of December 31, 2021 December 31, 2022, and 2020, 2021, respectively.

On July 15, 2013, the Company entered into a loan agreement with the Rural Credit Union of Xushui District for a term of 5 years, which was originally due and payable in va to July 26, 2018. On June 21, 2018, the loan was extended for additional 5 years and will be due and payable in various installments from December 21, 2018 to June 20, 2023. The lo manufacturing equipment with net book value of $1,130,333 $280,466 and $2,349,796 $1,130,333 as of December 31, 2021 December 31, 2022, and 2020, 2021, respectively. Interest p fixed rate of 0.64% 7.68% per month. annum. With effective from November 15, 2022, the interest rate is reduced to 7% per annum. As of December 31, 2021 December 31, 2022, balance was $3,921,139 $3,589,582 and $3,831,476, $3,921,139, respectively. Out of the total outstanding loan balance, current portion amounted were $1,960,569 $3,589,582 an 2021 December 31, 2022, and 2020 2021 respectively, which are presented as current liabilities in the consolidated balance sheet and the remaining balance of $1,960,570 $nil and $ current liabilities in the consolidated balance sheet as of December 31, 2021 December 31, 2022, and 2020, 2021, respectively.

On April 17, 2019, the Company entered into a loan agreement with the Rural Credit Union of Xushui District for a term of 2 years, which was due and payable in various ins 2021. The loan was renewed on March 22, 2021 and December 24, 2021 and extended for additional 3 years in total, which will be due on April 16, 2024 according to the new schedu Paper with its land use right as collateral for the benefit of the credit union. Interest payment is due quarterly and bears bore a fixed rate of 0.6% 7.68% per month. annum. W interest rate is reduced to 7% per annum. As of December 31, 2021 December 31, 2022, and 2020, 2021, the total outstanding loan balance was $2,297,332 and $2,509,528, respe balance, current portion amounted were $nil and $2,452,145, $2,509,528 as of December 31, 2022 and 2021 respectively, which are presented as current liabilities in the consolidated of $2,297,332 and $nil are presented as non-current liabilities in the consolidated balance sheet as of December 31, 2021, December, 2022 and 2020. 2021, respectively.

On December 12, 2019, the Company entered into a loan agreement with the Rural Credit Union of Xushui District for a term of 2 years, which is due and payable in v December 11, 2021.The . The loan was renewed on March 22, 2021 and December 24, 2021 and extended for additional 3 years in total, which will be due on December 11, 2024 a secured by Hebei Tengsheng Paper with its land use right as collateral for the benefit of the credit union. Interest payment is due monthly and bears bore a fixed rate of 7.5 November 15, 2022, the interest rate is reduced to 7% per annum. As of December 31, 2021 December 31, 2022, and 2020, 2021, the total outstanding loan balance was $1,866,582 ar outstanding loan balance, current portion amounted were $nil and $1,992,368, $2,038,992 as of December 31, 2022, and 2021 respectively, which are presented as current liabilities remaining balance of $1,866,582 and $nil are presented as non-current liabilities in the consolidated balance sheet as of December 31, 2021 December 31, 2022, and 2020. 2021, respec

On July 1, 2022, the Company entered into a loan agreement with Jiangna Yu, a customer of the Company, pursuant to which the Company borrowed RMB400,000 from Jian payable in monthly installment of RMB10,667 from July 2022 to July 2027. As of December 31, 2022, the total outstanding loan balance was $51,690. Out of the total outstanding lo $11,486, which is presented as current liabilities and the remaining balance of $40,204 is presented as non-current liabilities in the consolidated balance sheet as of December 31, 202

Total interest expenses for the short-term bank loans and long-term loans for the years ended December 31, 2021 December 31, 2022, and 2020 2021 were $988,997 and $1,05

Related party transactions

Mr. Zhenyong Liu has loaned money to Dongfang Paper for working capital purposes over a period of time. On January 1, 2013, Dongfang Paper and Mr. Zhenyong Liu re entered on January 1, 2010, and extended the maturity date further to December 31, 2015. On December 31, 2015, the Company paid off the loan of $2,249,279, together with inter 2015. Approximately $402,047 $368,052 and $392,855 $402,047 of interest were outstanding to Mr. Zhenyong Liu, which were recorded in other payables and accrued liabilit consolidated balance sheet as of December 31, 2021 December 31, 2022, and 2020, 2021, respectively.

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On December 10, 2014, Mr. Zhenyong Liu provided a loan to the Company, amounted to $8,742,278 to Dongfang Paper for working capital purpose with an interest rate of
primary lending rate of People's Bank of China. The unsecured loan was provided on December 10, 2014, and would be originally due on December 10, 2017. During the year of 20
Zhenyong Liu, together with interest of $288,596. In February 2018, the company paid off the remaining balance, together with interest of $20,400. As of December 31, 2021 Decemb
$47,054 $43,075 and $45,978 $47,054 of interest were outstanding to Mr. Zhenyong Liu, which was recorded in other payables and accrued liabilities as part of the current liabilities in

On March 1, 2015, the Company entered into an agreement with Mr. Zhenyong Liu which allows Dongfang Paper to borrow from the CEO an amount up to $17,201,342 (RMI
The advances or funding under the agreement are due three years from the date each amount is funded. The loan is unsecured and carries an annual interest rate set on the basis
Bank of China at the time of the borrowing. On July 13, 2015, an unsecured amount of $4,324,636 was drawn from the facility. On October 14, 2016 an unsecured amount of $2,883,0
2018, the company repaid $1,507,432 to Mr. Zhenyong Liu. The loan would be originally due on July 12, 2018. Mr. Zhenyong Liu agreed to extend the loan for additional 3 years and t
2021. On November 23, 2018, the company repaid $3,768,579 to Mr. Zhenyong Liu, together with interest of $158,651. In December 2019, the company paid off the remaining bala
December 2021, 2022, and 2020, 2021, the outstanding interest was $215,565 $197,338 and $210,635, $215,565, respectively, which was recorded in other payables and accrued liabi
consolidated balance sheet.

As of December 31, 2021 December 31, 2022, and 2020, 2021, total amount of loans due to Mr. Zhenyong Liu were $nil. The interest expense incurred for such related party lo
31, 2021, December 31, 2022 and 2020. 2021. The accrued interest owe payable to the CEO Mr. Zhenyong Liu was approximately $664,666 $608,465 and $649,468, $664,666, as of D
2020, 2021, respectively, which was recorded in other payables and accrued liabilities.liabilities

On December 8, 2021, the Company entered into an agreement with Mr. Zhenyong Liu, which allows allowed Mr. Zhenyong Liu to borrow from the Company an amount of
loanwill be due on June 29, 2022. The loan is unsecured and carries a fixed interest rate of 3% per annum. The loan was repaid by Mr. Zhenyong Liu in February 2022.

In October 2022 and November 2022, the Company entered into two agreements with Mr. Zhenyong Liu, which allowed Mr. Zhenyong Liu to borrow from the Company ar
total. The loans were unsecured and carried a fixed interest rate of 4.35% per annum. The loans were fully repaid by Mr. Zhenyong Liu in February 2023.

As of December 31, 2021, the outstanding balance of the loan was $6,915,176 December 31, 2022 and outstanding interest due from CEO is $nil, which were recorded in due
assets in the consolidated balance sheet.

As of December 31, 2021, and 2020, 2021, amount due to shareholder are $727,433, which represent funds from shareholders to pay for various expenses incurred in th
interest free.

Critical Accounting Policies and Estimates

The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States, which require us to make estimates
amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses c
makes these estimates using the best information available at the time the estimates are made. However, actual results could differ materially from those estimates. The most critic

Revenue Recognition Policy

The Company recognizes revenue when goods are delivered and a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other signific
collectability is reasonably assured. Goods are considered delivered when the customer's truck picks up goods at our finished goods inventory warehouse.

Long-Lived Assets

Long-Lived Assets

The Company evaluates the recoverability of long-lived assets and the related estimated remaining useful lives when events or circumstances lead management to believe
be recoverable and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. In such circumstances, those assets are
judgments regarding the existence of impairment indicators are based on market conditions, assumptions for operational performance of our businesses, and possible governmen
Chinese paper manufacturing industry. For the years ended December 31, 2021 December 31, 2022 and 2020, 2021, no events or circumstances occurred for which an evaluation o
required. We are currently not aware of any events or circumstances that may indicate any need to record such impairment in the future.

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Foreign Currency Translation

The functional currency of Dongfang Paper and Baoding Shengde is the Chinese Yuan Renminbi ("RMB"). Under ASC Topic 830-30, all assets and liabilities are translated ir exchange rate at the end of each fiscal period. The current exchange rates used by the Company as of December 31, 2021 December 31, 2022 and 2020 2021 to translate the Chinese and 6.5249: 6.3757:1, respectively. Revenues and expenses are translated using the prevailing average exchange rates at 6.4474: 6.7573:1, and 6.8941: 6.4474:1 for the years ended 2020, 2021, respectively. Translation adjustments are included in other comprehensive income (loss).

Off-Balance Sheet Arrangements

We were the guarantor for Baoding Huanrun Trading Co., for its long-term bank loans in an amount of $4,862,211 (RMB31,000,000), which matures at various times in 2023. major suppliers of raw materials. This helps us to maintain a good relationship with the supplier and negotiate for better terms in payment for materials. If Huanrun Trading Co. wer be materially adversely affected. Except as aforesaid, we have no material off-balance sheet transactions.

Recent Accounting Pronouncements

In June 2016, May 2019, the FASB issued ASU 2019-05, which is an update to ASU Update No. 2016-13, Financial Instruments-Credit Instruments—Credit Losses (Topic 326): M Instruments. ASU 2016-13 replaced Instruments, which introduced the incurred loss impairment methodology under current GAAP with a methodology that reflects exp measurement of credit losses on financial assets measured at amortized cost basis, replacing the previous incurred loss methodology. The amendments in Update 2016-13 adde Losses, and requires consideration made several consequential amendments to the Codification. Update 2016-13 also modified the accounting for available-for-sale debt securitie credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments— Credit Losses—Available-for-Sale Debt Securities. The stakeholders' concerns by providing an option to irrevocably elect the fair value option for certain financial assets previously measured at amortized cost basis. For those entities comparability of financial statement information by providing an option to align measurement methodologies for similar financial assets. Furthermore, the targeted transition entities to comply with the amendments in Update 2016-13 while still providing financial statement users with decision-useful information. In November 2019, the FASB issued ASU date of ASU No. 2016-02 for private companies, not-for-profit organizations and certain smaller reporting companies applying for credit losses, leases, and hedging standard. The n fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of ASU 2019-05 will have on its consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, "Business Combinations". The amendments in this Update address how to determine whether a broader range contract business combination and resolve the inconsistency of reasonable measuring revenue contracts with customers acquired in a business combination by providing specific guida information measure acquired contract assets and contract liabilities from revenue contracts in a business combination. The amendments in this Update apply to inform credit l business combination within the scope of Subtopic 805-10, Business Combination-Overalls. For public business entities, ASU 2016-13 requires use of a forward-looking expected loans, and other financial instruments. ASU 2016-13 2021-08 is effective for fiscal years beginning after December 15, 2019 December 15, 2022, with early adoption permitted. In Octo "Financial Instruments-Credit Losses (Topic 326): Effective Dates", to finalize the effective date delays for private companies, not-for-profits, and smaller reporting companies applyi for reporting periods beginning after December 15, 2022 and including interim periods within those fiscal years. Early adoption application is permitted. We are currently evaluating applied prospectively to business combinations occurring on or after the impact effective date of the amendments. The Company does not expect the adoption of ASU 2016-13 this condensed its consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Foreign Exchange Risk

While our reporting currency is the US dollar, almost all of our consolidated revenues and consolidated costs and expenses are denominated in RMB. All of our assets are c and cash equivalents and accounts receivables. As a result, we are exposed to foreign exchange risks as our revenues and results of operations may be affected by fluctuations ir RMB. If the RMB depreciates against the US dollar, the value of our RMB revenues, earnings and assets as expressed in our US dollar financial statements will decline. We have not e effort to reduce our exposure to foreign exchange risk.

Inflation

Although we are generally able to pass along minor incremental cost inflation to our customers, inflation such as increases in the costs of our products and overhead costs We do not believe that inflation in China has had a material impact on our financial position or results of operations to date, however, a high rate of inflation in the future ma maintain current levels of gross margin and selling and distribution, general and administrative expenses as a percentage of net revenues if the selling prices of our products do not

Item 8. Financial Statements and Supplementary Data

Our audited financial statement for the fiscal year ended December 31, 2021 December 31, 2022 and 2020, 2021, together with the report of the independent certified publ thereto, are presented beginning at page F-1.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To: The Board of Directors and Stockholders of
IT Tech Packaging, Inc.

Opinion on the Financial Statements To: The Board of Directors and Stockholders of

IT Tech Packaging, Inc.
Opinion on the Financial Statements
We have audited the accompanying consolidated balance sheets of IT Tech Packaging, Inc. (the Company) as of December 31, 2021 December 31, 2022, and 2020, 2021, and the r (loss) and comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2021 December 31, 2022, to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 Decemb of its operations and its cash flows for each of the years in the two-year period ended December 31, 2021 December 31, 2022, in conformity with accounting principles generally acce

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on o registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance wi applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about w material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reportir obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over f no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures th included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principle management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communi related to the accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communicatio in anyway our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the c disclosures to which they relate.
We determined that the auditing of deferred tax asset should be considered a critical audit matter. The principal considerations in determining that this was a critical audit matt accumulated balance and the carrying value of such assets are subject to estimation, judgment, and complex calculations. The balance resulted from temporary differences in t timing of recognition of expenses that are required under generally accepted accounting principles, but may require deferral under local tax regulations. The Company's consolida multiple jurisdictions with varying tax laws. These circumstances lead to estimation and interpretation that may be challenging to assess and evaluate as part of the audit. The aud accounting matter by reviewing the Company's accounting policies, perform extended audit procedures including examination of relevant local tax laws, testing for arithmetical acc assumptions and estimates concerning future profitability, and independent recalculation of the future tax asset. The engagement team was satisfied with the evidence accumu mitigate the risk of material misstatement to an acceptable level. The accounts that are affected by this critical audit matter are deferred tax assets, related valuation allowance and

/s/ WWC, P.C.

WWC, P.C.
Certified Public Accountants

We have served as the Company's auditor since March 25, 2018.

San Mateo, California
PCAOB NO.: 1171

March 15, 202223, 2023

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IT TECH PACKAGING, INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2021 2022 AND 2020 2021

	December 31, 2021	Dece[...] 2[...]
ASSETS		
Current Assets		
Cash and bank balances	$ 11,201,612	$
Restricted cash	-	
Accounts receivable (net of allowance for doubtful accounts of $69,053 and $34,391 as of December 31, 2021 and December 31, 2020, respectively)	4,868,934	
Accounts receivable (net of allowance for doubtful accounts of $881,878 and $69,053 as of December 31, 2022 and December 31, 2021, respectively)		
Inventories	5,844,895	
Prepayments and other current assets	25,796,640	
Due from related parties	7,804,068	
Total current assets	55,516,149	
Prepayment on property, plant and equipment	43,446,210	
Operating lease right-of-use assets, net		
Finance lease right-of-use assets, net	2,286,459	
Property, plant, and equipment, net	126,587,428	
Value-added tax recoverable	2,430,277	
Deferred tax asset non-current	11,268,679	
Total Assets	$ 241,535,202	$
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term bank loans	$ 5,958,561	$
Current portion of long-term loans from credit union	6,838,465	
Current portion of long-term loans		
Lease liability	210,161	
Accounts payable	10,255	
Advance from customers	39,694	
Due to related parties	727,433	
Accrued payroll and employee benefits	291,206	
Other payables and accrued liabilities	5,250,539	
Income taxes payable	1,108,038	
Total current liabilities	20,434,352	
Loans from credit union	2,980,065	
Long-term loans		
Deferred gain on sale-leaseback	155,110	
Lease liability - non-current	152,233	
Derivative liability	2,063,534	
Total liabilities (including amounts of the consolidated VIE without recourse to the Company of $17,924,475 and $17,950,224 as of December 31, 2021 and 2020, respectively)	25,785,294	
Total liabilities (including amounts of the consolidated VIE without recourse to the Company of $16,784,878 and $17,924,475 as of December 31, 2022 and 2021, respectively)		

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Commitments and Contingencies			
Stockholders' Equity			
Common stock, 500,000,000 shares authorized, $0.001 par value per share, 99,049,900 and 28,535,816 shares issued and outstanding as of December 31, 2021 and December, 31,2020, respectively		99,050	
Stockholders’ Equity			
Common stock, 50,000,000 shares authorized, $0.001 par value per share, 10,065,920 and 9,915,920 shares issued and outstanding as of December 31, 2022 and December, 31, 2021, respectively.			
Additional paid-in capital		88,927,787	
Statutory earnings reserve		6,080,574	
Accumulated other comprehensive income		10,496,168	
Accumulated other comprehensive (loss) income			
Retained earnings		110,146,329	
Total stockholders' equity		215,749,908	
Total stockholders’ equity			
Total Liabilities and Stockholders' Equity	$	241,535,202	$
Total Liabilities and Stockholders’ Equity			

See accompanying notes to consolidated financial statements.

