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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)

**2017 First Quarterly Report**

Shandong Chenming Paper Holdings Limited (the “Company”) is required to publish quarterly report 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”), 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, Hu Jinbao, the head in charge of accounting, and Dong Lianming, 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 change of shareholders

Retrospective adjustment to or restatement of the accounting data for prior years by the Company due to change of accounting policies and correction of accounting errors

Yes                       No

	<b>The reporting period</b>	<b>Corresponding period of prior year</b>	<b>Increase/decrease compared to the corresponding period of the prior year</b>
Revenue (RMB)	6,274,273,821.63	4,951,931,256.74	26.70%
Net profit attributable to shareholders of the Company (RMB)	702,517,923.91	402,131,344.77	74.70%
Net profit after extraordinary gains or losses attributable to shareholders of the Company (RMB)	615,479,547.22	292,898,560.63	110.13%
Net cash flows from operating activities (RMB)	-1,799,933,755.66	-3,936,890,898.29	54.28%
Basic earnings per share (RMB per share)	0.29	0.18	61.11%
Diluted earnings per share (RMB per share)	0.29	0.18	61.11%
Rate of return on net assets on weighted average basis	3.67%	2.48%	1.19%
	<b>As at the end of the reporting period</b>	<b>As at the end of the prior year</b>	<b>Increase/decrease as at the end of the reporting period compared to the end of the prior year</b>
Total assets (RMB)	87,326,409,059.32	82,285,354,532.14	6.13%
Net assets attributable to shareholders of the Company (RMB)	22,859,726,677.28	22,218,808,367.43	2.88%

Items and amounts of extraordinary gains or losses

Applicable                       Not applicable

Unit: RMB

<b>Item</b>	<b>Amounts for the period from the beginning of the year to the end of the reporting period</b>	<b>Note</b>
Profit or loss from disposal of non-current assets (including write-off of provision for assets impairment)	-921,000.44	
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	87,957,895.90	
Gain or loss on external entrusted loans	11,530,398.32	
Non-operating income and expenses other than the above items	9,992,594.47	
Less: Effect of income tax	21,284,700.25	
Effect of minority interest (after tax)	236,811.31	
<b>Total</b>	<b>87,038,376.69</b>	—

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	98,828, of which 77,692 were holders of A shares, 20,709 were holders of B shares and 427 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
SHOUGUANG CHENMING HOLDINGS COMPANY LIMITED	State-owned legal person	15.13%	293,003,657	0	Pledged	201,562,000
HKSCC NOMINEES LIMITED	Overseas legal person	12.97%	251,110,750	0		
CHENMING HOLDINGS (HONG KONG) LIMITED	Overseas legal person	9.90%	191,712,571	0		
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	2.07%	40,137,900	0		
ANBANG ASSET MANAGEMENT - CHINA MERCHANTS BANK - ANBANG ASSET MANAGEMENT - CHINA MERCHANTS BANK - ANBANG ASSET MANAGEMENT - WIN-WIN NO. 3 COLLECTIVE ASSET MANAGEMENT PRODUCT	Others	1.52%	29,403,560	0		
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.44%	8,608,238	0		
NATIONAL SOCIAL SECURITY FUND 406	Others	0.42%	8,136,000	0		
HUATAI SECURITIES CO., LTD.	Domestic non-state-owned legal person	0.40%	7,836,321	0		
JIN Xing	Domestic nature person	0.40%	7,808,300	0		
NATIONAL SOCIAL SECURITY FUND 403	Others	0.36%	6,935,600	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
SHOUGUANG CHENMING HOLDINGS COMPANY LIMITED	293,003,657	RMB ordinary shares	293,003,657
HKSCC NOMINEES LIMITED	251,110,750	Overseas listed foreign shares	251,110,750
CHENMING HOLDINGS (HONG KONG) LIMITED	191,712,571	Domestic listed foreign shares	91,712,571
		Overseas listed foreign shares	100,000,000
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	40,137,900	RMB ordinary shares	40,137,900
ANBANG ASSET MANAGEMENT - CHINA MERCHANTS BANK - ANBANG ASSET MANAGEMENT - CHINA MERCHANTS BANK - ANBANG ASSET MANAGEMENT - WIN-WIN NO. 3 COLLECTIVE ASSET MANAGEMENT PRODUCT	29,403,560	RMB ordinary shares	29,403,560
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	8,608,238	Domestic listed foreign shares	8,608,238
NATIONAL SOCIAL SECURITY FUND 406	8,136,000	RMB ordinary shares	8,136,000
HUATAI SECURITIES CO., LTD.	7,836,321	RMB ordinary shares	7,836,321
JIN Xing	7,808,300	Domestic listed foreign shares	7,808,300
NATIONAL SOCIAL SECURITY FUND 403	6,935,600	RMB ordinary shares	6,935,600
Connected relationship or connected party relationship 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, Shouguang 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. 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 connected with each other.		

