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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)

2019 First Quarterly Report

Shandong Chenming Paper Holdings Limited (the “Company”) is required to publish a quarterly report in accordance with the requirements 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 in China.

I Important Notice

The board of directors (the “Board”), the supervisory committee (the “Supervisory Committee”), the directors (the “Directors”), supervisors (the “Supervisors”) and 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, Dong Lianming, 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

I. Major financial data and financial indicators

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

Yes No

		Corresponding period of prior year	Increase/decrease compared to the corresponding period of the prior year
	The reporting period		
Revenue (RMB)	6,159,836,579.24	7,241,811,895.12	-14.94%
Net profit attributable to shareholders of the Company (RMB)	38,223,111.21	782,500,357.98	-95.12%
Net profit after extraordinary gains or losses attributable to shareholders of the Company (RMB)	-23,652,252.85	733,118,818.26	-103.23%
Net cash flows from operating activities (RMB)	1,424,685,047.04	1,267,680,953.19	12.39%
Basic earnings per share (RMB per share)	-0.037	0.207	-117.87%
Diluted earnings per share (RMB per share)	-0.037	0.207	-117.87%
Rate of return on weighted average net assets	-0.61%	3.32%	-3.93%
	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 compared to the end of the prior year
Total assets (RMB)	106,040,273,940.00	105,318,734,827.82	0.69%
Net assets attributable to shareholders of the Company (RMB)	25,141,902,723.14	25,048,731,454.79	0.37%

Data description:

- ① The net profit attributable to shareholders of the Company does not exclude the effect of the interest on perpetual bonds and the effect of the dividends on preference shares that have been distributed and declared. When calculating financial indicators such as earnings per share and rate of return on weighted average net assets, the interest on perpetual bonds of RMB47,835,616 from 1 January 2019 to 31 March 2019 and the distributed dividends on preference shares of RMB98,100,000 for 2019 are deducted.
- ② Pursuant to the proposed profit distribution plan for 2017 approved at the 2017 annual general meeting of the Company, 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 made out of the capital reserves of 5 shares for every 10 shares held was distributed to ordinary shareholders. The Company's share capital increased by 968,202,733 shares. The earnings per share for the corresponding period of last year were also adjusted accordingly.

Items and amounts of extraordinary gains or losses

✓ Applicable Not applicable

Unit: RMB

Item	Amounts for the period from the beginning of the year to the end of the reporting period	Note
Profit or loss from disposal of non-current assets (including write-off of provision for assets impairment)	-452,007.43	
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	77,271,053.63	
Non-operating income and expenses other than the above items	4,714,672.46	
Less: Effect of income tax	19,917,068.20	
Effect of minority interest (after tax)	-258,713.60	
Total	61,875,364.06	

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	123,152, of which 102,479 were holders of A shares, 20,307 were holders of B shares and 366 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 ten 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	15.29%	444,146,128	0	Pledged	314,739,850
HKSCC NOMINEES LIMITED	Overseas legal person	12.85%	373,353,125	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	0.64%	18,648,662	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		
AGRICULTURAL BANK OF CHINA LIMITED - CHINA CSI 500 ETF	Others	0.47%	13,637,850	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.44%	12,912,357	0		
JIN Xing	Domestic nature person	0.40%	11,690,950	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas legal person	0.39%	11,350,008	0		

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	444,146,128	RMB ordinary shares	444,146,128
HKSCC NOMINEES LIMITED	373,353,125	Overseas listed foreign shares	373,353,125
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	18,648,662	RMB ordinary shares	18,648,662
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
AGRICULTURAL BANK OF CHINA LIMITED - CHINA CSI 500 ETF	13,637,850	RMB ordinary shares	13,637,850
VANGUARD EMERGING MARKETS STOCK INDEX FUND	12,912,357	Domestic listed foreign shares	12,912,357
JIN Xing	11,690,950	Domestic listed foreign shares	11,690,950
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	11,350,008	Domestic listed foreign shares	11,350,008
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. Save for the above, it is not aware that any other shareholders of tradable shares are persons acting in concert. 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 held 444,146,128 RMB ordinary shares, of which 397,746,128 shares were held through ordinary account and 46,400,000 shares were held through credit guarantee securities account.		

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 No 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	The 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 whether there is any related party relationship between the above shareholders of preference shares and the top ten shareholders of ordinary shares.					

