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山東晨鳴紙業集團股份有限公司
SHANDONG CHENMING PAPER HOLDINGS LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1812)

2018 Third Quarterly Report

Shandong Chenming Paper Holdings Limited (the “Company”) is required to publish quarterly reports according to the regulations of the China Securities Regulatory Commission.

The financial data contained in this quarterly report is unaudited and is prepared in accordance with Accounting Standards for Business Enterprises. This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance. The same is also published on the website of Shenzhen Stock Exchange and in the newspapers of China.

I Important Notice

The board of directors (the “Board”), the supervisory committee (the “Supervisory Committee”), the directors (the “Director”), the supervisors (the “Supervisors”) and the senior management (the “Senior Management”) of the Company hereby warrant that the contents of this quarterly report are true, accurate and complete, and there are no false representations, misleading statements or material omissions, and are jointly and severally responsible for the liabilities of the Company.

All Directors were present at the Board meeting to consider and approve this quarterly report

Chen Hongguo, the head of the Company, Hu Jinbao, the head in charge of accounting, and Zhang Bo, the head of the accounting department (Accounting Officer), declare that they warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.

II General Information of the Company

1. Major accounting data and financial indicators

Retrospective adjustment to or restatement of the accounting data for prior years by the Company

Yes No

	As at the end of the reporting period	As at the end of the prior year	Increase/decrease as at the end of the reporting period as compared to the end of the prior year	
Total assets (RMB)	103,869,510,880.83	105,625,096,076.92	-1.66%	
Net assets attributable to shareholders of the Company (RMB)	25,010,022,264.23	27,778,529,074.90	-9.97%	
	The reporting period	Increase/decrease compared to the corresponding period of the prior year	The period from the beginning of the year to the end of the reporting period	Increase/decrease for the period from the beginning of the year to the end of the reporting period as compared to the corresponding period of the prior year
Revenue (RMB)	7,941,434,778.16	-2.92%	23,492,768,818.05	7.13%
Net profit attributable to shareholders of the Company (RMB)	696,526,748.13	-27.90%	2,481,157,773.44	-8.50%
Net profit after extraordinary gains or losses attributable to shareholders of the Company (RMB)	645,794,426.61	-30.38%	2,183,691,192.05	-14.39%
Net cash flows from operating activities (RMB)	—	—	9,073,361,847.58	662.47%
Basic earnings per share (RMB per share)	0.18	-33.33%	0.54	-29.87%
Diluted earnings per share (RMB per share)	0.18	-33.33%	0.54	-29.87%
Rate of return on net assets on weighted average basis	2.99%	0.58%	8.76%	-0.89%

Explanation:

- ① Net profit attributable to shareholders of the Company does not exclude the effect of the interest of perpetual bonds and the dividends of preference shares paid and declared to be paid. When calculating financial indicators such as earnings per share and the rate of return on net assets on weighted average basis, the interest for perpetual bonds from 1 January 2018 to 30 September 2018 of RMB236,490,904.11 and the dividend on preference shares paid and declared to be paid in 2018 of RMB679,141,006.80 are deducted.
- ② Pursuant to the profit distribution plan of the Company for 2017 approved at the 2017 annual general meeting, based on the total ordinary share capital of 1,936,405,467 shares as at the end of 2017, a cash dividend of RMB6 (tax inclusive) per 10 shares was distributed to ordinary shareholders and a capitalisation issue to ordinary shareholders was made out of the capital reserves of 5 shares for every 10 shares held. The share capital of the Company increased by 968,202,733 shares. Corresponding adjustments were also made to the earnings per share for the same period last year.

Items and amounts of extraordinary gains or losses

✓ Applicable Not applicable

Unit: RMB

Item	Amount for the period from the beginning of the year to the end of the reporting period	Explanation
Profit or loss from disposal of non-current assets (including write-off of asset impairment provision)	74,749,995.92	
Government grants (except for the government grants closely related to the normal operation of the company and granted constantly at a fixed amount or quantity in accordance with a certain standard based on state policies) accounted for in profit or loss for the current period	278,544,741.69	
Except for effective hedging business conducted in the ordinary course of business of the Company, gain or loss arising from the change in fair value of financial assets held for trading and financial liabilities held for trading, as well as investment gains from disposal of financial assets held for trading and financial liabilities held for trading and available-for-sale financial assets	61,750,000.00	

Item	Amount for the period from the beginning of the year to the end of the reporting period	Explanation
Non-operating gains and losses other than the above items	8,109,428.88	
Gain or loss from changes in fair value of consumable biological assets subsequently measured at fair value	-23,973,841.55	
Less: Effect of income tax	78,208,214.57	
Effect of minority interests (after tax)	23,505,528.98	
Total	297,466,581.39	—

Notes for the Company's extraordinary gain or loss items as defined in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Extraordinary Gains or Losses and the extraordinary gain or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Extraordinary Gains or Losses defined as its recurring gain or loss items.

Applicable Not applicable

No extraordinary gain or loss items as defined or illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Extraordinary Gains or Losses were defined by the Company as its recurring gain or loss items during the reporting period.