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	
<b>Shareholding of the top ten shareholders of preference shares</b>						
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		
Connected relationship or connected party relationship among the above shareholders	The aforesaid holders of preference shares, “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 whether there is any connected relationship between the above holders of preference shares nor are they persons acting in concert.					

### III Material matters

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

Applicable                       No applicable

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

Unit: RMB

Item	31 March 2017	31 December 2016	Change	Reason for change
Bills receivable	2,039,793,921.81	1,590,460,875.23	28.25%	(1)
Other current assets	8,782,506,684.11	6,616,744,831.28	32.73%	(2)
Construction in progress	4,995,338,316.31	4,115,194,870.23	21.39%	(3)
Bills payable	637,415,703.08	515,301,703.08	23.70%	(4)
Interest payable	99,708,753.71	30,731,253.71	224.45%	(5)
Other current liabilities	8,093,126,466.00	6,602,863,069.45	22.57%	(6)

Explanation of the reasons leading to the major changes:

- (1) Bills receivable increased by 28.25% as compared to the beginning of the year mainly due to increases in bills pledged by the Company for the issuance of letters of guarantee and bills.
- (2) Other current assets increased by 32.73% as compared to the beginning of the year mainly due to an increase in receivables under financial lease due within one year.
- (3) Construction in progress increased by 21.39% as compared to the beginning of the year mainly due to the increased investment in the forestry pulp integration project of Huanggang Chenming and the chemical pulp project of Shouguang Meilun.
- (4) Bills payable increased by 23.70% as compared to the beginning of the year mainly due to an increase in payments by bills.

- (5) Interest payable increased by 224.45% as compared to the beginning of the year mainly due to an increase in the outstanding interests payable of corporate bonds and medium-term notes.
- (6) Other current liabilities increased by 22.57% as compared to the beginning of the year mainly due to the new issue of super & short-term commercial paper.

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

Unit: RMB

<b>Item</b>	<b>January - March 2017</b>	<b>January - March 2016</b>	<b>Change</b>	<b>Reason for change</b>
Sales revenue	6,274,273,821.63	4,951,931,256.74	26.70%	(1)
Taxes and surcharges	54,684,663.59	35,522,816.60	53.94%	(2)
Selling and distribution expenses	304,176,522.86	254,937,855.85	19.31%	(3)
General and administrative expenses	413,588,829.04	327,367,757.71	26.34%	(4)
Loss on impairment of assets	23,825,034.05	-3,695,206.04	744.76%	(5)

Explanation of the reasons leading to the major changes:

- (1) Sales revenue increased by 26.70% as compared to the corresponding period of last year mainly due to an increase in the sales of machine-made paper with higher selling prices.
- (2) Taxes and surcharges increased by 53.94% as compared to the corresponding period of last year mainly due to the reclassification of taxes in general and administrative expenses.
- (3) Selling and distribution expenses increased by 19.31% as compared to the corresponding period of last year mainly due to an increase in the sales of machine-made paper with higher sales revenue.



- (4) General and administrative expenses increased by 26.34% as compared to the corresponding period of last year mainly due to a year-on-year increase in R&D expenses.
- (5) Loss on impairment of assets increased by 744.76% as compared to the corresponding period of last year mainly due to a year-on-year increase in the provision for loss on bad debts made by the Sales Company.

**(III) Analysis of cash flows during the reporting period**

Unit: RMB

<b>Item</b>	<b>January - March 2017</b>	<b>January - March 2016</b>	<b>Change</b>	<b>Reason for change</b>
Net cash flows from operating activities	-1,799,933,755.66	-3,936,890,898.29	54.28%	(1)
Net cash flows from investment activities	147,890,412.84	-447,467,552.31	133.05%	(2)
Net cash flows from financing activities	2,013,126,167.07	4,315,067,987.52	-53.35%	(3)

Explanation of the reasons leading to the major changes:

- (1) Net cash flows from operating activities increased by 54.28% as compared to the corresponding period of last year mainly due to an increase in sales revenue resulting from the recovery of the paper market and a decrease in net investment under financial lease.
- (2) Net cash flows from investing activities increased by 133.05% as compared to the corresponding period of last year mainly due to the recovery of external entrusted loans amounting of RMB500 million.
- (3) Net cash flows from financial activities decreased by 53.35% as compared to the corresponding period of last year mainly due to the repayment of short-term commercial paper due and others by the Company.