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IT TECH PACKAGING, INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2021 2022 AND 20202021

	Year Ended December 31,		
	2021		
Revenues	$	160,881,720	$
Cost of sales		(149,864,161)	
Gross Profit		11,017,559	
Selling, general and administrative expenses		(9,558,190)	
Gain on acquisition of a subsidiary		-	
Income (Loss) from Operations		1,459,369	
(Loss) Income from Operations			
Other Income (Expense):			
Interest income		38,766	
Subsidy income		198,530	
Interest expense		(1,124,702)	
Gain on acquisition			
Gain (Loss) on derivative liability		5,880,526	
Income (Loss) before Income Taxes		6,452,489	
(Loss) Income before Income Taxes			
Provision for Income Taxes		(5,546,954)	
Net Income (Loss)		905,535	
Net (Loss) Income			
Other Comprehensive Income (Loss)			
Other Comprehensive (Loss) Income			
Foreign currency translation adjustment		4,755,446	
Total Comprehensive Income (Loss)	$	5,660,981	$
Total Comprehensive (Loss) Income			
Earnings (Losses) Per Share:			
(Losses) Earnings Per Share:			
Basic and Diluted Earnings (Losses) per Share	$	0.02	$
Basic and Diluted (Losses) Earnings per Share			
Outstanding – Basic and Diluted		59,849,082	

See accompanying notes to consolidated financial statements.

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IT TECH PACKAGING, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 2022 AND 2020 2021

	Common Stock		Additional Paid-in	Statutory Earnings	Accumulated Other Comprehensiv
	Shares	Amount	Capital	Reserve	Income (loss)
Balance at December 31, 2020	2,864,512	$ 2,865	$ 54,015,219	$ 6,080,574	$ 5,740,72
Issuance of shares to institutional investors	2,618,182	2,618	8,026,052	-	
Issuance of shares to public investors	2,927,787	2,928	15,612,217	-	
Exercise of warrants	1,505,440	1,505	11,363,433	-	
Foreign currency translation adjustment	-	-	-	-	4,755,44
Net income	-	-	-	-	
Balance at December 31, 2021	9,915,920	$ 9,916	$ 89,016,921	$ 6,080,574	$ 10,496,16
Issuance of shares to officer and directors	150,000	150	155,850	-	
Foreign currency translation adjustment	-	-	-	-	(18,010,70
Net income	-	-	-	-	
Balance at December 31, 2022	10,065,920	$ 10,066	$ 89,172,771	$ 6,080,574	$ (7,514,54

	Common Stock		Additional Paid-in	Statutory Earnings	Accumulated Other Comprehensiv
	Shares	Amount	Capital	Reserve	Income (loss)
Balance at December 31, 2019	22,054,816	$ 22,055	$ 51,155,174	$ 6,080,574	$ (6,057,53
Issuance of shares to officer and directors	2,000,000	2,000	1,198,000		
Issuance of shares	4,400,000	4,400	1,579,755		
Issuance of shares to a consultant	60,000	60	41,940		
Issuance of shares to a consultant	21,000	21	14,679		
Foreign currency translation adjustment					11,798,25
Net loss					
Balance at December 31, 2020	28,535,816	$ 28,536	$ 53,989,548	$ 6,080,574	$ 5,740,72
Issuance of shares to institutional investors	26,181,818	26,182	8,002,488		
Issuance of shares to public investors	29,277,866	29,278	15,585,867		
Exercise of warrants	15,054,400	15,054	11,349,884		
Foreign currency translation adjustment					4,775,44
Net income					
Balance at December 31, 2021	99,049,900	$ 99,050	$ 88,927,787	$ 6,080,574	$ 10,496,16

See accompanying notes to consolidated financial statements.

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IT TECH PACKAGING, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 2022 AND 2020 2021

	Year Ended December 31,	
	2021	2
Cash Flows from Operating Activities:		
Net income	$ 905,535	$
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,358,452	
(Gain) Loss on derivative liability	(5,880,526)	
(Recovery from) Allowance for bad debts	33,480	
Gain on acquisition		
(Recovery from) for bad debts		
Share-based compensation and expenses	-	
Deferred tax	2,730,050	
Changes in operating assets and liabilities:		
Accounts receivable	(2,430,495)	
Prepayments and other current assets	(8,350,716)	
Inventories	(4,531,263)	
Accounts payable	(589,371)	
Advance from customers	(44,366)	
Related parties	(785,097)	
Accrued payroll and employee benefits	60,334	
Other payables and accrued liabilities	254,966	
Income taxes payable	832,946	
Net Cash (Used in) Provided by Operating Activities	(2,436,071)	
Cash Flows from Investing Activities:		
Purchases of property, plant and equipment	(25,071,372)	
Proceeds from sale of property, plant and equipment	-	
Acquisition of land		
Net Cash Used in Investing Activities	(25,071,372)	
Cash Flows from Financing Activities:		
Proceeds from issuance of shares and warrants, net	41,837,553	
Proceeds from short term bank loans	5,892,298	
Proceeds from long term loans		
Repayment of bank loans	(6,512,703)	
Payment of capital lease obligation	(185,050)	
Loan to a related party	(6,838,274)	
Loan to a related party (net)		
Net Cash Provided by (Used in) Financing Activities	34,193,824	
Effect of Exchange Rate Changes on Cash and Cash Equivalents	372,794	
Net Increase (Decrease) in Cash and Cash Equivalents	7,059,175	
Net (Decrease) Increase in Cash and Cash Equivalents		
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	4,142,437	
Cash, Cash Equivalents - Beginning of Year		
Cash, Cash Equivalents and Restricted Cash - End of Year	$ 11,201,612	$
Cash, Cash Equivalents - End of Year		

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Supplemental Disclosure of Cash Flow Information:				
Cash paid for interest, net of capitalized interest cost	$	577,194	$	
Cash paid for income taxes	$	1,970,984	$	
Cash and bank balances		11,201,612		
Restricted cash		-		
Total cash, cash equivalents and restricted cash shown in the statement of cash flows		11,201,612		

See accompanying notes to consolidated financial statements.

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IT TECH PACKAGING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Organization and Business Background

IT Tech Packaging, Inc. (the "Company") was incorporated in the State of Nevada on December 9, 2005, under the name "Carlateral, Inc." Through the steps described immediately b Hebei Baoding Dongfang Paper Milling Company Limited ("Dongfang Paper"), a producer and distributor of paper products in China, on October 29, 2007.

Effective on August 1, 2018, we changed our corporate name to IT Tech Packaging, Inc.. The name change was effected through a parent/subsidiary short-form merger of IT Tech subsidiary formed solely for the purpose of the name change, with and into us. We were the surviving entity. In connection with the name change, our common stock began bei and a new CUSIP number, 46527C100, at such time.

On June 9, 2022, the Board of Directors of the Company approved a reverse stock split of the Company's issued and outstanding shares of common stock, par value $0.001 per shar 10 (the "Reverse Stock Split"). The Reverse Stock Split become effective on July 7, 2022 (the "Effective Date"), and the shares began trading on the split-adjusted basis on the NYS trading symbol "ITP" at market open on July 8, 2022. The new CUSIP number following the Reverse Stock Split will be 46527C 209. All references made to share or per share ar financial statements and applicable disclosures have been retroactively adjusted to reflect the effects of the Reverse Stock Split.

On October 29, 2007, pursuant to an agreement and plan of merger (the "Merger Agreement"), the Company acquired Dongfang Zhiye Holding Limited ("Dongfang Holding"), a c under the laws of the British Virgin Islands, and issued the shareholders of Dongfang Holding an aggregate of 7,450,497 (as adjusted for a four-for-one reverse stock split effected stock, which shares were distributed pro-rata to the shareholders of Dongfang Holding in accordance with their respective ownership interests in Dongfang Holding. At the time of owned all of the issued and outstanding stock and ownership of Dongfang Paper and such shares of Dongfang Paper were held in trust with Zhenyong Liu, Xiaodong Liu and Shua (the original shareholders of Dongfang Paper) to exercise control over the disposition of Dongfang Holding's shares in Dongfang Paper on Dongfang Holding's behalf until Do change in registration of Dongfang Paper's capital with the relevant PRC Administration of Industry and Commerce as the 100% owner of Dongfang Paper's shares. As a result of became a wholly owned subsidiary of the Company, and Dongfang Holding's wholly owned subsidiary, Dongfang Paper, became an indirectly owned subsidiary of the Company.

Dongfang Holding, as the 100% owner of Dongfang Paper, was unable to complete the registration of Dongfang Paper's capital under its name within the proper time limits set fo consummation of the restructuring transactions described below, Dongfang Holding directed the trustees to return the shares of Dongfang Paper to their original shareholders, and entered into certain agreements with Baoding Shengde Paper Co., Ltd. ("Baoding Shengde") to transfer the control of Dongfang Paper over to Baoding Shengde.

On June 24, 2009, the Company consummated a number of restructuring transactions pursuant to which it acquired all of the issued and outstanding shares of Shengde Hold Holdings Inc. was incorporated in the State of Nevada on February 25, 2009. On June 1, 2009, Shengde Holdings Inc. incorporated Baoding Shengde, a limited liability company org Baoding Shengde is a wholly-owned subsidiary of Shengde Holdings Inc., it is regarded as a wholly foreign-owned entity under PRC law.

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IT TECH PACKAGING, INC.
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To ensure proper compliance of the Company's control over the ownership and operations of Dongfang Paper with certain PRC regulations, on June 24, 2009, the Company enter (the "Contractual Agreements") with Dongfang Paper and Dongfang Paper Equity Owners via the Company's wholly owned subsidiary Shengde Holdings Inc. ("Shengde Hold Shengde Paper Co., Ltd. ("Baoding Shengde"), a wholly foreign-owned enterprise in the PRC with an original registered capital of $10,000,000 (subsequently increased to $60,000,00 engaged in production and distribution of digital photo paper and single-use face masks and is 100% owned by Shengde Holdings. Prior to February 10, 2010, the Contractual A Service and Business Consulting Agreement, which generally provides that Baoding Shengde shall provide exclusive technical, business and management consulting services to Do including a fee equivalent to 80% of Dongfang Paper's total annual net profits; (ii) Loan Agreement, which provides that Baoding Shengde will make a loan in the aggregate principal Equity Owners in exchange for each such shareholder agreeing to contribute all of its proceeds from the loan to the registered capital of Dongfang Paper; (iii) Call Option Agreeme things, that Dongfang Paper Equity Owners irrevocably grant to Baoding Shengde an option to purchase all or part of each owner's equity interest in Dongfang Paper. The exercise Baoding Shengde should pay to each of Dongfang Paper Equity Owner for all their equity interests in Dongfang Paper; (iv) Share Pledge Agreement, which provides that Dongfang equity interests in Dongfang Paper to Baoding Shengde as security for their obligations under the other agreements described in this section. Specifically, Baoding Shengde is interests in the event that Dongfang Paper Equity Owners breach their obligations under the Loan Agreement or Dongfang Paper fails to pay the service fees to Baoding Shengde and Business Consulting Agreement; and (v) Proxy Agreement, which provides that Dongfang Paper Equity Owners shall irrevocably entrust a designee of Baoding Shengde with su to represent such shareholder to exercise such owner's rights at any equity owners' meeting of Dongfang Paper or with respect to any equity owner action to be taken in accor Articles of Association. The terms of the agreement are binding on the parties for as long as Dongfang Paper Equity Owners continue to hold any equity interest in Dongfang Paper. to be a party to the agreement once it transfers its equity interests with the prior approval of Baoding Shengde. As the Company had controlled Dongfang Paper since July 16, 200 until June 24, 2009 and continued to control Dongfang Paper through Baoding Shengde and the Contractual Agreements, the execution of the Contractual Agreements is cor common control.

On February 10, 2010, Baoding Shengde and the Dongfang Paper Equity Owners entered into a Termination of Loan Agreement to terminate the above-mentioned $10,000,000 Lo decision to fund future business expansions through Baoding Shengde instead of Dongfang Paper, the $10,000,000 loan contemplated was never made prior to the point of termina the Loan Agreement does not in itself compromise the effective control of the Company over Dongfang Paper and its businesses in the PRC.

An agreement was also entered into among Baoding Shengde, Dongfang Paper and the Dongfang Paper Equity Owners on December 31, 2010, reiterating that Baoding Shengde is of Dongfang Paper, pursuant to the above- mentioned Contractual Agreements. In addition, Dongfang Paper and the Dongfang Paper Equity Owners shall not declare any of Dor dividend, including the unappropriated earnings of Dongfang Paper from its establishment to 2010 and thereafter.

On June 25, 2019, Dongfang Paper entered into an acquisition agreement with the shareholder of Hebei Tengsheng Paper Co., Ltd. ("Hebei Tengsheng" Tengsheng Paper"), a limited of the PRC, pursuant to which Dongfang Paper will acquire Hebei Tengsheng. Tengsheng Paper. Full payment of the consideration in the amount of RMB 320 million RMB320 million February 23, 2022.

QianrongQianhui Hebei Technology Co., Ltd ("Qianrong"), a wholly owned subsidiary of Shengde holding, was incorporated on July 15, 2021. It is a service provider of high quality r paper production.

The Company has no direct equity interest in Dongfang Paper. However, through the Contractual Agreements described above, the Company is found to be the primary benefici Paper and is deemed to have the effective control over Dongfang Paper's activities that most significantly affect its economic performance, resulting in Dongfang Paper being treate the Company in accordance with Topic 810 - Consolidation of the Accounting Standards Codification (the "ASC") issued by the Financial Accounting Standard Board (the "FASB"). Th and Tengsheng Paper for the years ended December 31, 2021 December 31, 2022 and 2020 2021 was accounted for 99.11% 99.74%and 98.91% 99.11% of the Company's total r Tengsheng Paper also accounted for 84.13% 93.76% and 90.70% 84.13% of the total assets of the Company as of December 31, 2021 December 31, 2022 and 2020, 2021, respectively.

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IT TECH PACKAGING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2021 December 31, 2022, and 2020, 2021, details of the Company's subsidiaries and variable interest entity are as follows:

Name	Date of Incorporation or Establishment	Place of Incorporation or Establishment	Percentage of Ownership		
Subsidiary:					
Dongfang Holding	November 13, 2006	BVI	100100%	%	
Shengde Holdings	February 25, 2009	State of Nevada	100100%	%	
Baoding Shengde	June 1, 2009	PRC	100100%	%	Pa
Qianrong	July 15, 2021	PRC	100%		N
Variable interest entity ("VIE"):					
Dongfang Paper	March 10, 1996	PRC	Control*		Pa
Tengsheng Paper	April 07, 2011	PRC	Control**		Pa

* Dongfang Paper is treated as a 100% controlled variable interest entity of the Company.

** Tengsheng Paper is 100% subsidiary of Dongfang Paper.

However, uncertainties in the PRC legal system could cause the Company's current ownership structure to be found to be in violation of any existing and/or future PRC laws or ability, through its subsidiary, to enforce its rights under these contractual arrangements. Furthermore, shareholders of the VIE may have interests that are different than thos increase the risk that they would seek to act contrary to the terms of the aforementioned agreements.