II. Total number of shareholders and the shareholding of the top ten shareholders as at the end of the reporting period

1. Total number of shareholders of ordinary shares and shareholders of preference shares with restored voting rights and the shareholding of the top ten shareholders

Unit: share

Total number of shareholders of ordinary shares as at the end of the reporting period	117,989, of which 97,923 were holders of A shares, 19,695 were holders of B shares and 371 were holders of H shares	Total number of shareholders of preference shares with restored voting right as at the end of the reporting period (if any)	0			
Shareholding of top 10 shareholders						
Name of shareholders	Nature of shareholders	Percentage of shareholding	Number of shares held	Number of restricted shares held	Share pledged or locked-up	
					Status of shares	Number
CHENMING HOLDINGS COMPANY LIMITED	State-owned legal person	15.17%	440,596,728	0	Pledged	336,520,741
HKSCC NOMINEES LIMITED	Overseas legal person	12.84%	372,993,375	0		
CHENMING HOLDINGS (HONG KONG) LIMITED	Overseas legal person	12.54%	364,131,563	0		
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	2.07%	60,206,850	0		
NATIONAL SOCIAL SECURITY FUND 418 PORTFOLIO	Others	0.51%	14,786,862	0		
CHINA UNIVERSAL FUND - CHINA CONSTRUCTION BANK - CHINA LIFE INSURANCE - CHINA LIFE INSURANCE'S EQUITY PORTFOLIO ENTRUSTED TO CHINA UNIVERSAL FUND	Others	0.47%	13,701,360	0		
JIN Xing	Domestic nature person	0.45%	13,123,750	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.44%	12,912,357	0		
AGRICULTURAL BANK OF CHINA LIMITED - CHINA SECURITIES 500 INDEX ETF SECURITIES INVESTMENT FUND	Others	0.41%	11,883,050	0		
CHEN Hongguo	Domestic nature person	0.35%	10,144,444	7,608,333		

Shareholding of the top ten shareholders of non-restricted shares			
Name of shareholders	Number of non-restricted shares held	Class of shares	
		Class of shares	Number
CHENMING HOLDINGS COMPANY LIMITED	440,596,728	RMB ordinary shares	440,596,728
HKSCC NOMINEES LIMITED	372,993,375	Overseas listed foreign shares	372,993,375
CHENMING HOLDINGS (HONG KONG) LIMITED	364,131,563	Domestic listed foreign shares	210,717,563
		Overseas listed foreign shares	153,414,000
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	60,206,850	RMB ordinary shares	60,206,850
NATIONAL SOCIAL SECURITY FUND 418 PORTFOLIO	14,786,862	RMB ordinary shares	14,786,862
CHINA UNIVERSAL FUND - CHINA CONSTRUCTION BANK - CHINA LIFE INSURANCE - CHINA LIFE INSURANCE'S EQUITY PORTFOLIO ENTRUSTED TO CHINA UNIVERSAL FUND	13,701,360	RMB ordinary shares	13,701,360
JIN Xing	13,123,750	Domestic listed foreign shares	13,123,750
VANGUARD EMERGING MARKETS STOCK INDEX FUND	12,912,357	Domestic listed foreign shares	12,912,357
AGRICULTURAL BANK OF CHINA LIMITED — CHINA SECURITIES 500 INDEX ETF SECURITIES INVESTMENT FUND	11,883,050	RMB ordinary shares	11,883,050
CHINA CONSTRUCTION BANK CORPORATION - CHINA UNIVERSAL ENVIRONMENTAL PROTECTION INDUSTRY EQUITY SECURITIES INVESTMENT FUND	10,000,000	RMB ordinary shares	10,000,000
Related party relationship or acting in concert among the above shareholders	A shareholder, Chenming Holdings (Hong Kong) Limited, which is an overseas legal person, is a wholly-owned subsidiary of a shareholder, Chenming Holdings Company Limited, which is a state-owned legal person. Hence they are persons acting in concert under Administration of Disclosure of Information on the Change of Shareholding in Listed Companies Procedures. A shareholder, Chen Hongguo, is the legal representative and chairman of a shareholder, Chenming Holdings Company Limited, which is a state-owned legal person. They are related to each other. Save for the above, it is not aware that any other shareholders of tradable shares are persons acting in concert and it is also not aware that any other shareholders of tradable shares are related to each other.		
Securities margin trading of top 10 ordinary shareholders (if any)	Chenming Holdings Company Limited holds 440,596,728 shares, of which 408,596,728 shares are held through ordinary account and 32,000,000 shares are held through credit guarantee securities accounts.		

Whether an agreed repurchase transaction was entered into during the reporting period by the top 10 ordinary shareholders and top 10 shareholders of non-restricted shares of the Company

Yes No

The top 10 ordinary shareholders and top 10 shareholders of non-restricted ordinary shares of the Company did not enter into any agreed repurchase transaction during the reporting period.