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	31 March 2019	31 December 2018	Change	Reason for change
Bills receivable	1,564,424,793.74	1,213,116,491.46	28.96%	(1)
Prepayments	1,166,925,861.32	863,739,020.74	35.10%	(2)
Non-current assets due within one year	5,255,022,836.99	4,007,503,281.86	31.13%	(3)
Other non-current assets	2,185,530,770.12	1,522,493,129.66	43.55%	(4)

Explanation of the reasons leading to the major changes:

- (1) Bills receivable increased by 28.96% as compared to the beginning of the year mainly due to the increase in the payment for goods made by bills at the end of the reporting period.
- (2) Prepayments increased by 35.10% as compared to the beginning of the year mainly due to the increase in prepayments for materials during the reporting period.
- (3) Non-current assets due within one year increased by 31.13% as compared to the beginning of the year mainly due to the increase in lease receivable due within one year at the end of the reporting period.
- (4) Other non-current assets increased by 43.55% as compared to the beginning of the year mainly due to the subscription of shares of Nanyue Bank by the Company during the reporting period.

(II) Reasons for significant year on year changes of income statement items during the reporting period

Unit: RMB

Item	January - March 2019	January - March 2018	Change	Reason for change
Revenue	6,159,836,579.24	7,241,811,895.12	-12.86%	(1)
Loss on impairment of assets	-82,790,921.68	59,082,697.85	-342.32%	(2)
Credit impairment loss	-60,378,880.05			
Non-operating income	85,638,465.22	2,608,937.24	3182.50%	(3)
Income tax expenses	66,242,708.11	207,172,541.16	-68.03%	(4)

Explanation of the reasons leading to the major changes:

- (1) Revenue decreased by 12.86% as compared to the corresponding period of last year mainly due to a year-on-year decrease in the prices of machine-made paper.
- (2) Loss on impairment of assets and credit impairment loss decreased by 342.32% as compared to the corresponding period of last year mainly due to the change of the conditions that caused inventory impairment and reversal of inventory impairment provision.
- (3) Non-operating income increased by 3182.50% as compared to the corresponding period of last year mainly due to the increase of government grants during the reporting period.
- (4) Income tax expenses decreased by 68.03% as compared to the corresponding period of last year mainly due to a year-on-year decrease in the profit of the Company during the reporting period.

(III) Analysis of cash flows during the reporting period

Unit: RMB

Item	January - March 2019	January - March 2018	Change	Reason for change
Net cash flows from operating activities	1,424,685,047.04	1,267,680,953.19	12.39%	(1)
Net cash flows from investment activities	-866,817,537.75	-1,724,411,977.89	49.73%	(2)
Net cash flows from financing activities	104,038,375.61	-134,535,571.79	177.33%	(3)

Explanation of the reasons leading to the major changes:

- (1) Net cash flows from operating activities increased by 12.39% as compared to the beginning of the year mainly due to a year-on-year increase in net recovery of proceeds of the financial leasing business.
- (2) Net cash flows from investing activities increased by 49.73% as compared to the beginning of the year mainly due to the decrease in capital expenditures after work in progress basically completed.
- (3) Net cash flows from financing activities increased by 177.33% as compared to the beginning of the year mainly due to a year-on-year decrease in repayment of debts due by the Company during the reporting period.

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

Applicable Not applicable

Progress of share repurchase

Applicable ✓ Not applicable

Progress of decrease in the holding of repurchased shares by way of bidding

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 January - June 2019

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. Derivatives investments

Applicable Not applicable

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

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

Applicable Not applicable

The Company did not have any reception of research investigations, communications and interviews during the reporting period.

VIII. 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.

IX. 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

1. Consolidated balance sheet

Prepared by: Shandong Chenming Paper Holdings Limited

31 March 2019

Unit: RMB

Item	31 March 2019	31 December 2018
CURRENT ASSETS:		
Monetary funds	20,195,953,397.17	19,292,774,747.79
Bills receivable and accounts receivable	5,224,506,450.29	4,617,603,496.05
Including: Bills receivable	1,564,424,793.74	1,213,116,491.46
Accounts receivable	3,660,081,656.55	3,404,487,004.59
Prepayments	1,166,925,861.32	863,739,020.74
Other receivables	2,131,155,979.26	2,133,089,983.39
Including: Interest receivable	145,717,684.31	198,577,632.43
Inventories	5,777,025,018.30	6,771,488,433.74
Non-current assets due within one year	5,255,022,837.00	4,007,503,281.86
Other current assets	9,578,368,257.36	10,281,312,825.13
Total current assets	49,328,957,800.70	47,967,511,788.70