In addition, if the current structure or any of the contractual arrangements were found to be in violation of any existing or future PRC law, the Company may be subject to penaltie the cancellation or revocation of the Company's business and operating licenses, being required to restructure the Company's operations or being required to discontinue the Con of any of these or other penalties may result in a material and adverse effect on the Company's ability to conduct its operations. In such case, the Company may not be able to ope deconsolidation of the VIE. The Company believes the possibility that it will no longer be able to control and consolidate its VIE will occur as a result of the aforementioned risks and

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IT TECH PACKAGING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company has aggregated the financial information of Dongfang Paper in the table below. The aggregate carrying value of Dongfang Paper's assets and liabilities (after elim balances) in the Company's consolidated balance sheets as of December 31, 2021 December 31, 2022, and 2020 2021 are as follows:

	December 31, 2021	Decembe 2020
ASSETS		
Current Assets		
Cash and bank balances	$ 1,921,407	$ 3,
Restricted cash	-	
Accounts receivable	4,867,759	2,
Inventories	5,823,762	1,
Prepayments and other current assets	19,942,878	7,
Due from related parties	888,893	
Total current assets	33,444,699	14,
Prepayment on property, plant and equipment	41,877,755	19,
Operating lease right-of-use assets, net		
Finance lease right-of-use assets, net	2,286,459	2,
Property, plant, and equipment, net	116,054,387	133,
Deferred tax asset non-current	9,547,741	12,
Total Assets	$ 203,211,041	$ 181,
LIABILITIES		
Current Liabilities		
Short-term bank loans	$ 5,958,561	$ 6,
Current portion of long-term loans from credit union	2,289,945	[illegible]
Current portion of long-term loans		
Lease liability	210,161	
Accounts payable	10,255	[illegible]
Advance from customers	39,694	
Due to related parties	-	
Accrued payroll and employee benefits	279,513	[illegible]
Other payables and accrued liabilities	4,740,900	4,
Income taxes payable	1,108,038	[illegible]
Total current liabilities	14,637,067	12,
Loans from credit union	2,980,065	4,
Long-term loans		
Deferred gain on sale-leaseback	155,110	[illegible]
Lease liability - non-current	152,233	[illegible]
Total liabilities	$ 17,924,475	$ 17,

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The Company and its consolidated subsidiaries are not required to provide financial support to the VIE, and no creditor (or beneficial interest holders) of the VIE have recourse to tl separately agrees to be subject to such claims. There are no terms in any agreements or arrangements, implicit or explicit, which require the Company or its subsidiaries to provide f VIE does require financial support, the Company or its subsidiaries may, at its option and subject to statutory limits and restrictions, provide financial support to the VIE.

(2) Basis of Presentation and Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), a expenses and cash flows of all subsidiaries and variable interest entity. All significant inter-company balances, transactions and cash flows are eliminated on consolidation.

Foreign Currency Translation

The Company accounts for foreign currency translation pursuant to ASC Topic 830, *Foreign Currency Matters*. The functional currency of Dongfang Paper and Baoding Shengo Monetary assets and liabilities denominated in currencies other than RMB are translated into RMB at the rates of exchange ruling at the balance sheet date. Transactions in curr RMB at the applicable rates of exchange prevailing the transactions occurred. Transaction gains and losses are recognized in the consolidated statements of income. The functional Holdings is United States dollars. Monetary assets and liabilities denominated in currencies other than United States dollars are translated into United States dollars at the rates of Translation in currencies other than United States dollars are converted into United States dollars at the applicable rates of exchange prevailing when the transactions occurred. Tr the consolidated statement of income.

Under ASC Topic 830-30, all assets and liabilities are translated into United States dollars using the current exchange rate at the end of each fiscal period. The current exchange rates 2021 December 31, 2022, and 2020 2021 to translate the Chinese RMB to the U.S. Dollars are 6.3757: 6.9646:1, and 6.5249: and6.3757:1, respectively. Revenues and expenses are tra prevailing throughout the respective years at 6.4474: 6.7573:1 and 6.8941: and6.4474:1 for the years ended December 31, 2021 December 31, 2022, and 2020, 2021, respectively. Trar comprehensive income (loss).

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts 2021 December 31, 2022, and 2020, 2021, and revenues and expenses for the years ended December 31, 2021 December 31, 2022, and 2020. 2021. The most significant estimates rel receivable, inventory valuation, useful lives and impairment for property, plant and equipment, valuation allowance for deferred tax assets and contingencies. Actual results c management.

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IT TECH PACKAGING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Accounts Receivable

Trade accounts receivable are recorded on shipment of products to customers. The trade receivables are all without customer collateral and interest is not accrued on past due a the adequacy of its provision for doubtful accounts based on historical bad debt expense results and current economic conditions using factors based on the aging of its accounts identify additional allowance requirements based on indications that a specific customer may be experiencing financial difficulties. Actual bad debt results could differ materially 2021 December 31, 2022, and 2020, 2021, the balance of allowance for doubtful accounts was $69,053 $881,878 and $34,391, $69,053, respectively; and the movement of the provi While management uses the best information available upon which to base estimates, future adjustments to the allowance may be necessary if economic conditions differ substa purposes of analysis.

Allowance of doubtful accounts	December 31, 2021		Decembe 2020
Opening balance	$	34,391	$
Provision (Reversal) for the year		33,480	
Exchange difference		1,181	
Closing balance	$	69,053	$

Inventories

Inventories consist principally of raw materials and finished goods, and are stated at the lower of cost (average cost method) or market. Cost includes labor, raw materials, and a were $nil for the years ended December 31, 2021 December 31, 2022, and 2020, 2021, respectively.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and any impairment losses. Major renewals, betterments, and improvements are capitalized maintenance, and repairs, which do not improve or extend the lives of the respective assets, are expensed to operations. At the time property, plant, and equipment are retire related accumulated depreciation or amortization accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are credited or charged to operations.

Construction-in-progress is stated at cost and capitalized as expenses are incurred or as payments are made pursuant to relevant construction contracts. Contract retention is re progress is not depreciated until project completion and the constructed property being placed in service, at which time the capitalized balance will be transferred to appropriate ac

The Company depreciates property, plant, and equipment using the straight-line method as follows:

Land use right	Over the lease term
Building and improvements	30 years
Machinery and equipment	5-15 years
Vehicles	15 years

Valuation of long-lived asset

The Company reviews the carrying value of long-lived assets to be held and used when events and circumstances warrants such a review. The carrying value of a long-lived asset is undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying long-lived asset and intangible assets. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses c be disposed are determined in a similar manner, except that fair market values are reduced for the cost to dispose.

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Statutory Reserves

According to the laws and regulations in the PRC, the Company is required to provide for certain statutory funds, namely, a reserve fund by an appropriation from net profit after based on the local statutory financial statements of the PRC subsidiary subsidiaries and variable interest entity prepared in accordance with the PRC accounting principles and relev Each of the Company's wholly owned subsidiary and variable interest entity in the PRC are required to allocate at least 10% of its net profit to the reserve fund until the balance of s capital. Appropriations of additional reserve fund are determined at the discretion of its directors. The reserve fund can only be used, upon approval by the relevant authority, to of For the years ended December 31, 2021 December 31, 2022, and 2020, 2021, IT Tech Packaging made transfers of $nil to this reserve fund. No statutory reserves were provided for th 31, 2022, and 2020. 2021. The Company's variable interest entity Dongfang Paper, the statutory reserve account of which has been fully funded for 50% of its registered cap approximately $11,811,470) since December 31, 2010, did not make any transfer to statutory reserves during the years ended December 31, 2021 December 31, 2022, and 2020.2021.

Employee Benefit Plan

Full time employees of the PRC entities participate in a government mandated multi-employer defined contribution plan pursuant to which certain pension benefits, medical welfare benefits are provided to employees. The total provision for such employee benefits was $nil for the years ended December 31, 2021 December 31, 2022, and 2020.2021.

Revenue Recognition

The Company adopted ASC Topic 606, *Revenue from Contracts with Customers*, and all subsequent ASUs that modified ASC 606 on April 1, 2017 using the full retrospective method w financial statements for all periods as if Topic 606 had been applied to all prior periods. The company derives revenue principally from producing and sales of paper products. recognized using the following five steps:

1. Identify the contract(s) with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

A contract contains a promise (or promises) to transfer goods or services to a customer. A performance obligation is a promise (or a group of promises) that is distinct. The transac company expects to be entitled from a customer in exchange for providing the goods or services.

The unit of account for revenue recognition is a performance obligation (a good or service). A contract may contain one or more performance obligations. Performance obligatio distinct. A good or service is distinct if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the custom context of the contract. Otherwise, performance obligations are combined with other promised goods or services until the Company identifies a bundle of goods or services that not result in the transfer of a good or service are not performance obligations, as well as those promises that are administrative in nature, or are immaterial in the context of t whether various goods and services promised to the customer represent distinct performance obligations. The Company applied the guidance of ASC Topic 606-10-25-16 through be assessed for classification as distinct performance obligations.

The Company's revenue is primary derived from sales of paper products. The Company recognizes revenue when goods are delivered, when a formal arrangement exists, the pr completed, no other significant obligations of the Company exist, and collectability is reasonably assured. Goods are considered delivered when customer's truck picks up goods a warehouse.

Shipping Cost

Substantially all customers use their own trucks or hire commercial trucking companies to pick up goods from the Company. The Company usually incurs no shipping cost for deli situations where products are not shipped utilizing customer specified shipping services, the Company charges customers a shipping fee which is included in net revenues and was incurred by the Company with respect to purchased goods are recorded as a component of inventory cost and charged to cost of sales when the inventory items are sold.

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Advertising

The Company expenses all advertising and promotion costs as incurred. The Company incurred $3,972 $nil and nil3,972 of advertising and promotion costs for the years ended [
2020.2021.

Research and development costs

Research and development costs are expensed as incurred and included in selling, general and administrative expenses. Research and development expenses incurred $101,410 $
ended December 31, 2021 December 31, 2022, and 2020, 2021, respectively.

Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use
those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalized. All other
expenses in the period in which they are incurred.

Government subsidies

A government subsidy is not recognized until there is reasonable assurance that: (a) the enterprise will comply with the conditions attached to the grant; and(b)the grant will
government subsidies but the conditions attached to the grants have not been fulfilled, such government subsidies are deferred and recorded under other payables and accrued
classification of short-term or long-term liabilities is depended on the management's expectation of when the conditions attached to the grant can be fulfilled. For the years ended
2020, 2021, the Company received government subsidies of $198,530 $nil and $220,478, $198,530, which are recognized as subsidy income in the consolidated statements of income i

Income Taxes

The Company accounts for income taxes pursuant to ASC Topic 740, Income Taxes. Income taxes are provided on an asset and liability approach for financial accounting and r
subsidiaries during the year is recorded. Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income ta
that have been enacted or substantively enacted at the balance sheet date. ASC Topic 740 also requires the recognition of deferred tax assets and liabilities for both the expected i
statements and the tax basis of assets and liabilities, and for the expected future tax benefit to be derived from tax losses and tax credit carry-forwards. ASC Topic 740 additionally
allowance to reflect the likelihood of realization of deferred tax assets. Realization of deferred tax assets, including those related to the U.S. net operating loss carry-forwards, are
which the timing and amount are uncertain.

The Company adopted ASC Topic 740-10-05, *Income Tax*, which provides guidance for recognizing and measuring uncertain tax positions, it prescribes a threshold condition tha
benefits of the uncertain tax position to be recognized in the financial statements. It also provides accounting guidance on derecognizing, classification and disclosure of these unce
The Company's policy on classification of all interest and penalties related to unrecognized income tax positions, if any, is to present them as a component of income tax expense.

Value Added Tax

Both the PRC subsidiary subsidiaries and variable interest entity of the Company are subject to value added tax ("VAT") imposed by the PRC government on its purchase and sal
customers who purchase goods from the Company and the input VAT is paid when the Company purchases goods from its vendors. VAT rate is 17% (before May 1, 2018), 16% (afte
in general, depending on the types of products purchased and sold. The input VAT can be offset against the output VAT. Debit balance of VAT payable represents a credit against f
receivable due from government.

Comprehensive Income (Loss)

The Company presents comprehensive income (loss) in accordance with ASC Topic 220, *Comprehensive Income*. ASC Topic 220 states that all items that are required to be r
components of comprehensive income (loss) be reported in the consolidated financial statements. The components of comprehensive income (loss) were the net income for the
adjustments.

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Earnings Per Share

Basic earnings per share is computed by dividing the net income attributable to the common stockholders by the weighted average number of shares of common stock outstand share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outsta been issued and if the additional common shares were dilutive. There were no potentially dilutive securities that were in-the-money that were outstanding during the years ended D

Share-Based Compensation

The Company uses the fair value recognition provision of ASC Topic 718, *Compensation-Stock Compensation,* which requires the Company to expense the cost of employee services r instruments based on the grant date fair value of such instruments over the vesting period.

The Company also applies the provisions of ASC Topic 505-50, *Equity Based Payments to Non-Employees* to account for stock-based compensation awards issued to non-employee recorded at either the fair value of the consideration received or the fair value of the instruments issued in exchange for such services, whichever is more reliably measurable.

Fair Value Measurements

The Company has adopted ASC Topic 820, Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value in GAAP, a measurements. It does not require any new fair value measurement, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the three-level valuation hierarchy of valuation techniques based on observable and unobservable inputs, which may be used to measure fair value and include the following:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement.

The Company estimates the fair value of financial instruments using the available market information and valuation methods. Considerable judgment is required in estimating f value may not be indicative of the amounts that the Company could realize in a current market exchange. As of December 31, 2021 December 31, 2022, and 2020, 2021, the carrying v instruments, such as cash and bank balances, accounts receivable, accounts and notes payable, short-term bank loans and balance due to related parties, approximate at their fa these instruments; while loans from credit union approximates at their fair value as the interest rates thereon are close to the market rates of interest published by the People's Ban

Derivative liabilities are measured at fair value on a recurring basis.

Non-Recurring Fair Value Measurements

The Company reviews long-lived assets for impairment annually or more frequently if events or changes in circumstances indicate the possibility of impairment. For the continuing at fair value on a nonrecurring basis when there is an indicator of impairment, and they are recorded at fair value only when impairment is recognized. For discontinued operati lower of carrying amount or fair value less cost to sell. The fair value of these assets was determined using models with significant unobservable inputs which were classified as Lev cash flow.

Recently issued accounting pronouncements

In May 2019, the FASB issued ASU 2019-05, which is an update to ASU Update No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Fi expected credit losses methodology for the measurement of credit losses on financial assets measured at amortized cost basis, replacing the previous incurred loss methodology. T Topic 326, Financial Instruments—Credit Losses, and made several consequential amendments to the Codification. Update 2016-13 also modified the accounting for availab individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments— Credit Losses—Available-fo this Update address those stakeholders' concerns by providing an option to irrevocably elect the fair value option for certain financial assets previously measured at amortized transition relief will increase comparability of financial statement information by providing an option to align measurement methodologies for similar financial assets. Furtherm reduce the costs for some entities to comply with the amendments in Update 2016-13 while still providing financial statement users with decision-useful information. In Novemb which to update the effective date of ASU No. 2016-02 for private companies, not-for-profit organizations and certain smaller reporting companies applying for credit losses, lease date for these preparers is for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of ASU 2019-05 will have on its consolidated financial s

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In October 2021, the FASB issued ASU 2021-08, “Business Combinations”. The amendments in this Update address how to determine whether a contract liability is recognized by t
resolve the inconsistency of measuring revenue contracts with customers acquired in a business combination by providing specific guidance on how to recognize and measure acqu
from revenue contracts in a business combination. The amendments in this Update apply to all entities that enter into a business combination within the scope of Subtopic 805-10,
business entities, ASU 2021-08 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early application is permitted. T
applied prospectively to business combinations occurring on or after the effective date of the amendments. The Company does not expect the adoption of this standard to h
financial statements.

(3) Inventories

Raw materials inventory includes mainly recycled paper and gas. Finished goods include mainly products of corrugating medium paper and offset printing paper. Inventories consis
2022, and 2021:

		December 31, 2022		December 31, 2021
Raw Materials				
Recycled paper board	$	1,258,161	$	2,097,062
Recycled white scrap paper		10,809		11,808
Gas		42,237		32,753
Base paper and other raw materials		160,229		206,531
		1,471,436		2,348,154
Semi-finished Goods		132,810		96,087
Finished Goods		1,268,376		3,400,654
Total inventory, gross		2,872,622		5,844,895
Inventory reserve		-		-
Total inventory, net	$	2,872,622	$	5,844,895

(4) Prepayments and other current assets

Prepayments and other current assets consisted of the following as of December 31, 2022, and 2021:

		December 31, 2022		December 3 2021
Prepaid land lease	$	172,300	$	188,
Prepayment for purchase of materials		12,941,951		9,190,
Prepayment for purchase of equipment		12,348		980,
Value-added tax recoverable		13,640,868		14,740,
Prepaid gas		27,462		
Others		412,198		696,
	$	27,207,127	$	25,796,

(5) Property, plant and equipment

As of December 31, 2022, and 2021, property, plant and equipment consisted of the following:

		December 31, 2022		December 31, 2021
Property, Plant, and Equipment:				
Land use rights	$	57,686,220	$	12,790,062
Building and improvements		68,300,987		74,609,698
Machinery and equipment		158,498,316		170,149,367
Vehicles		681,617		725,838
Construction in progress		1,239,698		-
Totals		286,406,838		258,274,965
Less: accumulated depreciation and amortization		(134,836,940)		(131,687,537)
Property, Plant and Equipment, net	$	151,569,898	$	126,587,428

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(3) Restricted Cash As of December 31, 2022, land use rights represented twenty-three parcel of state-owned lands located in Xushui District and Wei County of Hebei Province in C
from 2061 to 2068.

Restricted cash was nil as of December 31, 2021 and 2020.