2. Total number of shareholders of preference shares and shareholding of the top ten shareholders of preference shares

✓ Applicable Not applicable

Unit: share

Total number of shareholders of preference shares as at the end of the reporting period					7	
Shareholding of the top ten shareholders of preference shares						
Name of shareholders	Nature of shareholders	Percentage of shareholding	Number of shares held	Number of restricted shares held	Share pledged or locked-up	
					Status of shares	Number
BEIJING YIBEN ZHONGXING INVESTMENT MANAGEMENT CO., LTD.	Domestic non-state-owned legal person	27.78%	12,500,000	0	Pledged	12,500,000
BANK OF COMMUNICATIONS INTERNATIONAL TRUST CO., LTD. - HUILI NO.167 SINGLE CAPITAL TRUST	Others	22.44%	10,100,000	0		
BANK OF COMMUNICATIONS INTERNATIONAL TRUST CO., LTD. - HUILI NO.136 SINGLE CAPITAL TRUST	Others	14.22%	6,400,000	0		
QILU BANK CO., LTD. - QILU BANK QUANXIN WEALTH MANAGEMENT PRODUCT SERIES	Others	13.33%	6,000,000	0		
HENGFENG BANK CO., LTD.	Domestic non-state-owned legal person	11.11%	5,000,000	0		
SHANGHAI STATE-OWNED ASSETS OPERATION CO., LTD.	State-owned legal person	6.67%	3,000,000	0		
NCF - MINSHENG BANK - CHINA FORTUNE INTERNATIONAL TRUST - CHINA FORTUNE TRUST • MIN XIN NO. 11 SINGLE CAPITAL TRUST	Others	4.44%	2,000,000	0		
Related party relationship or acting in concert among the above shareholders	Shareholders of preference shares, namely “BANK OF COMMUNICATIONS INTERNATIONAL TRUST CO., LTD. - HUILI NO.167 SINGLE CAPITAL TRUST” and “BANK OF COMMUNICATIONS INTERNATIONAL TRUST CO., LTD. - HUILI NO.136 SINGLE CAPITAL TRUST”, are persons acting in concert. Save for the above, it is not aware that any other shareholders of preference shares are persons acting in concert and it is also not aware that any other shareholders of preference shares are related to each other.					

III Material matters

I. Details and reasons for changes of major financial data and financial indicators during the reporting period

Applicable Not applicable

(I) Analysis of the assets and liabilities of the Company

Unit: RMB

Item	30 September 2018	31 December 2017	Change	Reason for change
Bills receivable and accounts receivable	5,124,736,316.25	7,886,097,430.59	-35.02%	(1)
Prepayments	2,645,675,886.41	1,962,151,473.35	34.84%	(2)
Other receivables	2,569,606,466.71	538,734,656.55	376.97%	(3)
Other current assets	8,047,097,211.80	11,568,757,330.26	-30.44%	(4)
Other equity instrument investments	103,000,000.00	2,453,000,000.00	-95.80%	(5)
Construction in progress	11,207,269,700.09	7,683,945,044.32	45.85%	(6)
Advance receipts	594,806,241.50	243,182,891.22	144.59%	(7)
Other payables	2,250,667,949.23	1,512,109,925.73	48.84%	(8)
Other current liabilities	7,380,730,002.04	10,797,248,631.76	-31.64%	(9)
Other non-current liabilities	1,920,690,592.20	250,000,000.00	668.28%	(10)

Explanation of the reasons leading to the major changes:

- (1) Bills receivable and accounts receivable decreased by 35.02% as compared to the beginning of the year mainly due to the Company's payment for goods by bills and increase in financing amount.
- (2) Prepayments increased by 34.84% as compared to the beginning of the year mainly due to the Company's increase in prepayments for raw materials to lower the procurement cost of raw materials.
- (3) Other receivables increased by 376.97% as compared to the beginning of the year mainly due to the Company's transfer of part of financial lease credit.
- (4) Other current assets decreased by 30.44% as compared to the beginning of the year mainly due to the recovery of some financial lease payments as a result of the change of the overall strategy of the Company's financial leasing business.

- (5) Other equity instrument investments decreased by 95.80% as compared to the beginning of the year mainly due to the Company's disposal of 50% equity interest in Guangdong Dejun.
- (6) Construction in progress increased by 45.85% as compared to the beginning of the year mainly due to the Company's higher investment in, among other things, Huanggang Phase I project and Meilun chemical pulp project.
- (7) Advance receipts increased by 144.59% as compared to the beginning of the year mainly due to the increase in advance payments for goods received by the Company.
- (8) Other payables increased by 48.84% as compared to the beginning of the year mainly due to the borrowings of RMB400 million of the finance company from the interbank market.
- (9) Other current liabilities decreased by 31.64% as compared to the beginning of the year mainly due to the Company's repayment of short-term commercial paper falling due.
- (10) Other non-current liabilities increased by 668.28% as compared to the beginning of the year mainly due to the Company's issue of RMB1.68 billion medium-term notes.

(II) Reasons for significant year on year changes of income statement items

Unit: RMB

Item	January - September 2018	January - September 2017	Change	Reason for change
Taxes and surcharges	197,549,747.01	162,946,170.78	21.24%	(1)
General and administrative expenses	725,799,621.03	620,900,767.79	16.89%	(2)
Financial expenses	2,342,835,651.29	1,723,984,373.79	35.90%	(3)
Loss on impairment of assets	183,525,156.37	103,830,560.96	76.75%	(4)
Investment income	185,650,350.16	121,348,201.62	52.99%	(5)

Explanation of the reasons leading to the major changes:

- (1) Taxes and surcharges increased by 21.24% as compared to the corresponding period of last year mainly due to the year-on-year increase in taxes in line with the year-on-year increase in the gross profit of the Company.
- (2) General and administrative expenses increased by 16.89% as compared to the corresponding period of last year mainly due to the increase in depreciation expenses on investment property of the Company.
- (3) Finance expenses increased by 35.90% as compared to the corresponding period of last year mainly due to the year-on-year increase of interest expense by 50.61% as a result of the increase in financing costs.
- (4) Loss on impairment of assets increased by 76.75% as compared to the corresponding period of last year mainly due to the increase of the Company's bad debt provision for accounts receivable.
- (5) Investment income increased by 52.99% as compared to the corresponding period of last year mainly due to the gain on disposal of equity interest in Guangdong Dejun and Wan Xing Real Estate by the Company during the period.