Item	31 March 2019	31 December 2018
NON-CURRENT ASSETS:		
Long-term receivables	6,101,078,391.22	7,926,610,770.86
Long-term equity investments	484,753,517.14	484,674,282.77
Other non-current financial assets	103,000,000.00	103,000,000.00
Investment properties	4,759,298,096.95	4,844,993,039.62
Fixed assets	29,123,100,818.09	27,913,986,152.68
Construction in progress	11,232,178,807.62	11,871,350,821.55
Intangible assets	1,928,405,206.91	1,939,355,274.98
Goodwill	5,969,626.57	5,969,626.57
Long-term prepaid expenses	132,377,479.80	134,916,241.81
Deferred income tax assets	655,623,424.88	603,873,698.62
Other non-current assets	2,185,530,770.12	1,522,493,129.66
Total non-current assets	56,711,316,139.30	57,351,223,039.12
Total assets	106,040,273,940.00	105,318,734,827.82
CURRENT LIABILITIES:		
Short-term borrowings	42,415,220,578.50	40,227,945,361.89
Bills payable and accounts payable	8,186,746,903.16	8,369,198,199.59
Staff remuneration payables	125,556,633.11	135,373,407.70
Taxes payable	428,529,364.48	451,651,198.64
Other payables	1,567,918,963.25	1,777,718,017.48
Including: Interest payable	225,561,505.67	226,788,777.59
Contract liabilities	450,838,151.37	419,540,133.74
Non-current liabilities due within one year	6,038,703,014.40	7,216,305,771.01
Other current liabilities	2,983,332,844.66	2,816,956,481.68
Total current liabilities	62,196,846,452.93	61,414,688,571.73

Item	31 March 2019	31 December 2018
NON-CURRENT LIABILITIES:		
Long-term borrowings	7,922,301,553.56	7,798,934,484.94
Bonds payable	2,097,720,000.00	2,097,562,500.00
Long-term payables	3,735,359,917.94	3,900,255,693.44
Provisions	325,259,082.28	325,259,082.28
Deferred income	1,822,732,572.82	1,862,395,197.61
Other non-current liabilities	1,974,519,015.59	2,047,948,069.73
Total non-current liabilities	17,877,892,142.19	18,032,355,028.00
TOTAL LIABILITIES	80,074,738,595.12	79,447,043,599.73
OWNERS' EQUITY:		
Share capital	2,904,608,200.00	2,904,608,200.00
Other equity instruments	7,465,500,000.00	7,465,500,000.00
Including: Preference shares	4,477,500,000.00	4,477,500,000.00
Perpetual bonds	2,988,000,000.00	2,988,000,000.00
Capital reserves	5,091,449,915.14	5,091,449,915.14
Other comprehensive income	-583,472,023.87	-736,520,181.01
Special reserves	3,257,998.47	3,257,998.47
Surplus reserves	1,148,888,912.11	1,148,888,912.11
General risk reserves	64,123,919.23	64,123,919.23
Retained profit	9,047,545,802.06	9,107,422,690.85
Total equity attributable to equity holders of the company	25,141,902,723.14	25,048,731,454.79
Minority interest	823,632,621.74	822,959,773.30
Total owners' equity	25,965,535,344.88	25,871,691,228.09
TOTAL LIABILITIES AND OWNERS' EQUITY	106,040,273,940.00	105,318,734,827.82

Legal Representative:

Chen Hongguo

Head in charge of
accounting:
Dong Lianming

Head of the accounting
department:
Zhang Bo

2. Balance sheet of the Company

Unit: RMB

Item	31 March 2019	31 December 2018
CURRENT ASSETS:		
Monetary funds	8,133,817,288.55	8,160,234,434.15
Bills receivable and accounts receivable	2,117,516,939.60	1,785,939,152.84
Including: Bills receivable	1,341,393,665.34	436,662,187.80
Accounts receivable	776,123,274.26	1,349,276,965.04
Prepayments	4,010,051,371.76	1,584,388,551.00
Other receivables	17,131,850,216.88	19,405,314,961.24
Including: Interest receivable	78,320,102.39	77,257,506.25
Inventories	956,794,487.03	1,133,888,230.37
Other current assets	151,630,899.25	140,126,157.18
Total current assets	32,501,661,203.07	32,209,891,486.78
NON-CURRENT ASSETS:		
Long-term receivables	516,925,607.06	516,925,607.06
Long-term equity investments	23,535,229,813.87	22,487,417,443.24
Investment in other equity instruments	3,000,000.00	3,000,000.00
Other non-current financial assets	103,000,000.00	103,000,000.00
Fixed assets	3,647,516,368.70	2,103,164,588.93
Construction in progress	598,757,990.85	2,014,493,138.68
Intangible assets	455,381,935.89	458,365,862.52
Deferred income tax assets	365,034,033.93	303,861,021.95
Other non-current assets	9,800,000.00	9,800,000.00
Total non-current assets	29,234,645,750.30	28,000,027,662.38
Total assets	61,736,306,953.37	60,209,919,149.16

Item	31 March 2019	31 December 2018
CURRENT LIABILITIES:		
Short-term borrowings	9,091,326,249.07	7,668,689,104.31
Bills payable and accounts payable	12,488,642,728.92	11,318,835,274.79
Contract liabilities	4,001,450,623.08	3,299,778,982.47
Staff remuneration payables	63,662,541.20	53,899,651.15
Taxes payable	66,861,870.20	59,595,083.56
Other payables	5,284,469,913.82	5,465,488,890.52
Including: Interest payable	139,804,333.34	139,444,333.34
Non-current liabilities due within one year	3,308,818,149.56	3,256,715,148.39
Other current liabilities	3,294,105,426.06	3,527,956,481.68
Total current liabilities	37,599,337,501.91	34,650,958,616.87
NON-CURRENT LIABILITIES:		
Long-term borrowings	864,438,729.84	1,335,482,969.43
Bonds payable	2,097,720,000.00	2,097,562,500.00
Long-term payables	1,598,835,567.57	2,072,502,840.48
Provisions	325,259,082.28	325,259,082.28
Deferred income	45,326,721.31	46,412,014.99
Other non-current liabilities	1,517,966,671.00	1,592,166,670.00
Total non-current liabilities	6,449,546,772.00	7,469,386,077.18
TOTAL LIABILITIES	44,048,884,273.91	42,120,344,694.05
OWNERS' EQUITY:		
Share capital	2,904,608,200.00	2,904,608,200.00
Other equity instruments	7,465,500,000.00	7,465,500,000.00
Including: Preference shares	4,477,500,000.00	4,477,500,000.00
Perpetual bonds	2,988,000,000.00	2,988,000,000.00
Capital reserves	4,953,557,435.19	4,953,557,435.19
Surplus reserves	1,136,699,330.20	1,136,699,330.20
Retained profit	1,227,057,714.07	1,629,209,489.72
Total owners' equity	17,687,422,679.46	18,089,574,455.11
TOTAL LIABILITIES AND OWNERS' EQUITY	61,736,306,953.37	60,209,919,149.16

3. Consolidated income statement

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Total revenue	6,159,836,579.24	7,241,811,895.12
Including: Revenue	6,159,836,579.24	7,241,811,895.12
II. Total operating costs	6,151,098,241.89	6,348,793,347.27
Including: Operating costs	4,741,194,631.64	4,692,310,599.07
Taxes and surcharges	65,722,322.73	62,538,374.77
Sales and distribution expenses	287,382,511.79	270,903,272.57
General and administrative expenses	272,195,901.33	277,118,055.37
Research and development expenses	192,763,955.03	218,189,602.03
Finance expenses	735,008,721.10	768,650,745.61
Including: Interest expenses	785,193,442.24	740,613,828.95
Interest income	85,022,879.60	54,514,358.78
Loss on impairment of assets	-82,790,921.68	59,082,697.85
Credit impairment loss	-60,378,880.05	
Plus: Other income	18,406,874.30	35,587,255.87
Investment income (“-” denotes loss)	79,234.37	38,745,214.22
Including: Investment income from associates and joint ventures	79,234.37	-5,008,613.46
Gain on change in fair value (“-” denotes loss)		18,500,000.00
Gain on disposal of assets (“-” denotes loss)	-3,619,496.92	5,264.44
III. Operating profit (“-” denotes loss)	23,604,949.10	985,856,282.38
Plus: Non-operating income	85,638,465.22	2,608,937.24
Less: Non-operating expenses	4,104,746.56	905,848.50