(4) Inventories

Raw materials inventory includes mainly recycled paper and coal. Finished goods include mainly products of corrugating medium paper and offset printing paper. Inventories con
31, 2021, and 2020:

	December 31, 2021	December 31, 2020
Raw Materials		
Recycled paper board	$ 2,097,062	$ 19,459
Recycled white scrap paper	11,808	11,193
Gas	32,753	55,473
Base paper and other raw materials	206,531	181,426
	2,348,154	267,551
Semi-finished Goods	96,087	176,703
Finished Goods	3,400,654	789,547
Total inventory, gross	5,844,895	1,233,801
Inventory reserve	-	-
Total inventory, net	$ 5,844,895	$ 1,233,801

(5) Prepayments and other current assets

Prepayments and other current assets consisted of the following as of December 31, 2021, and 2020:

	December 31, 2021	December 3 2020
Prepaid land lease	$ 188,215	$ 183,
Prepayment for purchase of materials	9,190,527	10,
Prepayment for purchase of equipment	980,786	
Value-added tax recoverable	14,740,296	5,864,
Others	696,816	991,
	$ 25,796,640	$ 7,051,

(6) Property, plant and equipment

As of December 31, 2021, and 2020, property, plant and equipment consisted of the following:

	December 31, 2021	December 31, 2020
Property, Plant, and Equipment:		
Land use rights	$ 12,790,062	$ 12,497,601
Building and improvements	74,609,698	81,233,162
Machinery and equipment	170,149,367	163,787,807
Vehicles	725,838	628,462
Construction in progress	-	586,216
Totals	258,274,965	258,733,248
Less: accumulated depreciation and amortization	(131,687,537)	(113,590,606)
Property, Plant and Equipment, net	$ 126,587,428	$ 145,142,642

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As of December 31, 2021, and 2020, land use rights represented two parcel of state-owned lands located in Xushui District of Hebei Province in China, with lease terms of 50 years exp

Construction in progress mainly represents payments for paper machine of a new tissue paper production line PM10.

As of December 31, 2021 December 31, 2022, and 2020, 2021, certain property, plant and equipment of Dongfang Paper with net values of $1,130,333 $280,466 and $2,349,796, $' pursuant to a long-term loan from credit union of Dongfang Paper. Land use right of Dongfang Paper with net values of $6,002,195 $5,358,441 and $6,010,359, $6,002,195, respectiv 2022 and 2020 2021 was pledged for the bank loan from Bank of Industrial & Commercial Bank of China. Land use right of Hebei Tengsheng Paper with net value of $5,690 respectively, as of December 31, 2021 December 31, 2022 and 2020 2021 was pledged for a long-term loan from credit union of Baoding Shengde. In addition, land use right of $8,815,778 $3,948,953 and $8,614,194, $4,407,889, respectively, as of December 31, 2021 December 31, 2022 and 2020 2021 was pledged for another long-term loan from credit union *loans*" under Note (7), Loans Payable, for details of the transaction and asset collaterals.

Depreciation and amortization of property, plant and equipment was $15,304,686 $14,788,036 and $15,793,854 $15,304,686 for the years ended December 31, 2021 December

Impairment loss was recorded for the years ended December 31, 2021 December 31, 2022, and 2020. 2021.

(7) (6) Financing with Sale-Leaseback

The Company entered into a sale-leaseback arrangement (the "Lease Financing Agreement") with TAC Leasing Co., Ltd.("TLCL") on August 6, 2020, for a total financing pr (approximately US$2.5 million). Under the sale-leaseback arrangement, Hebei Tengsheng Paper sold the Leased Equipment to TLCL for 16 million (approximately US$2.5 million). Co Tengsheng Paper leases back the equipment sold to TLCL for a lease term of three years. At the end of the lease term, Hebei Tengsheng Paper may pay a nominal purchase price o buy back the Leased Equipment. The Leased Equipment in amount of $2,349,452 was recorded as right of use assets and the net present value of the minimum lease payments w with TLCL's implicit interest rate of15.6% of 15.6% per annum and stated at $567,099 at the inception of the lease on August 17, 2020.

Hebei Tengsheng Paper made payments due according to the schedule. As of December 31, 2021 December 31, 2022 and 2020, 2021, the balance of Leased Equipment net of a $2,397,653, $2,286,459, respectively. The lease liability were $362,394 $131,772 and $536,959, $362,394, and its current portion in the amount of $210,161 $131,772 and $182,852 $210, 2022 and 2020, 2021, respectively.

Amortization of the Leased Equipment was $165,441 $157,854 and $51,574 $165,441 for the year ended December 31, 2021 December 31, 2022 and 2020, 2021, respectively. Tota arrangement was $71,798 $38,954 and $28,083 $71,798 for the year ended December 31, 2021 December 31, 2022 and 2020, 2021, respectively.

As a result of the sale and leaseback, a deferred gain in the amount of $430,695 was recorded. The deferred gain is amortized over the lease term and as an offset to amortization of

The future minimum lease payments of the capital lease as of December 31, 2021 December 31, 2022 were as follows:

December 31,
2022
2023
Less: unearned discount
Less: Current portion lease liability

(8) (7) Loans Payable

Short-term bank loans

	December 31, 2021	Decembe 2020
Industrial and Commercial Bank of China ("ICBC") Loan 1	$ -	$ 6,·
Industrial and Commercial Bank of China ("ICBC") Loan 2	5,958,561	
ICBC Loan 2		
ICBC Loan 3		
ICBC Loan 4		
China Construction Bank Loan		
Total short-term bank loans	$ 5,958,561	$ 6,·

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IT TECH PACKAGING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On December 11, 2020, the Company entered into a working capital loan agreement with the ICBC, with a balance of $6,435,348 as of December 31, 2020. The working capital l
Dongfang Paper as collateral for the benefit of the bank. The loan bears a fixed interest rate of 4.785% per annum. The loan was fully repaid in November 2021.

On November 25, 2021, the Company entered into a working capital loan agreement with the ICBC, with a balance of $5,958,561 as of December 31, 2021. The working capital loar
Dongfang Paper as collateral for the benefit of the bank and guaranteed by Mr. liu. Liu. The loan bears a fixed interest rate of 4.785% per annum. The loan was fully repaid in Novemb

On November 10, 2022, the Company entered into a working capital loan agreement with the ICBC, with a balance of $5,023,978 as of December 31, 2022. The working capital
Dongfang Paper as collateral for the benefit of the bank and guaranteed by Mr. Liu. The loan bears a fixed interest rate of 4.785% per annum. The loan will be due and repaid
2022 November 13, 2023.

On November 30, 2022, the Company entered into a working capital loan agreement with the ICBC, with a balance of $287,167 as of December 31, 2022. The loan bears a fixed intere
due by May 29, 2023.

On November 30, 2022, the Company entered into a working capital loan agreement with the ICBC, with a balance of $143,583 as of December 31, 2022. The loan bears a fixed intere
due by May 29, 2023.

On July 29, 2022, the Company entered into a working capital loan agreement with the China Construction Bank, with a balance of $143,583 as of December 31, 2022. The loan bear
The loan will be due by July 29, 2023.

As of December 31, 2020 December 31, 2021, there were guaranteed short-term borrowings of $5,958,561 and unsecured bank loans of $nil. As of December 31, 2020 December 3
borrowings of $6,435,348 $5,023,978 and unsecured bank loans of $nil. $574,333.

The average short-term borrowing rates for the years ended December 31, 2021 December 31, 2022, and 2020 2021 were approximately 4.73% 4.72% and 4.79% 4.73%, respectively.

Long-term loans from credit union

As of December 31, 2020 December 31, 2022, and 2019, loans payable to Rural Credit Union of Xushui County, amounted to 2021, long-term loan balance is $9,040,002 and $9,818,530

	December 31, 2021	Decembe 2020
Rural Credit Union of Xushui District Loan 1	$ 1,348,871	$ 1,3
Rural Credit Union of Xushui District Loan 2	3,921,139	3,8
Rural Credit Union of Xushui District Loan 3	2,509,528	2,4
Rural Credit Union of Xushui District Loan 4	2,038,992	1,9
Yujiangna		
Total	9,818,530	9,5
Less: Current portion of long-term loans from credit union	(6,838,465)	(4,9
Less: Current portion of long-term loans		
Long-term loans from credit union	$ 2,980,065	$ 4,5

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As of Dec 31, 2021, December 31, 2022, the Company's long-term debt repayments for the next two coming years were as follows:

Fiscal year
2022
2023 and after
2023
2024 & after
Total

On April 16, 2014, the Company entered into a loan agreement with the Rural Credit Union of Xushui District for a term of 5 years, which was originally due in various installments The loan is guaranteed by an independent third party. Interest payment is due quarterly and bears the bore a rate of 0.64% 7.68% per month. annum. With effective from Novemb 7% per annum. On November 6, 2018, the loan was renewed for additional 5 years and will be due and payable in various installments from December 21, 2018 to November 5, 20 2022, and 2020, 2021, total outstanding loan balance was $1,348,871 $1,234,816 and $1,318,028, $1,348,871, respectively, Out of the total outstanding loan balance, current portio $214,563 $329,376 as of December 31, 2021 December 31, 2022, and 2020, 2021, respectively, which are presented as current liabilities in the consolidated balance sheet and th $1,103,465 $1,019,495 are presented as non-current liabilities in the consolidated balance sheet as of December 31, 2021 December 31, 2022, and 2020, 2021, respectively.

On July 15, 2013, the Company entered into a loan agreement with the Rural Credit Union of Xushui District for a term of 5 years, which was originally due and payable in various ir 26, 2018. On June 21, 2018, the loan was extended for additional 5 years and will be due and payable in various installments from December 21, 2018 to June 20, 2023. The loa manufacturing equipment with net book value of $1,130,333 $280,466 and $2,349,796 $1,130,333 as of December 31, 2021 December 31, 2022, and 2020, 2021, respectively. Interest fixed rate of 0.64% 7.68% per month. annum. With effective from November 15, 2022, the interest rate is reduced to 7% per annum. As of December 31, 2021 December 31, 2022, balance was $3,921,139 $3,589,582 and $3,831,476, $3,921,139, respectively. Out of the total outstanding loan balance, current portion amounted were $1,960,569 $3,589,582 ar 2021 December 31, 2022, and 2020 2021 respectively, which are presented as current liabilities in the consolidated balance sheet and the remaining balance of $1,960,570 $nil and $ current liabilities in the consolidated balance sheet as of December 31, 2021 December 31, 2022, and 2020, 2021, respectively.

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On April 17, 2019, the Company entered into a loan agreement with the Rural Credit Union of Xushui District for a term of 2 years, which was due and payable in various installments loan was renewed on March 22, 2021 and December 24, 2021 and extended for additional 3 years in total, which will be due on April 16, 2024 according to the new schedule. The with its land use right as collateral for the benefit of the credit union. Interest payment is due quarterly and bears bore a fixed rate of 0.6% 7.68% per month. annum. With effective f reduced to 7% per annum. As of December 31, 2021 December 31, 2022, and 2020, 2021, the total outstanding loan balance was $2,297,332 and $2,509,528, respectively. Out of th portion amounted were $niland $2,452,145, $2,509,528 as of December 31, 2022 and 2021 respectively, which are presented as current liabilities in the consolidated balance sheet ar $nil are presented as non-current liabilities in the consolidated balance sheet as of December 31, 2021, December, 2022 and 2020.2021, respectively.

On December 12, 2019, the Company entered into a loan agreement with the Rural Credit Union of Xushui District for a term of 2 years, which is due and payable in various install 2021. The loan was renewed on March 22, 2021 and December 24, 2021 and extended for additional 3 years in total, which will be due on December 11, 2024 according to the n Tengsheng Paper with its land use right as collateral for the benefit of the credit union. Interest payment is due monthly and bears bore a fixed rate of 7.56% 7.68% per annum. W interest rate is reduced to 7% per annum. As of December 31, 2021 December 31, 2022, and 2020, 2021, the total outstanding loan balance was $1,866,582 and $2,038,992, respe balance, current portion amounted were $niland $1,992,368, $2,038,992 as of December 31, 2022, and 2021 respectively, which are presented as current liabilities in the consolidate of $1,866,582 and $nil are presented as non-current liabilities in the consolidated balance sheet as of December 31, 2021 December 31, 2022, and 2020.2021, respectively.

On July 1, 2022, the Company entered into a loan agreement with Jiangna Yu, a customer of the Company, pursuant to which the Company borrowed RMB400,000 from Jiangna Yu in monthly installment of RMB10,667 from July 2022 to July 2027. As of December 31, 2022, the total outstanding loan balance was $51,690. Out of the total outstanding loan balan which is presented as current liabilities and the remaining balance of $40,204 is presented as non-current liabilities in the consolidated balance sheet as of December 31, 2022.

Total interest expenses for the short-term bank loans and long-term loans for the years ended December 31, 2021 December 31, 2022, and 2020 2021 were $988,997 and $1,052,904 a

(9)

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(8) Related Party Transactions

Mr. Zhenyong Liu has loaned money to Dongfang Paper for working capital purposes over a period of time. On January 1, 2013, Dongfang Paper and Mr. Zhenyong Liu renewed the t January 1, 2010, and extended the maturity date further to December 31, 2015. On December 31, 2015, the Company paid off the loan of $2,249,279, together with interest of $ Approximately $402,047 $368,052 and $392,855 $402,047 of interest were outstanding to Mr. Zhenyong Liu, which were recorded in other payables and accrued liabilities as part o balance sheet as of December 31, 2021 December 31, 2022, and 2020, 2021, respectively.

On December 10, 2014, Mr. Zhenyong Liu provided a loan to the Company, amounted to $8,742,278 to Dongfang Paper for working capital purpose with an interest rate of 4.35% pe lending rate of People's Bank of China. The unsecured loan was provided on December 10, 2014, and would be originally due on December 10, 2017. During the year of 2016, the Co Liu, together with interest of $288,596. In February 2018, the company paid off the remaining balance, together with interest of $20,400. As of December 31, 2021 Decembe $47,054 $43,075 and $45,978 $47,054 of interest were outstanding to Mr. Zhenyong Liu, which was recorded in other payables and accrued liabilities as part of the current liabilities in

On March 1, 2015, the Company entered an agreement with Mr. Zhenyong Liu which allows Dongfang Paper to borrow from the CEO an amount up to $17,201,342 (RMB120,0 advances or funding under the agreement are due three years from the date each amount is funded. The loan is unsecured and carries an annual interest rate set on the basis of th of China at the time of the borrowing. On July 13, 2015, an unsecured amount of $4,324,636 was drawn from the facility. On October 14, 2016 an unsecured amount of $2,883,091 wa the company repaid $1,507,432 to Mr. Zhenyong Liu. The loan would be originally due on July 12, 2018. Mr. Zhenyong Liu agreed to extend the loan for additional 3 years and the rer On November 23, 2018, the company repaid $3,768,579 to Mr. Zhenyong Liu, together with interest of $158,651. In December 2019, the company paid off the remaining balar December 2021, 2022, and 2020, 2021, the outstanding interest was $215,565 $197,338 and $210,635, $215,565, respectively, which was recorded in other payables and accrued liabi consolidated balance sheet.

As of December 31, 2021 December 31, 2022, and 2020, 2021, total amount of loans due to Mr. Zhenyong Liu were $nil. The interest expense incurred for such related party loans 2021 December 31, 2022, and 2020. 2021. The accrued interest owe to the CEO was approximately $664,666 $608,465 and $649,468, $664,666, as of December 31, 2021 December 31, 20 recorded in other payables and accrued liabilities.

On December 8, 2021, the Company entered an agreement with Mr. Zhenyong Liu, which allows Mr.Zhenyong Mr. Zhenyong Liu to borrow from the Company an amount of $6,91 on June 29, 2022 $6,507,431 (RMB44,089,085). The loan is unsecured and carries a fixed interest rate of 3% per annum. As of December 31, 2021, the outstanding balance of the interest due from CEO is $nil, which was recorded repaid by Mr. Zhenyong Liu in due from related parties as part of the current assets in the consolidated balance sheet.February 20

In October 2022 and November 2022, the Company entered two agreements with Mr. Zhenyong Liu, which allowed Mr. Zhenyong Liu to borrow from the Company an amount loans were unsecured and carried a fixed interest rate of 4.35% per annum. The loans were repaid by Mr. Zhenyong Liu in February 2023.

As of December 31, 2021 December 31, 2022, and 2020, 2021, amount due to shareholder are $727,433, which represent funds from shareholders to pay for various expenses incurre with interest free.

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(10) (9) Other payables and accrued liabilities

Other payables and accrued liabilities consist of the following:

	December 31, 2021		Decembe 2020
Accrued electricity	$	135,360	$
Accrued rental		61,879	
Value-added tax payable		-	
Accrued interest to a related party		664,666	
Payable for purchase of equipment		3,379,368	3,
Accrued commission to salesmen		15,274	
Accrued bank loan interest		992,989	
Others		1,003	
Totals	$	5,250,539	$ 4,

(11) (10) Derivative Liabilities

The Company analyzed the warrant for derivative accounting consideration under ASC 815, "*Derivatives and Hedging, and hedging,*" and determined that the instrument should l becomes effective at issuance resulting in there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options.