(III) Analysis of cash flows during the reporting period

Unit: RMB

Item	January - September 2018	January - September 2017	Change	Reason for change
Net cash flows from operating activities	9,073,361,847.59	-1,613,139,694.33	662.47%	(1)
Net cash flows from investment activities	-2,476,359,313.37	-1,483,934,428.52	-66.88%	(2)
Net cash flows from financing activities	-4,988,513,761.32	4,859,032,582.33	-202.66%	(3)

Explanation of the reasons leading to the major changes:

- (1) Net cash flows from operating activities increased by 662.47% as compared to the corresponding period of last year mainly due to the higher average selling price of machine-made paper of the Company as compared to the corresponding period of last year, the increase in revenue from sales and net returns of the financial leasing business.
- (2) Net cash flows from investing activities decreased by 66.88% as compared to the corresponding period of last year mainly due to the increase of cash payment for investments such as the acquisition of 30% equity interest in Shanghai Hongtai by the Company.
- (3) Net cash flows from financing activities decreased by 202.66% as compared to the corresponding period of last year mainly due to the Company's adjustment of the development strategy of its financial leasing business, and recovery of part of its advances to repay the loans falling due.

II. Progress in respect to material matters and analysis of the related effects and solutions

Applicable Not applicable

III. Undertakings made by parties involved in undertakings including the Company's beneficial controllers, shareholders, related parties, bidders and the Company subsisting during the reporting period

Applicable ✓ Not applicable

During the reporting period, there were no undertakings made by parties involved in undertakings including the Company's beneficial controllers, shareholders, related parties, bidders and the Company subsisting during the reporting period.

IV. Estimate of the operating results for 2018

Warning of projection on cumulative net profit for the period from the beginning of the year to the end of the next reporting period to be at a loss or expected to have material changes as compared to the corresponding period of prior year and its explanation

Applicable ✓ Not applicable

V. Security investments

Applicable ✓ Not applicable

The Company did not have any security investments during the reporting period.

VI. Entrusted wealth management

Applicable ✓ Not applicable

The Company did not have any entrusted wealth management during the reporting period.

VII. Derivative investments

Applicable ✓ Not applicable

The Company did not have any derivative investments during the reporting period.

VIII. Registration report on reception of research investigations, communications and interviews during the reporting period

Applicable Not applicable

Reception time	Reception method	Type of Reception target	Basic information of investigations
13 July 2018	On-site investigations	Institution	For details please refer to the investor relations activities record disclosed on CNINFO on 16 July 2018

IX. External guarantees against the rules and regulations

Applicable Not applicable

There was no external guarantee provided by the Company which was against the rules and regulations during the reporting period

X. Appropriation of funds of the Company by the controlling shareholder and its related parties for non-operating purposes

Applicable Not applicable

There was no appropriation of funds of the Company by the controlling shareholder and its related parties for non-operating purposes during the reporting period.

IV Financial Statements

I. Financial Statements (As at 30 September 2018)

1. Consolidated Balance Sheet

Prepared by: Shandong Chenming Paper Holdings Limited

Unit: RMB

Item	Closing balance	Opening balance
CURRENT ASSETS:		
Monetary funds	16,551,307,376.84	14,443,492,461.43
Financial assets held for trading		94,000,000.00
Bills receivable and accounts receivable	5,124,736,316.25	7,886,097,430.59
Including: Bills receivable	1,471,182,656.33	4,220,231,853.56
Accounts receivable	3,653,553,659.92	3,665,865,577.03
Prepayments	2,645,675,886.41	1,962,151,473.35
Other receivables	2,569,606,466.71	538,734,656.55
Inventories	6,497,162,859.05	6,022,805,491.17
Non-current assets due within one year	5,832,227,402.64	6,901,695,875.94
Other current assets	8,047,097,211.80	11,568,757,330.26
Total current assets	47,267,813,519.70	49,417,734,719.29
NON-CURRENT ASSETS:		
Long-term receivables	8,685,164,213.89	9,400,862,089.18
Long-term equity investments	384,395,766.18	391,868,827.45
Other equity instrument investments	103,000,000.00	2,453,000,000.00
Investment property	4,726,177,259.10	4,809,535,109.82
Fixed assets	27,450,440,078.56	28,227,509,503.05
Construction in progress	11,207,269,700.09	7,683,945,044.32
Intangible assets	1,932,549,831.85	2,059,221,379.09
Goodwill	20,283,787.17	20,283,787.17
Long-term prepaid expenses	137,519,369.49	139,122,569.45
Deferred income tax assets	557,079,199.59	522,288,850.40
Other non-current assets	1,397,818,155.21	499,724,197.70
Total non-current assets	56,601,697,361.13	56,207,361,357.63
Total assets	103,869,510,880.83	105,625,096,076.92