Item	Amounts for the period	Amounts for the prior period
IV. Total profit (“-” denotes total loss)	105,138,667.76	987,559,371.12
Less: Income tax expenses	66,242,708.11	207,172,541.16
V. Net profit (“-” denotes net loss)	38,895,959.65	780,386,829.96
(I) Classification according to the continuity of operation		
Net profit from continuing operations (“-” denotes net loss)	38,895,959.65	780,386,829.96
(II) Classification according to ownership		
1. Net profit attributable to shareholders of the Company	38,223,111.21	782,500,357.98
2. Profit or loss of minority interest	672,848.44	-2,113,528.02
VI. Net other comprehensive income after tax	153,048,157.14	280,681,880.86
Net other comprehensive income after tax attributable to shareholders of the Company	153,048,157.14	280,681,880.86
Other comprehensive income that will be reclassified to profit or loss in subsequent periods	153,048,157.14	280,681,880.86
Exchange differences on translation of foreign operations	153,048,157.14	280,681,880.86
VII. Total comprehensive income	191,944,116.79	1,061,068,710.82
Total other comprehensive income attributable to shareholders of the Company	191,271,268.35	1,063,182,238.84
Total comprehensive income attributable to minority interest	672,848.44	-2,113,528.02
VIII. Earnings per share:		
(I) Basic earnings per share	-0.037	0.207
(II) Diluted earnings per share	-0.037	0.207

Legal Representative:

Chen Hongguo

Head in charge of
accounting:

Dong Lianming

Head of the accounting
department:

Zhang Bo

4. Income statement of the Company

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Revenue	1,180,608,914.97	1,450,100,125.24
Less: Operating costs	996,667,766.88	1,004,299,850.90
Taxes and surcharges	11,315,088.59	23,185,158.78
Sales and distribution expenses	41,028,655.63	41,118,479.35
General and administrative expenses	79,878,521.50	71,959,572.80
Research and development expenses	53,425,038.77	56,885,732.93
Finance expenses	359,385,884.76	160,195,809.53
Including: Interest expenses	604,583,755.19	567,560,286.21
Interest income	257,495,978.51	415,216,766.54
Loss on impairment of assets		-3,637,308.53
Credit impairment loss	1,063,774.22	
Plus: Other income	1,085,293.68	1,085,293.65
Investment income (“-” denotes loss)	312,370.63	35,095,805.72
Including: Investment income from associates and joint ventures	312,370.63	-154,294.28
Gain on change in fair value (“-” denotes loss)		18,500,000.00
Gain on disposal of assets (“-” denotes loss)	-3,632,875.13	121.63
II. Operating profit (“-” denotes loss)	-364,391,026.20	150,774,050.48
Plus: Non-operating income	2,648,246.00	164,617.03
Less: Non-operating expenses	3,482,007.43	621,903.47

Item	Amounts for the period	Amounts for the prior period
III. Total profit (“-” denotes total loss)	-365,224,787.63	150,316,764.04
Less: Income tax expenses	-61,173,011.98	18,641,304.02
IV. Net profit (“-” denotes net loss)	-304,051,775.65	131,675,460.02
Net profit from continuing operations (“-” denotes net loss)	-304,051,775.65	131,675,460.02
V. Total comprehensive income	-304,051,775.65	131,675,460.02
VI. Earnings per share:		
(I) Basic earnings per share	—	—
(II) Diluted earnings per share	—	—

5. Consolidated cash flow statement

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	6,865,397,396.38	8,279,206,351.45
Tax rebates received	345,075.02	2,412,586.40
Cash received relating to other operating activities	1,574,349,856.47	580,565,896.58
Subtotal of cash inflows from operating activities	8,440,092,327.87	8,862,184,834.43
Cash paid for goods and services	5,663,841,703.91	6,100,012,550.54
Cash paid to and for employees	346,721,083.55	338,948,088.15
Payments of taxes and surcharges	552,838,124.31	497,568,122.37
Cash paid relating to other operating activities	452,006,369.06	657,975,120.18
Subtotal of cash outflows from operating activities	7,015,407,280.83	7,594,503,881.24
Net cash flows from operating activities	1,424,685,047.04	1,267,680,953.19
II. Cash flows from investment activities:		
Cash received from investments		30,000,000.00
Cash received from investment income		112,541,400.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	76,631.50	17,384.00
Subtotal of cash inflows from investment activities	76,631.50	142,558,784.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	176,754,169.25	591,970,761.89
Cash paid on investments		1,171,957,789.46
Cash paid relating to other investment activities	690,140,000.00	103,042,210.54
Subtotal of cash outflows from investment activities	866,894,169.25	1,866,970,761.89
Net cash flows from investment activities	-866,817,537.75	-1,724,411,977.89