ASC 815 requires we assess the fair market value of derivative liability at the end of each reporting period and recognize any change in the fair market value as other income or exper The Company determined our derivative liabilities to be a Level 3 fair value measurement and used the Black-Scholes pricing model to calculate the fair value as of December 31, model requires six basic data inputs: the exercise or strike price, time to expiration, the risk-free interest rate, the current stock price, the estimated volatility of the stock price in th these inputs could produce a significantly higher or lower fair value measurement. The fair value of each warrant is estimated using the Black-Scholes valuation model. The following in the December 31, 2021 December 31, 2022:

Expected term

Expected term	
Expected average volatility	
Expected dividend yield	
Risk-free interest rate	

The following table summarizes the changes in the derivative liabilities during the year ended December 31, 2021 December 31, 2022:

Fair Value Measurements Using Significant Observable Inputs (Level 3)

Balance at December 31, 2020	$	1,115,260
Addition of new derivatives recognized as warrant		9,730,919
Addition of new derivatives recognized as loss on derivatives		10,813,347
Exercise of warrants		(2,902,119)
Change in fair value of derivative liability		(16,693,873)
Balance at December 31, 2021	$	2,063,534

Balance at December 31, 2021	$	2,063,534
Change in fair value of derivative liability		(1,417,251)
Balance at December 31, 2022	$	646,283

The following table summarizes the loss on derivative liability included in the income statement for the year ended December 31, 2021 December 31, 2022 and 2020, 2021, respective

	Year Ended December 31,			
	2021		2020	
Day one loss due to derivative liabilities as warrant	$	10,813,347	$	306,215
(Gain) Loss on change in fair value of derivative liability		(16,693,873)		119,840
		(5,880,526)		426,055

	Year Ended December 31,			
	2022		2021	
Day one loss due to derivative liabilities as warrant	$	-	$	10,813,347
(Gain) Loss on change in fair value of derivative liability		(1,417,251)		(16,693,873)
		(1,417,251)		(5,880,526)

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(12) (11) Common Stock

Issuance of common stock to investors

On April 29, 2020, the Company and certain institutional investors entered into a securities purchase agreement, as amended on May 4, 2020 (the "2020 Purchase Agreement"), pur to such investors an aggregate of 4,400,000 shares of common stock in a registered direct offering and warrants to purchase up to 4,400,000 shares of the Company's common st gross proceeds of approximately $2.55 million (net proceeds of approximately 2.27 million). The purchase price for each share of Common Stock and the corresponding warrant w was $0.7425 per share.

On January 20, 2021, the Company offered and sold to certain institutional investors an aggregate of 26,181,818 shares of common stock and 26,181,818warrants to purchase up best efforts public offering for gross proceeds of approximately $14.4 million. The purchase price for each share of common stock and the corresponding warrant was $0.55. The share.

On March 1, 2021, the Company offered and sold to the public investors an aggregate of 29,277,866 shares of common stock and 14,638,933 warrants to purchase up to 14,6 commitment underwritten public offering for gross proceeds of approximately $21.9 million. The purchase price for each share of common stock and accompanying warrant was $ $0.75 per share.

Reverse stock split

On June 9, 2022, the Board of Directors of the Company approved the Reverse Stock Split, at a ratio of 1-for-10, pursuant to Section 78.207 of the Nevada Revised Statutes ("NRS"). Company filing of a Certificate of Change Pursuant to NRS 78.209 with the Secretary of State of the State of Nevada on July 7, 2022. The par value per share of our stock remair Reverse Stock Split. All references made to share or per share amounts in the accompanying consolidated financial statements and applicable disclosures have been retroactively a Stock Split.

Issuance of common stock pursuant to the 2015 Omnibus Equity 2021 Incentive and 2019 Omnibus Equity Incentive Stock Plan

On September 13, 2018 August 15, 2022, the compensation committee Company granted an aggregate of 534,500 150,000 shares of common stock at $0.88 per share under its comp directors and employees, of the Company, which were granted as awards under the 2015 Omnibus Equity 2021 Incentive Stock Plan. Please see Note (15), Stock Incentive Plans for m common stock granted was calculated at $470,360 at$156,000 as of the date of issuance.grant.

(12) Warrants

On April 2, 2020, the compensation committee granted an aggregate of 2,000,000 shares of restricted common stock to fifteen officers, directors and employees of the Company, wh Equity Incentive Plan. Total fair value of the shares of common stock granted was calculated at $1,200,000 as of the date of issuance at $0.60 per share.

Issuance of common stock to a consultant

On January 2, 2020 April 29, 2020, the Company and certain institutional investors entered into an a securities purchase agreement, with a consultant and agreed as com "2020Purchase Agreement"), pursuant to issue to the consultant in the aggregate of 60,000 shares of common stock for merger and acquisition consulting service rendered from shares of common stock were issued to this consultant on April 28, 2020. Total fair value of the shares of common stock issued was calculated at $42,000 at $0.70 per share.

Issuance of common stock to a consultant

On November 2, 2020, the Company entered into an agreement with a consultant and agreed as compensation to issue to the consultant in the aggregate of 21,000 shares of com service rendered from November 2, 2020 to November 2, 2021. 21,000 shares of common stock were issued to this consultant on November 30, 2020. Total fair value of the shares $14,700 at $0.70 per share.

(13) Warrants

Pursuant to the 2020 Purchase Agreement, which the Company agreed to sell to such investors an aggregate of 4,400,000 440,000 shares of common stock and warrants to p common stock in a concurrent private placement (the "May 2020 Warrants"). The exercise price of the May 2020 Warrant is $0.7425 $7.425 per share. These warrants are become exe exercise equal to five years and six months from the date of issuance till July 23, 2025. 880,000 88,000 May 2020 Warrants were exercised in February 2021 at the exercise 3,520,000 352,000 May 2020 Warrants were outstanding as of September 30, 2021 December 31, 2022. The Company classified warrant as liabilities and accounted for the issuance of

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On January 20, 2021, the Company offered and sold to certain institutional investors an aggregate of 26,181,818 2,618,182 shares of common stock and 26,181,818warrar 26,181,818 2,618,182 shares of common stock (the "January 2021 Warrants"). The January 2021 Warrants are became exercisable commencing on January 20, 2021 January20, 2021 expire on January 20, 2026. 14,106,900 1,410,690 January 2021 Warrants were exercised in January and February of 2021 at the exercise price of $0.55 $5.5 per share. 12,074,9 outstanding as of December 31, 2021 December 31, 2022.

On March 1, 2021, the Company offered and sold to the public investors an aggregate of 29,277,866 2,927,786 shares of common stock and 14,638,933 1,463,893 warrants to pur common stock (the "March 2021 "March2021 Warrants"). The March 2021Warrants are 2021 Warrants became exercisable commencing on March 1, 2021 at an exercise price of $ 67,500 March1, 2026. 6,750 March 2021 Warrants were exercised in January and March 2021 at the exercise price of $0.75 $7.5 per share and 14,571,433 1,457,143 March 2021 Warr 2021 December 31, 2022.

The Company classified warrant as liabilities and accounted for the issuance of the warrants as a derivative.

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A summary of stock warrant activities is as below:

	Year Ended December 31, 2021	
	Number	Weight average exercise price
Outstanding and exercisable at beginning of the period	4,400,000	$ 0.7425
Issued during the period	40,820,751	0.622
Exercised during the period	(15,054,400)	0.5621
Cancelled or expired during the period	-	-
Outstanding and exercisable at end of the period	30,166,351	$ 0.6691

	Year Ended December 31, 2022	
	Number	Weight average exercise price
Outstanding and exercisable at beginning of the period	3,016,635	$ 6.6907
Issued during the period	-	
Exercised during the period	-	
Cancelled or expired during the period	-	
Outstanding and exercisable at end of the period	3,016,635	$ 6.6907

The following table summarizes information relating to outstanding and exercisable warrants as of December 31, 2021 December 31, 2022.

Warrants Outstanding	Warrants Outstanding			Warrants Exercisable		Warrants Out	
Number of Shares	Number of Shares	Weighted Average Remaining Contractual life (in years)	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weight Averag Remaini Contract life (in year
	30,166,351	4.08	$ 0.6691	30,166,351	$ 0.6691	3,016,635	

Aggregate intrinsic value is the sum of the amounts by which the quoted market price of the Company's stock exceeded the exercise price of the warrants at December 31, 2021
which the quoted market price was in excess of the exercise price ("in-the-money" warrants). The intrinsic value of the warrants as of December 31, 2021 December 31, 2022 and 2020

(14) (13) Earnings Per Share

For the years ended December 31, 2021 December 31, 2022, and 2020, 2021, basic and diluted net income per share are calculated as follows:

	Year Ended December 31, 2021	Year Ended December 31, 2020
Basic income (loss) per share		
Net income (loss) for the year - numerator	$ 905,535	$ (5,554,002)
Weighted average common stock outstanding - denominator	59,849,082	26,498,298
Net income (loss) per share	$ 0.02	$ (0.21)
Diluted income (loss) per share		
Net income (loss) for the year - numerator	$ 905,535	$ (5,554,002)
Weighted average common stock outstanding - denominator	59,849,082	26,498,298
Effect of dilution	-	-
Weighted average common stock outstanding - denominator	59,849,082	26,498,298
Diluted income (loss) per share	$ 0.02	$ (0.21)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Basic (loss) income per share		
Net (loss) income for the year - numerator	$ (16,571,308)	$ 905,535
Weighted average common stock outstanding - denominator	9,972,788	9,133,440

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Net (loss) income per share	$ (1.66)	$ 0.10
Diluted (loss) income per share		
Net (loss) income for the year - numerator	$ (16,571,308)	$ 905,535
Weighted average common stock outstanding - denominator	9,972,788	9,133,440
Effect of dilution	-	-
Weighted average common stock outstanding - denominator	9,972,788	9,133,440
Diluted (loss) income per share	$ (1.66)	$ 0.10

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(15) (14) Income Taxes

United States

The Company and Shengde Holdings are incorporated in the State of Nevada and are subject to the U.S. federal tax and state statutory tax rates up to 34% and 0%, respectively. C
Tax Cuts and Jobs Act (the "2017 TCJA"), which significantly changed U.S. tax law. The 2017 TCJAlowered 2017TCJA lowered the Company's U.S. statutory federal income tax rate fro
January 1, 2018, while also imposing a deemed repatriation tax on deferred foreign income which requires companies to pay a one-time transition tax on previously unremitted
previously tax deferred and creates new taxes on certain foreign sourced earnings. The SEC staff issued Staff Accounting Bulletin (SAB) 118, which provides guidance on accounting
TCJA. SAB 118 provides a measurement period of up to one year from the 2017 TCJA's enactment date for companies to complete their accounting under ASC 740. In accordance wi
accounting for certain income tax effects of the 2017 TCJA is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in its financial sta
provisional estimate to be included in its financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately befo
Transition tax: The transition tax is a tax on previously untaxed accumulated and current earnings and profits (E&P) of certain of the Company's non-U.S. subsidiaries. To deter
Company must determine, in addition to other factors, the amount of post-1986 E&P of the relevant subsidiaries, as well as the amount of non-U.S. income taxes paid on such ear
part on the amount of those earnings held in cash and other specified assets. The Company was able to make a reasonable estimate of the transition tax and recorded a provis
expense of approximately $80,000 in the fourth quarter of 2017. However, the Company is continuing to gather additional information and will consider additional technical guidan
for the amount of the transition tax. This amount may change when the Company finalizes the calculation of post-1986 foreign E&P previously deferred from U.S. federal taxatio
other specified assets. The 2017 TCJA's transition tax is payable over eight years beginning in 2018.

PRC

Dongfang Paper and Baoding Shengde are PRC operating companies and are subject to PRC Enterprise Income Tax. Pursuant to the PRC New Enterprise Income Tax Law, Enter
statutory rate of 25%.

The provisions for income taxes for the years ended December 31, 2021 December 31, 2022, and 2020 2021 were as follows:

	Year Ended December 31,	
	2021	
Provision for Income Taxes		
Current Tax Provision U.S.	$ 14,717	$
Current Tax Provision PRC	2,802,187	
Deferred Tax Provision PRC	2,730,050	
Total Provision for (Deferred tax benefit)/ Income Taxes	$ 5,546,954	$

In addition to the reversible future PRC income tax benefits stemming from the timing differences of items such as recognition of asset disposal gain or loss and asset deprecia
United States and incurred net operating losses of approximately $2,508,797 $530,581 and $0 $761,881 for U.S. income tax purposes for the years ended December 31, 2021 Decembe
net operating loss carried forward may be available to reduce future years' taxable income. These carry forwards would expire, if not utilized, during the period of 2030 t
2021 December 31, 2022, management believed that the realization of all the U.S. income tax benefits from these losses, which generally would generate a deferred tax asset if it c
appears not more than likely due to the Company's limited operating history and continuing losses for United States income tax purposes. Accordingly, As of December 31, 2021, D
100% valuation allowance on the U.S. deferred tax asset benefit to reduce the total deferred tax asset to the amount realizable for the PRC income tax purposes. Management re
and will make adjustments as warranted. A summary of the otherwise deductible (or taxable) deferred tax items is as follows:

	December 31,	Dece
	2021	2
Deferred tax assets (liabilities)		
Depreciation and amortization of property, plant and equipment	$ 14,754,456	$
Impairment of property, plant and equipment	783,433	
Miscellaneous	342,170	
Net operating loss carryover of PRC company	388,620	
Total deferred tax assets	16,268,679	
Less: Valuation allowance	(5,000,000)	
Total deferred tax assets, net	$ 11,268,679	

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The following table reconciles the statutory rates to the Company's effective tax rate as of:

	Year End December
	2021
PRC Statutory rate	25.0 %
Effect of different tax jurisdiction	
Effect of tax and book difference	(16.5)%
(Over) Under-provision in previous year	
Change in valuation allowance	77.5 %
Effective income tax rate	86.0 %

During the years ended December 31, 2021 December 31, 2022, and 2020, 2021, the effective income tax rate was estimated by the Company to be 86.0% -241.0% and 16.6% 86.0%, re
As of December 31, 2017 December 31, 2022, except for the one-time transition tax under the 2017 TCJA which imposes a U.S. tax liability on all unrepatriated foreign E&Ps, the dividend policy and the available U.S. tax deductions and net operating losses will cause the Company to recognize any other substantial current U.S. federal or state corporate inco it believe that the amount of the repatriation of the VIE's earnings and profits for purposes of paying dividends will change the Company's position that its PRC subsidiary Baoding considered or are expected to be indefinitely reinvested offshore to support our future capacity expansion. If these earnings are repatriated to the U.S. resulting in U.S. taxable inco such earnings are to be remitted in the foreseeable future, additional tax provisions would be required.

The Company has adopted ASC Topic 740-10-05,Income Taxes. To date, the adoption of this interpretation has not impacted the Company's financial position, results of operatio self-assessment and the Company's liability for income taxes includes the liability for unrecognized tax benefits, interest and penalties which relate to tax years still subject to r remain open for review until the statute of limitations has passed, which in the PRC is usually 5 years. The completion of review or the expiration of the statute of limitations adjustment to the Company's liability for income taxes. Any such adjustment could be material to the Company's results of operations for any given quarterly or annual period ba for the given period. As of September 30, 2021 December 31, 2022 and December 31, 2021, 2021, management considered that the Company had no uncertain tax positions affec results of operations or cash flows, and will continue to evaluate for any uncertain position in future. There are no estimated interest costs and penalties provided in the Company' nine months years ended December 31, 2021and 2020, December 31, 2022 and 2021, respectively. The Company's tax positions related to open tax years are subject to examinati major one is the China Tax Authority.

(16) (15) Stock Incentive Plans

2019 Incentive Stock Plan

On October 31, 2019, the shareholders of the Company at the Company's Annual Shareholders General Meeting adopted and approved the 2019 Omnibus Equity Incentive Plan Under the 2019 ISP, the Company has reserved a total of 2,000,000 shares of common stock for issuance as or under awards to be made to the directors, officers, employees a subsidiaries. On April 2, 2020, 2,000,000 shares of common stock were granted under the 2019 ISP. Total fair value of the shares of common stock granted was calculated at $1,200 share.