Item	Closing balance	Opening balance
CURRENT LIABILITIES:		
Short-term borrowings	36,865,017,676.14	35,096,574,873.03
Bills payable and accounts payable	5,081,695,242.86	5,292,331,618.45
Advance receipts	594,806,241.50	243,182,891.22
Staff remuneration payables	118,154,493.05	185,130,892.10
Taxes payable	468,518,906.27	496,626,014.68
Other payables	2,250,667,949.23	1,512,109,925.73
Non-current liabilities due within one year	4,582,157,452.87	3,625,430,347.40
Other current liabilities	7,380,730,002.04	10,797,248,631.76
Total current liabilities	57,341,747,963.96	57,248,635,194.37
NON-CURRENT LIABILITIES:		
Long-term borrowings	8,321,609,057.45	7,646,122,995.91
Bonds payable	2,097,405,000.00	2,196,261,279.57
Long-term payables	6,244,413,316.71	6,231,921,152.30
Provisions	325,259,082.28	325,259,082.28
Deferred income	1,401,478,965.52	1,452,717,833.55
Other non-current liabilities	1,920,690,592.20	250,000,000.00
Total non-current liabilities	20,310,856,014.16	18,102,282,343.61
TOTAL LIABILITIES	77,652,603,978.12	75,350,917,537.98
OWNERS' EQUITY:		
Share capital	2,904,608,200.00	1,936,405,467.00
Other equity instruments	7,465,500,000.00	10,048,300,000.00
Including: Preference shares	4,477,500,000.00	4,477,500,000.00
Perpetual bonds	2,988,000,000.00	5,570,800,000.00
Capital reserves	5,105,706,141.46	6,149,257,784.90
Other comprehensive income	-757,556,514.39	-354,165,127.80
Surplus reserves	1,132,116,106.40	1,132,116,106.40
Retained profit	9,159,648,330.76	8,866,614,844.40
Total equity attributable to equity holders of the company	25,010,022,264.23	27,778,529,074.90
Minority interest	1,206,884,638.48	2,495,649,464.04
Total owners' equity	26,216,906,902.71	30,274,178,538.94
TOTAL LIABILITIES AND OWNERS' EQUITY	103,869,510,880.83	105,625,096,076.92

Legal
Representative:
Chen Hongguo

Financial
controller:
Hu Jinbao

Head of
the financial department:
Zhang Bo

2. Balance sheet of the Company

Unit: RMB

Item	Closing balance	Opening balance
CURRENT ASSETS:		
Monetary funds	9,599,019,052.65	9,580,548,200.88
Financial assets held for trading		94,000,000.00
Bills receivable and accounts receivable	5,054,188,244.40	795,283,825.96
Including: Bills receivable	872,290,054.61	787,095,075.51
Accounts receivable	4,181,898,189.79	8,188,750.45
Prepayments	2,444,965,863.01	742,107,273.09
Other receivables	19,805,778,508.88	22,351,203,484.83
Inventories	984,818,812.57	751,426,520.51
Other current assets	11,169,093.47	2,488,977.72
Total current assets	37,899,939,574.98	34,317,058,282.99
NON-CURRENT ASSETS:		
Long-term receivables	458,947,875.49	456,925,607.06
Long-term equity investments	21,931,870,664.64	18,674,034,243.49
Other equity instrument investments	103,000,000.00	2,453,000,000.00
Fixed assets	2,117,462,669.36	2,364,990,246.94
Construction in progress	1,726,422,342.43	973,375,557.42
Intangible assets	461,346,789.15	470,379,203.58
Deferred income tax assets	219,586,534.60	186,935,887.68
Other non-current assets	54,800,000.00	54,800,000.00
Total non-current assets	27,073,436,875.67	25,634,440,746.17
Total assets	64,973,376,450.65	59,951,499,029.16
CURRENT LIABILITIES:		
Short-term borrowings	7,390,943,747.81	7,522,637,247.14
Bills receivable and accounts receivable	10,730,658,354.77	6,945,776,495.21
Advance receipts	4,899,411,924.93	956,040,917.07
Staff remuneration payables	55,267,118.38	47,546,116.66
Taxes payable	52,734,607.34	116,173,781.96
Other payables	5,776,890,191.99	2,190,981,135.04
Non-current liabilities due within one year	985,120,003.18	1,318,429,260.12
Other current liabilities	8,135,730,002.04	10,797,248,631.76
Total current liabilities	38,026,755,950.44	29,894,833,584.96

Item	Closing balance	Opening balance
NON-CURRENT LIABILITIES:		
Long-term borrowings	1,336,377,410.45	908,182,122.65
Bonds payable	2,097,405,000.00	1,198,305,304.75
Long-term payables	3,747,155,396.54	4,605,691,332.13
Provisions	325,259,082.28	325,259,082.28
Deferred income	47,497,308.65	50,753,189.60
Other non-current liabilities	1,245,166,669.00	250,000,000.00
Total non-current liabilities	8,798,860,866.92	7,338,191,031.41
TOTAL LIABILITIES	46,825,616,817.36	37,233,024,616.37
OWNERS' EQUITY:		
Share capital	2,904,608,200.00	1,936,405,467.00
Other equity instruments	7,465,500,000.00	10,048,300,000.00
Including: Preference shares	4,477,500,000.00	4,477,500,000.00
Perpetual bonds	2,988,000,000.00	5,570,800,000.00
Capital reserves	4,953,557,435.19	5,938,960,168.19
Surplus reserves	1,119,926,524.49	1,119,926,524.49
Retained profit	1,704,167,473.61	3,674,882,253.11
Total owners' equity	18,147,759,633.29	22,718,474,412.79
TOTAL LIABILITIES AND OWNERS' EQUITY	64,973,376,450.65	59,951,499,029.16