Item	Amounts for the period	Amounts for the prior period
III. Cash flows from financing activities:		
Cash received from borrowings	9,537,282,829.45	9,233,253,564.49
Cash received relating to other financing activities	2,432,706,925.14	6,034,958,302.56
Subtotal of cash inflows from financing activities	11,969,989,754.59	15,268,211,867.05
Cash repayments on borrowing	8,052,875,959.00	10,182,447,626.95
Cash paid for dividend and profit distribution or interest payment	712,139,280.54	651,766,445.79
Cash paid relating to other financing activities	3,100,936,139.44	4,568,533,366.10
Subtotal of cash outflows from financing activities	11,865,951,378.98	15,402,747,438.84
Net cash flows from financing activities	104,038,375.61	-134,535,571.79
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-202,918,477.21	-18,600,721.48
V. Net increase in cash and cash equivalents	458,987,407.69	-609,867,317.97
Plus: Balance of cash and cash equivalents as at the beginning of the period	2,381,558,242.52	2,804,408,374.46
VI. Balance of cash and cash equivalents as at the end of the period	2,840,545,650.21	2,194,541,056.49

6. Cash flow statement of the Company

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	1,344,720,749.36	1,646,162,348.96
Cash received relating to other operating activities	618,744,996.01	21,435,511.08
Subtotal of cash inflows from operating activities	1,963,465,745.37	1,667,597,860.04
Cash paid for goods and services	610,419,459.85	800,010,191.80
Cash paid to and for employees	113,868,782.40	109,109,796.36
Payments of taxes and surcharges	30,119,219.00	129,294,420.54
Cash paid relating to other operating activities	395,606,491.12	2,483,754,448.42
Subtotal of cash outflows from operating activities	1,150,013,952.37	3,522,168,857.12
Net cash flows from operating activities	813,451,793.00	-1,854,570,997.08
II. Cash flows from investment activities:		
Cash received from investments		30,000,000.00
Cash received from investment income		112,541,400.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	25,022.00	
Subtotal of cash inflows from investment activities	25,022.00	142,541,400.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	2,752,000.00	6,127,000.00
Cash paid on investments	1,047,500,000.00	
Subtotal of cash outflows from investment activities	1,050,252,000.00	6,127,000.00
Net cash flows from investment activities	-1,050,226,978.00	136,414,400.00

Item	Amounts for the period	Amounts for the prior period
III. Cash flows from financing activities:		
Cash received from borrowings	3,608,046,421.28	2,680,503,196.92
Cash received relating to other financing activities	1,399,028,643.17	5,408,064,947.95
Subtotal of cash inflows from financing activities	5,007,075,064.45	8,088,568,144.87
Cash repayments on borrowing	2,213,232,691.23	3,605,796,202.77
Cash paid for dividend and profit distribution or interest payment	364,442,666.62	438,519,151.51
Cash paid relating to other financing activities	2,224,412,965.16	2,710,525,941.91
Subtotal of cash outflows from financing activities	4,802,088,323.01	6,754,841,296.19
Net cash flows from financing activities	204,986,741.44	1,333,726,848.68
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-296,116.69	5,801,533.68
V. Net increase in cash and cash equivalents	-32,084,560.25	-378,628,214.72
Plus: Balance of cash and cash equivalents as at the beginning of the period	607,805,063.02	1,020,262,069.85
VI. Balance of cash and cash equivalents as at the end of the period	575,720,502.77	641,633,855.13

II. Reason for Adjustment in the Financial Statement

1. **Adjustment to the relevant items in the financial statements at the beginning of the year due to the first adoption of the New Standards for Financial Instruments, the New Standards for Revenue and the New Standards for Lease**

Applicable Not applicable

2. **Reason for the retrospective adjustment to the comparative data in the prior period due to the first adoption of the New Standards for Financial Instruments and the New Standards for Lease**

Applicable Not applicable

III. Auditors' Report

Has the first quarterly report already been audited yet?

Yes No

The first quarterly report of the Company is unaudited.

By order of the Board
Shandong Chenming Paper Holdings Limited
CHEN HONGGUO
Chairman

Shandong, the PRC, 29 April 2019

As at the date of this notice, 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*