2021 Incentive Stock Plan

On November 12, 2021, the Company's Annual General Meeting adopted and approved the 2021 Omnibus Equity Incentive Plan of IT Tech Packaging, Inc.(the"2021 Plan").Under total of 1,500,000 150,000 shares of common stock for issuance as or under awards to be made to the directors, officers, employees and/or consultants of the Company and its subs

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(17) (16) Commitments and Contingencies

Operating Xushui Land Lease

The Company leases 32.95 acres of land from a local government in Xushui District, Baoding City, Hebei, China through a real estate lease with a 30-year term, which expires on annual rental payment of approximately $18,612 $17,759 (RMB120,000). This operating lease is renewable at the end of the 30-year term.

Future minimum lease payments of the land lease is as follows:

December 31,	Amount
2023	17,230
2024	17,230
2025	17,230
2026	17,230
2027	17,230
Thereafter	68,920
Total land lease payments	155,070

Sale of Headquarters Compound Real Properties

On August 7, 2013, the Company's Audit Committee and the Board of Directors approved the sale of the land use right of the Headquarters Compound (the "LUR"), the offic buildings in the Headquarters Compound (the "Industrial Buildings"), and three employee dormitory buildings located within the Headquarters Compound (the "Dormitorie approximately $2.77 million, $1.15 million, and $4.31 million respectively. Sales of the LUR and the Industrial Buildings were completed in year 2013.

In connection with the sale of the Industrial Buildings, Hebei Fangsheng agreed to lease the Industrial Buildings back to the Company for its original use for a term of up to thre approximately $155,101 $147,988 (RMB1,000,000). The lease agreement expired was recorded in August 2016. On August 6, 2016 lease assets and August 6, 2018, liabilities in the C agreements with Hebei Fangsheng, who agreed to extend the lease term for another four years in total, with the same rental payment consolidated balance sheet as original lease a

Future minimum lease payments are of the building lease is as follows:

December 31,
2022
2023
2024
2025
2026
2027
Thereafter
Total operating lease payments
Less: Interest
Present value of lease liabilities
Less: current portion, record in current liabilities
Present value of lease liabilities

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Capital commitment

As of December 31, 2021 December 31, 2022, the Company has entered into several contracts for the purchase of paper machine of a new tissue paper production line PM10,and the outstanding commitments under these contracts were $4,700,927 $4,329,279 and $4,570,331 $4,700,927 as of December 31, 2021 December 31, 2022 and 2020, 2021, respectively. balances within 1-3 years.

Guarantees and Indemnities

The Company agreed with Baoding Huanrun Trading Co., a major supplier of raw materials, to guarantee certain obligations of this third party, and as of December 31, 2021 Decem guaranteed its long-term loan from financial institutions amounting to $4,862,211 $4,451,081 (RMB31,000,000) and $4,751,031 $4,862,211 (RMB31,000,000), respectively, that mature Trading Co., were to become insolvent, the Company could be materially adversely affected.

(18)

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(17) Segment Reporting

Since March 10, 2010, Baoding Shengde started its operations and thereafter the Company manages its operations through two three business operating segments: Dongfang Pa
offset printing paper, and corrugating medium paper and tissue paper, and Baoding Shengde, which produces face masks and digital photo paper. They are managed separately
technology and marketing strategies.

The Company evaluates performance of its operating segments based on net income. Administrative functions such as finance, treasury, and information systems are centralized.
administrative function expenses are allocated between among the operating segments based on gross revenue generated. The operating segments do share facilities in Xushui Co
All sales were sold to customers located in the PRC.

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Summarized financial information for the two three reportable segments is as follows:

	Year Ended December 31, 2021						Year End December 3			
	Dongfang Paper	Hebei Tengsheng	Baoding Shengde	Not Attributable to Segments	Elimination of Inter-segment	Enterprise-wide, consolidated	Dongfang Paper	Tengsheng Paper	Baoding Shengde	Not At to Se
Revenues	$ 151,574,318	8,765,380	5,878,568	-	(5,336,546)	160,881,720	$ 98,725,408	1,369,206	257,820	
Gross profit	12,138,849	(1,255,190)	133,900	-	-	11,017,559	7,629,761	(2,942,893)	67,328	
Depreciation and amortization	5,213,598	8,408,713	1,736,141	-	-	15,358,452	4,782,157	8,349,374	1,656,505	
Interest income	24,732	1,703	12,331	-	-	38,766	12,820	1,209	8,684	
Interest expense	717,265	71,798	335,639	-	-	1,124,702	653,525	54,180	320,246	
Income tax expense(benefit)	2,348,694	3,197,629	(14,086)	14,717	-	5,546,954				
Income tax expense (benefit)							3,054,208	7,062,139	1,579,930	
Net income (loss)	6,744,417	(10,620,350)	(322,525)	5,103,993	-	905,535	780,465	(17,162,887)	(1,100,286)	

	Year Ended December 31, 2020						Year Ended December 31, 202			
	Dongfang Paper	Hebei Tengsheng	Baoding Shengde	Not Attributable to Segments	Elimination of Inter-segment	Enterprise-wide, consolidated	Dongfang Paper	Tengsheng Paper	Baoding Shengde	Not Attributab to Segments
Revenues	$ 91,426,671	8,414,654	1,101,944	-	-	100,943,269	$ 151,574,318	8,765,380	5,878,568	-
Gross profit	7,000,150	(1,828,214)	530,049	-	-	5,701,985	12,138,849	(1,255,190)	133,900	
Depreciation and amortization	7,039,687	8,613,750	140,417	-	-	15,793,854	5,213,598	8,408,713	1,736,141	
Interest income	27,046	1,770	3,217	-	-	32,033	24,732	1,703	12,331	
Interest expense	683,605	28,083	314,824	-	-	1,026,512	717,265	71,798	335,639	
Income tax expense(benefit)	967,408	(2,140,532)	56,550	14,717	-	(1,101,857)				
Income tax expense (benefit)							2,348,694	3,197,629	(14,086)	
Net income (loss)	2,849,742	(5,837,914)	(42,250)	(2,523,580)	-	(5,554,002)	6,744,417	(10,620,350)	(322,525)	

	As of December 31, 2021			
	Dongfang Paper	Hebei Tengsheng	Baoding Shengde	Not Attributable to Segments
Total assets	$ 109,369,167	93,841,874	29,181,392	9,142,769

	As of December 31, 2022					
	Dongfang Paper	Tengsheng Paper	Baoding Shengde	Not Attributable to Segments	Elimination of Inter-segment	Enterprise- consolida
Total assets	$ 63,365,986	117,645,828	17,945,969	5,489,450	-	204,44

	As of December 31, 2020			
	Dongfang Paper	Hebei Tengsheng	Baoding Shengde	Not Attributable to Segments
Total assets	$ 79,206,447	102,056,291	18,589,570	22,166

	As of December 31, 2021					
	Dongfang Paper	Tengsheng Paper	Baoding Shengde	Not Attributable to Segments	Elimination of Inter-segment	Enterprise- consolida
Total assets	$ 109,369,166	93,841,874	29,181,392	9,142,770	-	241,53

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(19) (18) Concentration and Major Customers and Suppliers

For the years ended December 31, 2021 December 31, 2022, and 2020, 2021, the Company had no single customer contributed over 10% of total sales.

For the year ended December 31, 2022, the Company had two major suppliers that accounted for 76% and 15% of total purchases by the Company.

For the year ended December 31, 2021, the Company had two major suppliers that accounted for 78% and 11% of total purchases by the Company.

For the year ended December 31, 2020, the Company had two major suppliers that accounted for 72% and 12% of total purchases by the Company.

(20) (19) Concentration of Credit Risk

Financial instruments for which the Company is potentially subject to concentration of credit risk consist principally of cash. The Company places its cash in reputable financial ins Although it is generally understood that the PRC central government stands behind all of the banks in China in the event of bank failure, there is no deposit insurance systen provided by the Federal Deposit Insurance Corporation ("FDIC") of the United States as of December 31, 2018 December 31, 2022 and December 31, 2017 December 31, 2021. On Regulations" was effective in the PRC that the maximum protection would be up to RMB500,000 (US$78,423) 71,792) per depositor per insured financial intuition, including both pr financial institutions in the United States, the Company's U.S. bank accounts are all fully covered by the FDIC insurance as of December 31, 2021 December 31, 2022, and 2020, 2 institutions in the PRC, the balances exceeding the maximum coverage of RMB500,000 amounted to RMB11,520,053 RMB50,728,229 (US$1,806,869) 7,283,725) as of December 31, 202

(21) (20) Risks and Uncertainties

IT Tech Packaging is subject to substantial risks from, among other things, intense competition associated with the industry in general, other risks associated with financing, liquidit requirements, foreign currency exchange rates, and operating in the PRC under its various laws and restrictions.

(22) Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 replaced the incu current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit lo forward-looking expected credit loss model for accounts receivables, loans, and other financial instruments. ASU 2016-13 is effective for fiscal years beginning after December 1 October 2019, the FASB issued ASU No. 2019-10, "Financial Instruments-Credit Losses (Topic 326): Effective Dates", to finalize the effective date delays for private companies, not-fo applying the CECL standards. The ASU is effective for reporting periods beginning after December 15, 2022 and interim periods within those fiscal years. Early adoption is permitted the adoption of ASU 2016-13 on our condensed consolidated financial statements.

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(23) (21) Subsequent Event

On February 23, 2022, Dongfang Paper fully paid the RMB320 million (approximately $45million) as the consideration for the acquisition per agreement that Dongfang Paper had er Tengsheng Paper Co., Ltd.None.

(24) (22) Summarized Quarterly Financial Data (Unaudited)

Quarterly financial information for 2021and 2020is 2022 and 2021 is as follows:

	Quarter			
2022	**First**	**Second**	**Third**	**Fourth**
Revenues	$ 15,481,618	$ 31,788,884	$ 31,709,214	$ 21,372,718
Gross profit	310,445	634,037	2,783,588	1,026,126
Loss from operations	(2,990,436)	(1,235,765)	(586,953)	(1,895,373)
Net loss	(2,488,214)	(287,913)	(1,887,318)	(11,907,863)
Net income per share				
Basic	$ -0.03	$ -0.003	$ -0.19	$ -1.19
Diluted	$ -0.03	$ -0.003	$ -0.19	$ -1.19

	Quarter			
2021	**First**	**Second**	**Third**	**Fourth**
Revenues	$ 24,209,427	$ 46,534,915	$ 45,087,671	$ 45,049,707
Gross profit	1,831,005	3,029,020	1,821,536	4,335,998
(Loss) income from operations	(724,313)	431,408	(198,029)	1,950,303
Net (loss) income	(4,338,856)	(453,248)	1,542,576	4,155,063
Net income per share				
Basic	$ -0.12	$ -0.01	$ 0.03	$ 0.07
Diluted	$ -0.12	$ -0.01	$ 0.03	$ 0.07

	Quarter			
2020	**First**	**Second**	**Third**	**Fourth**
Revenues	$ 8,743,851	$ 26,362,273	$ 33,357,451	$ 32,479,694
Gross (loss) profit	(169,719)	2,558,829	2,567,551	745,323
(Loss) income from operations	(2,866,682)	(798,643)	176,631	(1,967,110)
Net loss	(2,436,287)	(980,031)	(520,974)	(1,616,710)
Net loss per share				
Basic	$ -0.11	$ -0.04	$ -0.02	$ -0.06
Diluted	$ -0.11	$ -0.04	$ -0.02	$ -0.06

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(25) (23) Condensed Financial Information of the Parent Company

The condensed financial statements of IT Tech Packaging Inc. ("ITP", the "parent company") have been prepared in accordance with accounting principles generally accepted in th laws and regulations, the Company's PRC subsidiaries are restricted in their ability to transfer certain of their net assets to the parent company in the form of dividend payments, include paid-in capital, capital surplus and statutory reserves, as determined pursuant to PRC generally accepted accounting principles, totaling $86,141,643 and $79,641,643 ad $47, 31, 2022, and 2020.2021.

The following represents condensed unconsolidated financial information of the parent company only:

	December 31, 2021		Decem 20	
ASSETS				
Current Assets				
Cash and cash equivalents	$	9,135,996	$	
Prepayments and other current assets				
Total current assets		9,135,996		
Investment in subsidiaries		213,804,439		1
Total Assets	$	222,940,435	$	1
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Inter-company payable	$	4,399,560	$	
Inter-company payable (net)				
Due to related parties		727,433		
Total current liabilities		5,126,993		
Derivative liability		2,063,534		
Total liabilities	$	7,190,527	$	
Total stockholders' equity		215,749,908		1
Total Liabilities and Stockholders' Equity	$	222,940,435	$	1

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IT TECH PACKAGING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31, 2021		
Revenue		-	
Selling, general and administrative expenses	$	761,596	$
Loss from Operations		(761,596)	
Equity in earnings of unconsolidated subsidiaries		(4,198,678)	
Loss on derivative liability		5,880,526	
Other Income (Expense)		-	
Income before Income Taxes		920,252	
Provision for Income Taxes		(14,717)	
Net Income	$	905,535	$
Other comprehensive income /(loss)		4,755,446	
Total Comprehensive Income (loss)	$	5,660,981	$

	Year Ended December 31, 2021		
Net Cash Used in Operating Activities	$	(776,313)	$
Net Cash Used in Investing Activities		(32,053,000)	
Net Cash Provided by Financing Activities		41,949,138	
Net Increase (Decrease) in Cash and Cash Equivalents		9,119,824	
Cash and Cash Equivalents - Beginning of Year		16,172	
Cash and Cash Equivalents - End of Year	$	9,135,996	$

The condensed financial information has been prepared using the same accounting policies as set out in the Company’s consolidated financial statements except that the pa account for its investments in the subsidiaries.

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Our management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e)) under the Exchange Act) tl required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time spec Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports t Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performir timely decisions regarding required disclosure.

Pursuant to Rule 13a-15(b) under the Exchange Act, the Company carried out an evaluation with the participation of the Company's management, including Zhenyong I ("CEO"), and Jing Hao, the Company's Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined under Rule 13a-15(e) ur 2021 December 31, 2022. Based upon that evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures were effective to ensure th the Company in the reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified ir information is accumulated and communicated to the Company's management, including the Company's CEO and CFO, as appropriate, to allow timely decisions regarding required

Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2021 December 31, 2022. In makii framework set forth in *Internal Control - Integrated Framework (2013)*issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessmen December 31, 2021 December 31, 2022, the Company's internal control over financial reporting was effective.

This annual report does not include an attestation report of its registered independent public accounting firm regarding the Company's internal control over financial repor to include such attestation report in this annual report.

Changes in internal controls

Our management, with the participation of our CEO and CFO, performed an evaluation as to whether any change in our internal controls over financial reporting occu 2021 December 31, 2022. Based on that evaluation, our CEO and CFO concluded that no change occurred in the Company's internal controls over financial reporting during the qu 31, 2022 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

Set forth below is certain information regarding our directors and executive officers. Our Board of Directors is comprised of five directors. There are no family relationships officers. Each of our directors is elected to serve until the next annual meeting of our stockholders and until his successor is elected and qualified or until such director's earlier death

The following table sets forth certain information with respect to our directors and executive officers:

Name	Age		Position/Title
Zhenyong Liu	60	58	Chief Executive Officer and Chairman of the Board
Jing Hao	40	38	Chief Financial Officer
Dahong Zhou	44	42	Secretary
Marco Ku Hon Wai	49	47	Director
Wenbing Christopher Wang	52	50	Director
Fuzeng Liu	74	72	Director
Lusha Niu	44	42	Director

We have two classes of directors with each class elected in a different calendar year from the calendar year in which the other class of directors are elected. All directors are elected in Class I, Marco Ku Hon Wai and Wenbing Christopher Wang, will serve until the annual meeting of stockholders in 2021 2023 and until their respective successors have be earlier resignation, removal or death. The directors elected in Class II, Zhenyong Liu, Fuzeng Liu and Lusha Niu will serve until the annual meeting of stockholders in 2020 2024 and elected and have qualified, or until their earlier resignation, removal or death. Our officers serve at the discretion of our Board of Directors.

Set forth below is biographical information about our current directors and executive officers:

Zhenyong Liu. Mr. Zhenyong Liu became a member of the Board of Directors, and was appointed as Chairman of the Board of Directors on November 30, 2007. onNovemb Company's Chief Executive Officer since November 16, 2007, and serves as Chairman of Hebei Baoding Dongfang Paper Milling Company Limited (Dongfang Paper), a position he served as Plant Director of Xinxin Paper Milling Factory in Xushui District. Mr. Liu served as General Manager of the East Central Household Appliance Purchases and Supply Station

Jing Hao. Ms. Jing Hao was appointed as our Chief Financial Officer on November 3, 2014. Ms. Hao previously served as the Company's Chief Financial Officer between Nove Hao has served as Chief Financial Officer of Hebei Baoding Dongfang Paper Milling Company Limited (Dongfang Paper) since 2006. Prior to that, she was Manager of Finance for Don

Dahong Zhou. Ms. Dahong Zhou was appointed as our Secretary on November 16, 2007. Ms. Zhou also serves as Executive Manager of Hebei Baoding Dongfang Paper Mil position she has held since 2006.