3. Consolidated income statement of the reporting period

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Total revenue	7,941,434,778.16	8,179,965,762.07
Including: Revenue	7,941,434,778.16	8,179,965,762.07
II. Total operating costs	7,251,854,174.86	7,089,959,307.39
Including: Operating costs	5,506,076,479.61	5,463,612,011.51
Taxes and surcharges	68,040,535.03	56,986,158.42
Sales and distribution expenses	324,607,159.50	343,307,442.54
General and administrative expenses	230,957,952.48	211,381,726.06
Research and development expenses	245,095,355.24	292,064,193.55
Finance expenses	844,007,206.60	668,587,867.43
Including: Interest expenses	909,153,291.74	655,142,601.36
Interest income	81,499,764.35	54,848,857.37
Loss on impairment of assets	33,069,486.40	54,019,907.88
Plus: Other income	23,494,829.18	
Investment income (“-” denotes loss)	127,336,281.28	55,483,529.26
Including: Investment income from associates and joint ventures	-6,572,934.11	27,516,929.26
Gain on disposal of assets (“-” denotes loss)	2,935,235.19	-819,971.68
III. Operating profit (“-” denotes loss)	843,346,948.95	1,144,670,012.26
Plus: Non-operating income	22,243,068.90	50,688,041.18
Less: Non-operating expenses	13,045,182.22	1,515,966.91
IV. Total profit (“-” denotes total loss)	852,544,835.63	1,193,842,086.53
Less: Income tax expenses	119,353,651.11	217,301,563.56
V. Net profit (“-” denotes net loss)	733,191,184.52	976,540,522.97
Net profit from continuing operations (“-” denotes net loss)	733,191,184.52	976,540,522.97
Net profit attributable to shareholders of the Company	696,526,748.13	966,000,240.51
Profit or loss of minority interest	36,664,436.39	10,540,282.46

Item	Amounts for the period	Amounts for the prior period
VI. Net other comprehensive income after tax	-300,157,276.21	155,763,579.06
Net other comprehensive income after tax attributable to shareholders of the Company	-300,157,276.21	155,763,579.06
Other comprehensive income that will be reclassified to profit or loss	-300,157,276.21	155,763,579.06
Exchange differences on translation of foreign operations	-300,157,276.21	155,763,579.06
VII. Total comprehensive income	433,033,908.31	1,132,304,102.03
Total other comprehensive income attributable to shareholders of the Company	396,369,471.92	1,121,763,819.57
Total comprehensive income attributable to minority interest	36,664,436.39	10,540,282.46
VIII. Earnings per share:		
(I) Basic earnings per share	0.18	0.27
(II) Diluted earnings per share	0.18	0.27

Legal
Representative:
Chen Hongguo

Financial
controller:
Hu Jinbao

Head of
the financial department:
Zhang Bo

4 · Income statement of the Company of the reporting period

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Revenue	1,261,921,341.41	1,706,131,164.94
Less: Operating costs	908,457,085.81	1,193,116,257.66
Taxes and surcharges	12,885,905.11	18,092,927.04
Sales and distribution expenses	47,689,998.79	64,749,892.58
General and administrative expenses	93,493,353.35	85,505,467.72
Research and development expenses	59,219,583.02	72,841,071.19
Finance expenses	453,694,048.02	224,536,497.92
Including: Interest expenses	696,626,615.28	596,123,497.86
Interest income	314,594,724.63	401,153,543.09
Loss on impairment of assets	7,239,283.13	-1,721,797.89
Investment income (“-” denotes loss)	294,222,268.43	27,471,467.73
Including: Investment income from associates and joint ventures	-5,777,731.57	-495,132.27
Gain on disposal of assets (“-” denotes loss)	1,970,855.12	-760,677.58
II. Operating profit (“-” denotes loss)	-24,564,792.27	75,721,638.87
Plus: Non-operating income	268,363.50	3,778,835.57
Less: Non-operating expenses	6,916,026.81	500,000.00
III. Total profit (“-” denotes total loss)	-31,212,455.58	79,000,474.44
Less: Income tax expenses	-59,221,592.13	-20,254,937.09
IV. Net profit (“-” denotes net loss)	28,009,136.55	99,255,411.53
Net profit from continuing operations (“-” denotes net loss)	28,009,136.55	99,255,411.53
VI. Total comprehensive income	28,009,136.55	99,255,411.53
VII. Earnings per share :		
(I) Basic earnings per share	—	—
(II) Diluted earnings per share	—	—

5. Consolidated income statement for the period from the beginning of the year to the end of the reporting period

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Total revenue	23,492,768,818.05	21,929,200,769.31
Including: Revenue	23,492,768,818.05	21,929,200,769.31
II. Total operating costs	20,868,852,268.72	18,970,046,742.20
Including: Operating costs	15,765,961,398.47	14,634,679,000.00
Taxes and surcharges	197,549,747.01	162,946,170.78
Sales and distribution expenses	930,070,485.21	984,805,717.89
General and administrative expenses	725,799,621.03	620,900,767.79
Research and development expenses	723,110,209.34	738,900,150.99
Finance expenses	2,342,835,651.29	1,723,984,373.79
Including: Interest expenses	2,466,934,321.95	1,637,968,048.69
Interest income	240,596,355.69	172,244,649.91
Loss on impairment of assets	183,525,156.37	103,830,560.96
Plus: Other income	83,167,106.06	
Investment income (“-” denotes loss)	185,650,350.16	121,348,201.62
Including: Investment income from associates and joint ventures	-23,726,437.11	23,362,635.96
Gain on change in fair value (“-” denotes loss)	-23,973,841.55	-11,009,851.10
Gain on disposal of assets (“-” denotes loss)	725,186.56	-475,168.69
III. Operating profit (“-” denotes loss)	2,869,485,350.56	3,069,017,208.94
Plus: Non-operating income	213,875,626.25	207,384,411.91
Less: Non-operating expenses	13,491,403.54	3,588,548.37
IV. Total profit (“-” denotes total loss)	3,069,869,573.27	3,272,813,072.48
Less: Income tax expenses	553,555,763.61	548,554,890.64

Item	Amounts for the period	Amounts for the prior period
V. Net profit (“-” denotes net loss)	2,516,313,809.66	2,724,258,181.84
Net profit from continuing operations (“-” denotes net loss)	2,516,313,809.66	2,724,258,181.84
Net profit attributable to shareholders of the Company	2,481,157,773.44	2,711,515,078.74
Profit or loss of minority interest	35,156,036.22	12,743,103.10
VI. Net other comprehensive income after tax	-403,391,386.59	326,460,998.96
Net other comprehensive income after tax attributable to shareholders of the Company	-403,391,386.59	326,460,998.96
Other comprehensive income that will be reclassified to profit or loss	-403,391,386.59	326,460,998.96
Exchange differences on translation of foreign operations	-403,391,386.59	326,460,998.96
VII. Total comprehensive income	2,112,922,423.07	3,050,719,180.80
Total comprehensive income attributable to shareholders of the Company	2,077,766,386.85	3,037,976,077.70
Total comprehensive income attributable to minority interest	35,156,036.22	12,743,103.10
VIII. Earnings per share:		
(I) Basic earnings per share	0.54	0.77
(II) Diluted earnings per share	0.54	0.77

6. Income statement of the Company for the period from the beginning of the year to the end of the reporting period

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Revenue	4,078,215,827.23	5,388,701,473.86
Less: Operating costs	2,882,818,698.89	3,753,815,510.75
Taxes and surcharges	57,455,929.28	56,290,076.46
Sales and distribution expenses	137,742,324.61	196,448,912.34
General and administrative expenses	233,936,154.40	244,183,492.88
Research and development expenses	172,154,901.59	220,787,318.45
Finance expenses	903,986,694.58	526,756,927.96
Including: Interest expenses	1,910,292,825.08	1,521,804,699.05
Interest income	1,152,849,226.50	1,084,688,539.12
Loss on impairment of assets	3,976,204.29	11,317,153.72
Plus: Other income	2,170,587.30	96,961,416.40
Investment income (“-” denotes loss)	351,894,141.34	
Including: Investment income from associates and joint ventures	-9,855,858.66	-525,752.57
Gain on disposal of assets (“-” denotes loss)	566,364.87	-475,105.36
II. Operating profit (“-” denotes loss)	40,776,013.10	475,588,392.34
Plus: Non-operating income	159,402,602.05	16,561,158.31
Less: Non-operating expenses	6,916,026.81	500,000.00
III. Total profit (“-” denotes total loss)	193,262,588.34	491,649,550.65
Less: Income tax expenses	-32,650,646.92	-100,436.69
IV. Net profit (“-” denotes net loss)	225,913,235.26	491,749,987.34
Net profit from continuing operations (“-” denotes net loss)	225,913,235.26	491,749,987.34
VI. Total comprehensive income	225,913,235.26	491,749,987.34
VII. Earnings per share:		
(I) Basic earnings per share	—	—
(II) Diluted earnings per share	—	—

7. Consolidated cash flow statement for the period from the beginning of the year to the end of the reporting period

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	22,826,321,614.77	20,682,008,390.14
Tax rebates received	9,286,422.78	6,142,112.71
Cash received relating to other operating activities	6,112,249,944.86	679,050,296.06
Subtotal of cash inflows from operating activities	28,947,857,982.41	21,367,200,798.91
Cash paid for goods and services	15,406,856,581.77	13,560,139,182.92
Cash paid to and for employees	931,350,643.01	796,561,408.01
Payments of taxes and surcharges	1,712,799,956.34	1,212,046,214.97
Cash paid relating to other operating activities	1,823,488,953.71	7,411,593,687.34
Subtotal of cash outflows from operating activities	19,874,496,134.83	22,980,340,493.24
Net cash flows from operating activities	9,073,361,847.59	-1,613,139,694.33
II. Cash flows from investment activities:		
Cash received from investments	2,390,000,000.00	
Cash received from investment income	375,641,400.00	16,861,112.27
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	393,600.22	395,843.67
Net cash received from disposal of subsidiaries and other business units	19,610,260.70	
Cash received relating to other investment activities	69,843,200.00	972,391,073.00
Subtotal of cash inflows from investment activities	2,855,488,460.92	989,648,028.94
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	3,142,851,174.29	1,859,472,457.46
Cash paid on investments	2,085,954,389.46	614,110,000.00
Cash paid relating to other investment activities	103,042,210.54	
Subtotal of cash outflows from investment activities	5,331,847,774.29	2,473,582,457.46
Net cash flows from investment activities	-2,476,359,313.37	-1,483,934,428.52