Marco Ku Hon Wai. Mr. Marco Ku Hon Wai has served on the Board of Directors since November 3, 2014. Mr. Ku is the founder of Sensible Investment Company Limited, an Kong founded in 2013. He was previously Chief Financial Officer of China Marine Food Group Limited (OTC: CMFO) from July 2007 to October 2013. Prior to his position at China Mari KISS Catering Group, a food and beverage business in Beijing from October 2005 to April 2007. Mr. Ku worked at KPMG LLP from 1996 to 2000, where his last held position was Assis degree in finance from the Hong Kong University of Science and Technology in 1996, and is currently a fellow member of the Hong Kong Institute of Certified Public Accountants.

Wenbing Christopher Wang. Mr. Wenbing Christopher Wang has served on the Board of Directors since October 28, 2009. Mr. Wang has also been serving as Presider Copperweld, Inc. ("Fushi") since January 21, 2008. Mr. Wang served as Fushi's Chief Financial Officer from December 13, 2005 to August 31, 2009. Prior to Fushi, Mr. Wang worke Investment Corporation, Credit Suisse First Boston and VC China in various capacities. Fluent in both English and Chinese, Mr. Wang holds a master's degree in business administra from Simon Business School of University of Rochester. Mr. Wang was named one of the top ten CFO's of 2007 in China by CFO magazine.

Fuzeng Liu. Mr. Fuzeng Liu has been a member of the Board of Directors since November 30, 2007. Mr. Liu has also served as Vice President of Dongfang ofDongfang Paper s Secretary of the Traffic Bureau of Xushui District from 1992 to 2002 and as Party Secretary of Dayin Town, Xushui District from 1988 to 1992.Mr. Liu also served as Head of the Cui 1988. From 1977 to 1984, Mr. Liu worked at the committee office of Xushui District.

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LushaNiu. Ms. Niu has been a member of the Board of Directors since October12, 2016. Ms. Niu is a public relations veteran with strong background in international busine Niu has been the Director of Corporate Communications and Public Affairs, Asia Lead of Financial Communication at MSL GROUP, a global public communications firm. From Aug Associate Director at APCO Worldwide, a Washington D.C. based global public affairs consulting firm. Ms. Niu also served as a Consulting Analyst with BDA Consulting, advising globa strategy. Ms. Niu holds a Master's degree in Finance from the University of Colorado.

The Board of Directors believes that each of the Company's directors is highly qualified to serve as a member of the Board. Each of the directors has contributed to qualifications of the Board of Directors. When evaluating candidates for election to the Board, the Nominating Committee seeks candidates with certain qualities that it believes are perspective, good judgment, and leadership skills. Our directors are highly educated and have diverse backgrounds and talents and extensive track records of success in what we be our directors have served in our operating entity, Dongfang Paper, for many years and benefit from an intimate knowledge of our operations and corporate philosophy.

Committees

Our business, property and affairs are managed by or under the direction of the Board of Directors. Members of the Board of Directors are kept informed of our business t and financial officers and other officers, by reviewing materials provided to them and by participating at meetings of the board and its committees.

Our Board of Directors has three committees - the Audit Committee, the Compensation Committee and the Nominating Committee. The Audit Committee is comprised o Wang and Lusha Niu, with Mr. Ku serving as chairman. The Compensation Committee is comprised of Marco Ku Hon Wai, Wenbing Christopher Wang and Lusha Niu, with M Nominating Committee is comprised of Marco Ku Hon Wai, Wenbing Christopher Wang and Lusha Niu, with Mr. Wenbing Christopher Wang serving as chairman.

Our Audit Committee is involved in discussions with our independent auditor with respect to the scope and results of our year-end audit, our quarterly results of operation professional services furnished by the independent auditor. Our Board of Directors has determined that both Mr. Marco Ku Hon Wai and Mr. Wenbing Christopher Wang qualify have the accounting or financial management expertise as required under NYSE Rule 303A.07(a). Our Board of Directors has also adopted a written charter for the audit committ reassesses for adequacy on an annual basis. A copy of the audit committee's current charter is available at th
http: https://www.itpackaging.cn/uploadfile/txyxfh/file/20181029/6367640912345722139375725.pdf

The Compensation Committee oversees the compensation of our chief executive officer and our other executive officers and reviews our overall compensation policies fo the Board of Directors, the committee may also serve as the granting and administrative committee under any option or other equity-based compensation plans which we may a not delegate its authority to fix compensation; however, as to officers who report to the chief executive officer, the compensation committee consults with the chief executive of the compensation committee. Any recommendations by the chief executive officer are accompanied by an analysis of the basis for the recommendations. The committee w employees who are not officers with the chief executive officer and other responsible officers. A copy of the compensation committee's current charter is available at our corporate
http: https://www.itpackaging.cn/uploadfile/txyxfh/file/20181029/6367640912355880048874958.pdf

The Nominating Committee is involved in evaluating the desirability of and recommending to the board any changes in the size and composition of the board, evaluati executive officer and other executive officers. The qualifications of any candidate for director will be subject to the same extensive general and specific criteria applicable to di nominating committee's current charter is available at our corporate website at

http: https://www.itpackaging.cn/uploadfile/txyxfh/file/20181029/6367640912356661968874958.pdf

Code of Ethics

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer and controller, or persons perform currently available at our corporate website at
http: https://www.itpackaging.cn/uploadfile/txyxfh/file/20181029/6367640912363688526617528.pdf

Board Meetings

The Board of Directors and its committees held the following number of meetings during 2021: 2022:

Board of Directors	
Audit Committee	
Compensation Committee	
Nominating Committee	

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The above table includes meetings held by means of a conference telephone call, but not actions taken by unanimous written consent.

Each director attended at least 75% of the total number of meetings of the Board of Directors and those committees on which he served during the year.

For the fiscal year ended December 31, 2021 December 31, 2022, the Board of Directors met on at least a quarterly basis. The independent directors had regularly schedule their responsibilities, including at least annually in executive session without the presence of non-independent directors and management as required by Section 802(c) of the NYSE

Directors or Executive Officers involved in Bankruptcy or Criminal Proceedings

To our knowledge, during the last ten years, none of our directors and executive officers (including those of our subsidiaries) has:

- had a bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or withi
- been convicted in a criminal proceeding or been subject to a pending criminal proceeding, excluding traffic violations and other minor offenses;
- been subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or tem otherwise limiting his involvement in any type of business, securities or banking activities;
- been found by a court of competent jurisdiction (in a civil action), the SEC, or the Commodities Futures Trading Commission to have violated a federal or state securit has not been reversed, suspended or vacated; or
- been the subject to, or a party to, any sanction or order, not subsequently reverse, suspended or vacated, of any self-regulatory organization, any registered entity entity or organization that has disciplinary authority over its members or persons associated with a member.

Board Leadership Structure and Role in Risk Oversight

Mr. Zhenyong Liu is our chairman and chief executive officer. At the advice of other members of the management or the Board, Mr. Liu calls meetings of the Board of independent directors. Our Board of Directors has three standing committees, each of which is comprised solely of independent directors with a committee chair. The Board of D executive officer is best situated to serve as chairman of the Board of Directors because he is the director most familiar with our business and industry and the director most ca executing our business strategy. We believe that this leadership structure has served the Company well. Our Board of Directors has overall responsibility for risk oversight. The Boa for the oversight of specific risks to the committees as follows:

- The Audit Committee oversees the Company's risk policies and processes relating to the financial statements and financial reporting processes, as well as key cr compliance, and the guidelines, policies and processes for monitoring and mitigating those risks.
- The Compensation Committee oversees the compensation of our chief executive officer and our other executive officers and reviews our overall compensation policie
- The Nominating Committee oversees risks related to the Company's governance structure and processes.

Our Board of Directors is responsible for approving all related party transactions according to our Code of Ethics. We have not adopted written policies and procedures speci

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Exchange Act, requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file w ownership, reports of changes in ownership and annual reports concerning their ownership of our common stock and other equity securities, on Form 3, 4 and 5 respectively. Ex 10% shareholders are required by the SEC regulations to furnish our company with copies of all Section 16(a) reports they file.

Based solely on our review of the copies of such reports received by us, and on written representations by our officers and directors regarding their compliance with the Section 16(a) of the Exchange Act, we believe that, with respect to the fiscal year ended December 31, 2021 December 31, 2022, our officers and directors, and all of the persons k common stock, filed all required reports on a timely basis.

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Item 11. Executive Compensation

The following compensation table summarizes the cash and non-cash compensation earned during the years ended December 31, 2021 December 31, 2022 and 2020 202 executive officer, principal financial officer, and secretary during 2020.2022.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards(1) ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Total ($)	Year	Salary ($)	Bonus ($)	Stoc Awar ($)
Zhenyong Liu,	2020	$ 36,782	40,000	$ 120,000	-	-	$ 196,782	2022	$ 35,519	0	
Chairman, CEO	2021	$ 37,224	-	$ -	-	-	$ 37,224	2021	$ 37,224	-	$
Jing Hao	2020	$ 36,782	40,000	$ -	-	-	$ 76,782	2022	$ 35,519		$
CFO	2021	$ 37,224	-	$ -	-	-	$ 37,224	2021	$ 37,224	-	$
Dahong Zhou,	2020	$ 4,452	-	$ -	-	-	$ 4,452	2022	$ 4,299	-	$
Secretary	2021	$ 4,505	-	$ -	-	-	$ 4,505	2021	$ 4,505	-	$

(1) The value of the Stock Award is determined by multiplying the number of restricted shares issued by the quoted closing price of the Company's common stock on the date 2020.

Employment Agreements

Mr. Zhenyong Liu receives a monthly salary of RMB 20,000 (approximately $3,065). On January 11, 2012, the Company awarded Mr. Zhenyong Liu 44,326 shares of restricte stock were issued under the 2011 ISP and are valued at $3.45 per share, based on the closing price on the date of the issuance. On December 31, 2013, the Company awarded M common stock under the 2011 ISP and 2012 ISP, with a value of $2.66 per share, based on the closing price on the date of the stock issuance. On September 13, 2018, the Company Mr. Zhenyong Liu under the 2015 Omnibus Equity Incentive Plan with a value of $0.88 per share as of the date of issuance. On April 8, 2020, the Company issued 200,000 shares of the 2019 ISP with a value of $0.60 per share as of the date of issuance. On September 8, 2020, the Compensation Committee of the Company unanimously approved that Mr. Zhen for his service rendered in the year 2020.

Ms. Hao began receiving a monthly salary of RMB 20,000 (approximately $3,065) in January 2015. On September 13, 2018, the company issued 10,000 shares of common sto Equity Incentive Plan with a value of $0.88 per share as of the date of issuance. On September 8,2020, the Compensation Committee of the Company unanimously approved th $40,000 for her service rendered in the year 2020.

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Compensation of Directors

The following table sets forth a summary of compensation paid or entitled to our directors during the fiscal years ended December 31, 2021 December 31, 2022 and 2020:2021:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Total ($)	Year	Salary ($)	Bonus ($)	Sto Awa (
Fuzeng Liu	2020	$ 7,953	-	$ -	-	-	$ 7,953	2022	$ 7,701	-	$
Director	2021	$ 8,071	-	$ -	-	-	$ 8,071	2021	$ 8,071	-	$
Marco Ku Hon Wai	2020	$ 20,000	-	$ -	-	-	$ 20,000	2022	$ 20,000	-	$
Director	2021	$ 20,000	-	$ -	-	-	$ 20,000	2021	$ 20,000	-	$
Wenbing Christopher Wang	2020	$ 20,000	-	$ -	-	-	$ 20,000	2022	$ 20,000	-	$
Director	2021	$ 20,000	-	$ -	-	-	$ 20,000	2021	$ 20,000	-	$
LushaNiu	2020	$ 7,642	-	-	-	-	$ 7,642	2022	$ 7,399	-	
Director	2021	$ 7,755	-	-	-	-	$ 7,755	2021	$ 7,755	-	

Effective November 1, 2014, Mr. Marco Ku Hon Wai began serving as our director and has received annual compensation of $20,000, payable on a monthly basis. In addition, shares of its common stock every year under the Company's stock incentive plan. On January 12, 2016, the Company issued Mr. Ku 7,500 shares restricted common stock under t value of $1.33 per share, based on the closing price on the date of the issuance. Mr. Ku will be reimbursed for his out-of-pocket expenses incurred in connection with his service to th

Effective October 28, 2009, Mr. Wenbing Christopher Wang has served as our director and has received annual compensation of $20,000, payable on a monthly basis. Mr. W stock, a number equal to $20,000 divided by the closing price of the common stock on October 28, 2009, with piggyback registration rights subordinate to that held by investors securities. On January 11, 2012, the Company awarded its independent director Mr. Wenbing Christopher Wang 15,820 shares of restricted common stock. These shares of commor are valued at $3.45 per share, based on the closing price on the date of the issuance. On December 31, 2013, the Company awarded Mr. Wang 5,000 shares restricted common stock value of $2.66 per share, based on the closing price on the date of the stock issuance. On January 12, 2016, the Company issued Mr. Wang 5,000 shares restricted common stock ur share, based on the closing price on the date of the issuance.

On October 12, 2016, Ms. Lusha Niu was elected as our director and receives annual compensation of RMB50,000, payable on a monthly basis.

On December 31, 2013, Mr. Fuzeng Liu received 5,000 shares of restricted common stock from our 2011 and 2012 ISPs. The value of the stock award is determined by the clos on the date of the award, which was $2.66 as of December 31, 2013.

Other than the appointments described above, there are no understandings or arrangements between Mr. Ku, Mr. Wang, or Ms. Niu and any other person pursuant tc appointed as a director. Mr. Ku, Mr. Wang, and Ms. Niu do not have any family relationship with any director, executive officer or person nominated or chosen by us to become a dir

Outstanding Equity Awards at Fiscal Year-End

There were no option exercises in fiscal year of 2021 2022 or options outstanding as of December 31, 2021 December 31, 2022.

Pension and Retirement Plans

Currently, except for contributions to the PRC government-mandated social security retirement endowment fund for those employees who have not waived their coverag retirement benefits to be paid to any of our officers, directors or employees. There are also no compensatory plans or arrangements with respect to any individual named a resignation, retirement or any other termination of employment with our company, or from a change in our control.

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Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information with respect to the beneficial ownership of our common stock by (i) each director, (ii) our Chief Executive Officer and F directors as a group as of March 15, 2022 March 23, 2023.

Amount and Nature of Beneficial Ownership

Amount and Nature of Beneficial Ownership

Name and Address of Beneficial Owner (1)	**Amou Natu Bene Owne**
Zhenyong Liu CEO and Director	
Jing Hao CFO	
Dahong Zhou Secretary	
Marco Ku Hon Wai Director	
Fuzeng Liu Director	
Wenbing Christopher Wang Director	
LushaNiu Director	
All Directors and Executive Officers as a Group (7 persons)	

Name and Address of Beneficial Owner (1)	**Amou Natu Bene Owne**
Zhenyong Liu CEO and Director	
Jing Hao CFO	
Dahong Zhou Secretary	
Marco Ku Hon Wai Director	
Fuzeng Liu Director	
Wenbing Christopher Wang Director	
LushaNiu Director	
All Directors and Executive Officers as a Group (7 persons)	

* Less than 1% of the Company's issued and outstanding common shares.

(1) (1) The address of each director and executive officer is c/o Science Park, Juli Road, Xushui District, Baoding City, Hebei Province, People's Republic of China.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Loans from our principal shareholder, Chairman and CEO Mr. Zhenyong Liu

MrZhenyong Mr Zhenyong Liu, the Company's CEO has loaned money to Dongfang Paper for working capital purposes over a period of time. On January 1, 2013, Dongfang three-year term loan previously entered on January 1, 2010, and extended the maturity date further to December 31, 2015. On December 31, 2015, the Company paid off the lo $391,374 for the period from 2013 to 2015. Approximately $392,855 and $367,441 of interest were outstanding to Mr. Zhenyong Liu, which were recorded in other payables ar liabilities in the consolidated balance sheet as of December 31, 2021 December 31, 2022, and 2020, 2021, respectively.