Item	Amounts for the period	Amounts for the prior period
III. Cash flows from financing activities:		
Cash received from capital contribution		40,000,000.00
Including: Cash received from capital contributions by minority shareholders of subsidiaries		40,000,000.00
Cash received from borrowings	36,121,975,695.37	39,497,574,620.08
Cash received relating to other financing activities	14,012,509,155.81	13,220,512,476.06
Subtotal of cash inflows from financing activities	50,134,484,851.18	52,758,087,096.14
Cash repayments on borrowing	27,467,045,407.89	31,347,684,782.25
Cash paid for dividend and profit distribution or interest payment	4,438,836,047.90	3,743,137,077.79
Cash paid relating to other financing activities	23,217,117,156.71	12,808,232,653.77
Subtotal of cash outflows from financing activities	55,122,998,612.50	47,899,054,513.81
Net cash flows from financing activities	-4,988,513,761.32	4,859,032,582.33
IV. Effect of foreign exchange rate changes on cash and cash equivalents	120,553,325.21	-28,349,867.42
V. Net increase in cash and cash equivalents	1,729,042,098.10	1,733,608,592.06
Plus: Balance of cash and cash equivalents as at the beginning of the period	2,804,408,374.46	1,979,861,045.62
VI. Balance of cash and cash equivalents as at the end of the period	4,533,450,472.56	3,713,469,637.68

8. Cash flow statement of the Company for the period from the beginning of the year to the end of the reporting period

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	5,529,614,111.40	4,878,948,116.17
Cash received relating to other operating activities	2,427,573,406.75	1,113,913,447.97
Subtotal of cash inflows from operating activities	7,957,187,518.15	5,992,861,564.14
Cash paid for goods and services	1,963,218,833.84	3,360,835,113.73
Cash paid to and for employees	299,290,526.60	303,489,318.02
Payments of taxes and surcharges	286,150,551.10	281,187,045.12
Cash paid relating to other operating activities	1,834,166,575.63	689,143,413.39
Subtotal of cash outflows from operating activities	4,382,826,487.17	4,634,654,890.26
Net cash flows from operating activities	3,574,361,030.98	1,358,206,673.88
II. Cash flows from investment activities:		
Cash received from investments	2,350,000,000.00	
Cash received from investment income	284,041,400.00	16,861,111.11
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		17,628.00
Net cash received from disposal of subsidiaries and other business units	19,610,260.70	
Cash received relating to other investment activities		900,000,000.00
Subtotal of cash inflows from investment activities	2,653,651,660.70	916,878,739.11
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	47,475,737.37	54,575,321.80
Cash paid on investments	2,301,714,807.50	2,673,511,220.00
Subtotal of cash outflows from investment activities	2,349,190,544.87	2,728,086,541.80
Net cash flows from investment activities	304,461,115.83	-1,811,207,802.69

Item	Amounts for the period	Amounts for the prior period
III. Cash flows from financing activities:		
Cash received from borrowings	9,487,503,196.92	21,235,270,880.03
Cash received relating to other financing activities	11,525,489,947.95	12,686,968,650.12
Subtotal of cash inflows from financing activities	21,012,993,144.87	33,922,239,530.15
Cash repayments on borrowing	8,707,654,631.90	19,317,134,289.21
Cash paid for dividend and profit distribution or interest payment	2,426,583,005.38	3,220,449,336.43
Cash paid relating to other financing activities	13,496,703,811.58	10,548,021,423.28
Subtotal of cash outflows from financing activities	24,630,941,448.86	33,085,605,048.92
Net cash flows from financing activities	-3,617,948,303.99	836,634,481.23
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-16,058,996.41	-368,087.45
V. Net increase in cash and cash equivalents	244,814,846.41	383,265,264.97
Plus: Balance of cash and cash equivalents as at the beginning of the period	1,020,262,069.85	582,578,426.62
VI. Balance of cash and cash equivalents as at the end of the period	1,265,076,916.26	965,843,691.59

II. Auditors' Report

Has the third quarterly report already been audited yet?

Yes No

The third quarterly report of the Company is unaudited.

Board of Directors
SHANDONG CHENMING PAPER HOLDINGS LIMITED
CHEN HONGGUO
Chairman

Shandong, the PRC
25 October 2018

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Li Feng, Mr. Geng Guanglin, Mr. Hu Changqing and Mr. Chen Gang; the non-executive Directors are Ms. Yang Guihua and Ms. Zhang Hong; and the independent non-executive Directors are Ms. Pan Ailing, Ms. Wang Fengrong, Mr. Huang Lei and Ms. Liang Fu.

* For identification purposes only