On December 10, 2014, Mr. Zhenyong Liu provided a loan to the Company, amounted to $8,742,278 to Dongfang Paper for working capital purpose with an interest rate of primary lending rate of People's Bank of China. The unsecured loan was provided on December 10, 2014, and would be originally due on December 10, 2017. During the year of 20 Zhenyong Liu, together with interest of $288,596. In February 2018, the company paid off the remaining balance, together with interest of $20,400. As of December 31, 2021 Decemb $45,978 and $43,003 of interest were outstanding to Mr. Zhenyong Liu, which was recorded in other payables and accrued liabilities as part of the current liabilities in the consolidate

On March 1, 2015, the Company entered an agreement with Mr. Zhenyong Liu which allows Dongfang Paper to borrow from the CEO an amount up to $17,201,342 (RMB120 advances or funding under the agreement are due three years from the date each amount is funded. The loan is unsecured and carries an annual interest rate set on the basis of th of China at the time of the borrowing. On July 13, 2015, an unsecured amount of $4,324,636 was drawn from the facility. On October 14, 2016 an unsecured amount of $2,883,091 wa the company repaid $1,507,432 to Mr. Zhenyong Liu. The loan would be originally due on July 12, 2018. Mr. Zhenyong Liu agreed to extend the loan for additional 3 years and the rer On November 23, 2018, the company repaid $3,768,579 to Mr. Zhenyong Liu, together with interest of $158,651. In December 2019, the company paid off the remaining balar December 31, 2021 December 31, 2022, and 2020, 2021, the outstanding loan balance were $nil and $2,185,569, respectively, and the accrued interest was $210,635and $197,009, payables and accrued liabilities as part of the current liabilities in the consolidated balance sheet.

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As of December 31, 2021, December 31, 2022 and 2020, 2021, total amount of loans due to Mr. Zhenyong Liu were $nil. The interest expense incurred for such related party lo years ended December 31, 2021 December 31, 2022, and 2020, 2021, respectively. The accrued interest owe to the CEO was approximately $649,468 and $607,453, as of December 3 respectively, which was recorded in other payables and accrued liabilities.

As of December 31, 2021, December 31, 2022 and 2020, 2021, amount due to shareholder are $727,433 and $483,433, respectively, which represents funds from shareholders U.S. The amount is due on demand with interest free.

Procedures for Approval of Related Party Transactions

Our Board of Directors is charged with reviewing and approving all potential related party transaction whether or not such transactions exceed $120,000. We have not standards for approval, of such transactions, but instead review them on a case-by-case basis.

Director Independence

The Company currently has three independent directors, Marco Ku Hon Wai, Wenbing Christopher Wang, and Lusha Niu, as that term is defined under the NYSE American Co

Item 14. Principal Accountant Fees and Services

Our independent public accounting firm is WWC. P.C. Certified Public Accountants , 2010 Pioneer Court San Mateo, CA 94403, PCAOB Auditor ID 1171.

Audit Fees

We incurred approximately $188,208 $191,000 for professional services rendered by our registered independent public accounting firm, WWC, P.C., for the audit and reviews 2020.2022.

We incurred approximately $147,118 for professional services rendered by our registered independent public accounting firm, WWC, P.C., for the audit and reviews of the Cor

Audit-Related Fees

IT Tech Packaging did not incur any audit-related fees to WWC in 2020.2022.

IT Tech Packaging did not incur any audit-related fees to WWC in 2021.

Tax Reporting Preparation Fees

IT Tech Packaging did not incur any tax ***Reporting Preparation*** fees to WWC in 2020. 2022.

IT Tech Packaging did not incur any tax ***Reporting Preparation*** fees to WWC in 2021.

All Other Fees

IT Tech Packaging did not incur any fees from its registered independent public accounting firm for services rendered to IT Tech Packaging, other than the services covered i the fiscal years ended December 31, 2021, and 2020.2022.

With respect to the Company's auditing and other non-audit related services rendered by its registered independent public accounting firm for 2021and 2020, 2021 and pursuant to the audit committee's pre-approval policies and procedures.

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PART IV

Item 15. Exhibits, Financial Statements Schedules

Exhibit No.	Description of Exhibit
2.1	Agreement and Plan of Merger, dated October 29, 2007, by and among Carlateral, Inc., CARZ Merger Sub, Inc., Dongfang Zhiye Holding Limited, and the Limited, incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on N
3.1	Articles of Incorporation, incorporated by reference to the exhibit to our report on form SB-2 filed with the SEC on August 4, 2006
3.2	Certificate of Amendment to Articles of Incorporation, incorporated by reference to the exhibit of the same number to our Current Report on form 8-K filed
3.3	Bylaws, incorporated by reference to the exhibit to our report on form SB-2 filed with the SEC on August 4, 2006
3.4	Certificate of Change, incorporated by reference to the exhibit 3.1 to our report on Form 8-K filed with the SEC on July 7, 2022.
4.1	Specimen of Common Stock certificate, incorporated by reference to the exhibit to our report on form SB-2 filed with the SEC on August 4, 2006
4.2	Form of Warrant, incorporated by reference to exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on September 3, 2014.
4.3	Description of Securities, incorporated by reference to exhibit 4.3 to our Annual Report on Form 10-K filed with the SEC on March 23, 2020.
4.4	Form of Warrant, incorporated by reference to exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on May 1, 2020.
4.5	Form of Warrant, incorporated by reference to exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on May 4, 2020.
4.6	Form of Warrant, incorporated by reference to exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on January 20, 2021.
4.7	Warrant Agency Agreement dated March 1, 2021 by and between the Company and Empire Stock Transfer Inc., incorporated by reference to the Exhibit 4 with the SEC on March 1, 2021.
4.8	Form of Common Stock Purchase Warrant, incorporated by reference to the Exhibit 4.2 to our Current Report on Form 8-K filed with the SEC on March 1, 20
10.1	Land Lease Agreement, dated January 2, 2002, by and between the Company and Xushui District Dayin Township Wuji Village Committee and Party Branc to our amended Annual Report on form 10-K/A filed with the SEC on February 1, 2010
10.2	Land Use Rights Certificate, dated March 10, 2003, incorporated by reference to the exhibit to our amended Annual Report on form 10-K/A filed with the SEC
10.3	Exclusive Technical Service and Business Consulting Agreement, dated June 24, 2009, by and between Dongfang Paper and Baoding Shengde, incorporated Report on form 8-K filed with the SEC on June 30, 2009
10.4	Proxy Agreement, dated June 24, 2009, by and between Dongfang Paper, Baoding Shengde, and the shareholders of Dongfang Paper, incorporated by refe on form 8-K filed with the SEC on June 30, 2009

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Exhibit No.	Description of Exhibit
10.5	Loan Agreement, dated June 24, 2009, by and between Dongfang Paper, Baoding Shengde, and the shareholders of Dongfang Paper, incorporated by referer form 8-K filed with the SEC on June 30, 2009
10.6	Call Option Agreement, dated June 24, 2009, by and between Dongfang Paper, Baoding Shengde, and the shareholders of Dongfang Paper, incorporated Report on form 8-K filed with the SEC on June 30, 2009
10.7	Share Pledge Agreement, dated June 24, 2009, by and between Dongfang Paper, Baoding Shengde, and the shareholders of Dongfang Paper, incorporated Report on form 8-K filed with the SEC on June 30, 2009
10.8	Call Option Agreement Amendment, dated February 10, 2010, by and between Dongfang Paper, Baoding Shengde, and the shareholders of Dongfang Paper, our Current Report on form 8-K filed with the SEC on February 11, 2010
10.9	Share Pledge Agreement Amendment, dated February 10, 2010, by and between Dongfang Paper, Baoding Shengde, and the shareholders of Dongfang Pape to our Current Report on form 8-K filed with the SEC on February 11, 2010
10.10	Securities Purchase Agreement dated October 7, 2009 between the Company and the Access America Fund, LP, Renaissance US Growth Investment Trust P Premier RENN Entrepreneurial Fund Limited, Pope Investments II, LLC and Steve Mazur (collectively, the "Buyers"), incorporated by reference to the exhibit t the SEC on October 8, 2009
10.11	Make Good Securities Escrow Agreement dated October 7, 2009 between the Company, the Buyers, Zhenyong Liu and the Sichenzia Ross Friedman Ference reference to the exhibit to our Current Report on form 8-K filed with the SEC on October 8, 2009
10.12	Escrow Agreement dated October 7, 2009 between the Company, the Buyers, Zhenyong Liu and the Escrow Agent, incorporated by reference to the exhibit t the SEC on October 8, 2009
10.13	Registration Rights Agreement between the Company and the Buyers dated October 7, 2009, incorporated by reference to the exhibit to our Current Report c 2009
10.14	Lock-Up Agreement between Company and Zhenyong Liu dated October 7, 2009, incorporated by reference to the exhibit to our Current Report on form 8-K f
10.15	Asset Purchase Agreement, dated November 25, 2009, by and between Baoding Shengde Paper Co., Ltd. and Hebei Shuangxing Paper Co., Ltd., incorporatec Report on form 8-K filed with the SEC on December 10, 2009

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Exhibit No.	Description of Exhibit
10.16	Purchase Agreement, dated March 31, 2010, for the sale of 3,000,000 shares of Common Stock, by and between IT Tech Packaging, Inc. and Roth andRo reference to the exhibit to Current Report on form 8-K filed with the SEC on March 31, 2010
10.17	Purchase Agreement, dated April 9, 2010 by and between Henan Qinyang First Paper Machine Limited and Hebei Baoding Dongfang Paper Milling PaperMilli series of paper machineries and equipment, incorporated by reference to the exhibit to our Current ourCurrent Report on form 8-K filed with the SEC on April
10.18	Letter from Mr. Zhenyong Liu regarding postponement of interest payments by IT Tech Packaging, Inc., incorporated by reference to Exhibit 10.22 to our Ann 2014.
10.19	Financing Limit Agreement dated as March 3, 2014 between Hebei Baoding Dongfang Paper Milling Co., Ltd. and Shanghai Pudong Development Pudon incorporated by reference to Exhibit 10.23 to our Annual Report on Form 10-K filed on March 25, 2014. March 25,2014.
10.20	Enterprise Loan Agreement dated as of July 5, 2013 between Hebei Baoding Dongfang Paper Milling Co., Ltd. and Rural Credit Union of Xushui ofXushui Di 10.24 to our Annual Report on Form10-K filed on March 25, 2014.
10.21	Engagement Letter, dated as of June 3, 2014, between the Company and H.C. Wainwright & Co., LLC and amendments dated as of July 1, 2014, July 1,20 incorporated by reference to exhibits 1.1, 1.2 1.3and 1.4to, 1.3 and 1.4 to our Current Report on Form 8-K filed with the SEC on September 3, 2014.
10.22	Securities Purchase Agreement, dated August 25, 2014, incorporated by reference to exhibit 10.1 to our Current Report on Form 8-K filed with filedwith the SE
10.23	Appointment Letter dated November 3, 2014, by and between IT Tech Packaging, Inc. and Marco Ku Hon Wai, incorporated by reference to exhibit toexhib filed with the SEC on November 6,2014. November 6, 2014.
10.24	Loan Agreement dated December 2, 2014, by and between IT Tech Packaging, Inc. and Zhenyong Liu, incorporated by reference to Exhibit 10.24 to our Annu 2014.
10.25	Loan Agreement dated March 1, 2015, by and between IT Tech Packaging, Inc. and Zhenyong Liu, incorporated by reference to Exhibit 10.25 to our Annual Rep
10.26	Agreement dated July 1, 2015, among China Orient, Hebei Baoding Dongfang Paper Milling Company Limited, Baoding Shengde Paper Co.,Ltd., Zhenyo incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with filedwith the SEC on July 22, 2015
10.27	Acquisition Agreement dated June 25, 2019, by and between Hebei Baoding Dongfang Paper Milling Company Limited and Hebei Tengsheng HebeiTengshen to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on June 28, 2019.

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Exhibit No.	Description of Exhibit
10.28	Supplement Agreement dated December 16, 2019, by and between Hebei Baoding Dongfang Paper Milling Company Limited and Hebei Tengsheng Paper Co 10.1 to our Current Report on Form 8-K filed with the SEC on December 27, 2019 December 17, 2019
10.29	Letter Agreement dated April 21, 2020, by and between the Company and Maxim Group LLC, incorporated by reference to Exhibit 10.1 to our Current Repor 2020.
10.30	Securities Purchase Agreement dated April 29, 2020 by and between the Company and certain purchasers, incorporated by reference to Exhibit 10.2 to our SEC on May 1, 2020.
10.31	Amendment to Securities Purchase Agreement dated May 4, 2020, by and between the Company and certain purchasers, incorporated by reference to Exhil filed with the SEC on May 4, 2020.
10.32	Letter Agreement dated January 14, 2021, by and between the Company and Maxim Group, incorporated by reference to Exhibit 10.1 to our Current Report 20, 2021.
10.33	Form of Securities Purchase Agreement among the Company and certain institutional investors, incorporated by reference to Exhibit 10.2 to our Current January 20, 2021.
10.34	Underwriting Agreement dated as of February 24, 2021 by and between the Company and Maxim Group LLC, incorporated by reference to the Exhibit 1.1 to the SEC on March 1, 2021.
14.1	Code of Ethics and Business Conduct, incorporated by reference to the Exhibit 14.1 to our Annual Report on Form10-K filed with the SEC on March 18, 2013
21.1 21.1*	Lists of Subsidiaries incorporated by reference to the exhibit to our Annual Report on Form 10-K filed with the SEC on March 15, 2011
23.1*	Consent of WWC, P.C. Certified Accountants.
31.1*	Certification Required Under Section 302 of Sarbanes-Oxley Act of 2002.
31.2*	Certification Required Under Section 302 of Sarbanes-Oxley Act of 2002.
32.1*	Certification Required Under Section 906 of Sarbanes-Oxley Act of 2002.
32.2*	Certification Required Under Section 302 of Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Schema Document
101.CAL	Inline XBRL Calculation Linkbase Document
101.DEF	Inline XBRL Definition Linkbase Document
101.LAB	Inline XBRL Label Linkbase Document
101.PRE	Inline XBRL Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

Item 16 Form 10-K Summary.

Not applicable.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the unders

Date: March 15, 2022

Date: March 23, 2023

IT TECH PACKAGING, INC.

By: /s/ Zhenyong Liu

Zhenyong Liu

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capaci

Name	Title
/s/ Zhenyong Liu Zhenyong Liu	Chief Executive Officer and Chairman of the Board (principal executive officer)
/s/ Jing Hao Jing Hao	Chief Financial Officer (principal financial and accounting officer)
/s/ Fuzeng Liu Fuzeng Liu	Director
/s/ Marco Ku Hon Wai Marco Ku Hon Wai	Director
/s/ Wenbing Christopher Wang Wenbing Christopher Wang	Director
/s/ LushaNiu LushaNiu	Director

List of Subsidiaries

The following diagram sets forth the current corporate structure of IT Tech Packaging Inc.:

Consent of Independent Registered Public Accounting Firm

IT Tech Packaging, Inc.

We hereby consent to the incorporation by reference of our report, dated March 23, 2023, which appears in the Annual Report on Form 10-K filed with the U.S. Securities Exchang
the Registration Statements Statement on Form S-3 (No. 333-223160 and No. 333-248505) 333-268944 and No. 333-248505), relating to the audit of the consolidated balance sheets
as of our report dated March 15, 2022 December 31, 2022 and its subsidiaries 2021, and variable interest entity which appears the related consolidated statements of income (loss)
in this Form 10-K. stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2022, and the related notes (collectively referred to as the fin

We also consent to the Company's reference to WWC, P.C.
, Certified Public Accountants, as experts in accounting and auditing

San Mateo, California
March 15, 2022

San Mateo, California
March 23, 2023

WWC, P.C.
Certified Public Accountants
PCAOB ID No. 1171

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CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Zhenyong Liu, certify that:

1. I have reviewed this annual report on Form 10-K of IT Tech Packaging, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in lig statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, re registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material infor its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasor financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure the period covered by this report based on such evaluation; and

   d) disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the r of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors ar board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: March 23, 2023
Dated: March 15, 2022

By: /s/ Zhenyong Liu
Zhenyong Liu
Chief Executive Officer
(principal executive officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Jing Hao, certify that:

1. I have reviewed this annual report on Form 10-K of IT Tech Packaging, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in lig statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, re registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material infor its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasor financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registra annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors ar board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: March 23, 2023
Dated: March 15, 2022

By: /s/ Jing Hao
Jing Hao
Chief Financial Officer
(principal financial and accounting of

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of IT Tech Packaging, Inc. (the "Company") on Form 10-K for the period ended December 31, 2021 December 31, 2022, as filed with the Se date hereof (the "Report"), I, Zhenyong Liu, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities ar request.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exc to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Dated: March 23, 2023
Dated: March 15, 2022

By: /s/ Zhenyong Liu
Zhenyong Liu
Chief Executive Officer
(principal executive officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of IT Tech Packaging, Inc. (the "Company") on Form 10-K for the period ended December 31, 2021 December 31, 2022, as filed with the Se date hereof (the "Report"), I, Jing Hao, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities ar request.

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The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Ex
to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Dated: March 23, 2023
Dated: March 15, 2022

By: /s/ Jing Hao
Jing Hao
Chief Financial Officer
(principal financial and accounting of

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