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

Applicable                       No applicable

### 1. Statutory demand

The Company published Indicative Announcements on CNINFO on 26 October 2016, 9 November 2016 and 22 November 2016 respectively (announcement number: 2016-140, 2016-144 and 2016-151) in relation to Statutory Demand and the injunction order against applicant to petition for winding-up against the Company applied to the court by the Company. The Court of First Instance in the High Court of Hong Kong Special Administrative Region completed the hearing held from 21 February 2017 to 23 February 2017 and would set a date to hand down its judgment. The Company will make timely disclosure of the relevant information pursuant to the progress of the above matter.

### 2. Report on Details of Change in Shareholding

Based on the knowledge in the current capital market situation and the confidence in the future stable development of the Company, Chenming Holdings (Hong Kong) Limited, the person acting in concert of Shouguang Chenming Holdings Company Limited (the controlling shareholder of the Company), acquired 24,467,500 H shares of the Company (accounting for approximately 6.95% of the issued H shares of the Company) and 69,191,648 B shares (accounting for approximately 14.69% of the issued B shares of the Company) through the trading system during the period from 13 January 2016 to 9 March 2017. The H shares and B shares held by Chenming Holdings (Hong Kong) Limited increased by 93,659,148 shares, accounting for approximately 4.84% of the total issued shares of the Company. Upon the completion of the change in shareholding, Chenming Holdings and its persons acting in concert held 484,106,228 shares of the Company, accounting for 25.00% of the total share capital of the Company.

Material matter	Date of disclosure	Search index of the ad-hoc report disclosure website
Statutory demand	25 February 2017	http://www.cninfo.com.cn, announcement number: 2017-015
Report on details of change in shareholding	15 March 2017	http://www.cninfo.com.cn, announcement number:2017-024

### 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  No applicable

Undertaking	Party involved in undertaking	Type of undertaking	Details of undertaking	Undertaking date	Term	Particulars on the performance
Undertaking on shareholding structure reformation						
Undertaking made in offering documents or shareholding alternation documents						
Undertaking made during asset reconstruction						
Undertaking made on initial public offering or refinancing	Shouguang Chenming Holdings Co., Ltd.	Non-competitive undertaking	(1) Shouguang Chenming Holdings Co., Ltd. ("Shouguang Chenming Holdings") shall not engage, whether solely, jointly, or by representing itself or any other persons or companies, and shall not procure its associates (as defined in The Listing Rules of Hong Kong Stock Exchange) to engage, in any business which competes with the business of the Company and its subsidiaries ("Chenming Group" or "we") directly or indirectly, in any country and region which our business exists (or any part of the world if in any form of electronics business), or in any business that directly or indirectly competes with Chenming Group's business which we operate from time to time (including but not limited to any business in the form of sole proprietorship, joint ventures or acquisitions, or holding interests directly or indirectly in such enterprises, or by any other means); (2) in the event that Shouguang Chenming Holdings is required by its business to, whether solely, jointly, or by representing itself or any other persons or companies, engage in business which directly or indirectly competes against the business of Chenming Group, or obtain any business opportunity which directly or indirectly competes against the business of Chenming Group, it shall endeavour to procure that Chenming Group shall have priority to obtain the right to operate such business or to obtain such business opportunity; (3) if Shouguang Chenming Holdings is in breach of the abovementioned undertakings, it shall indemnify the Company for any loss caused by such breach and the Company shall have the right to acquire all businesses of Shouguang Chenming Holdings, which directly or indirectly compete with the businesses of our Group, at market price or cost price (whichever price is lower); (4) Shouguang Chenming Holdings shall not make use of its position as the controlling shareholder (as defined in The Listing Rules of Hong Kong Stock Exchange) of our Company to jeopardise the legal interests of Chenming Group and its shareholders with other persons or companies or on their behalf.	22 May 2008	During the period when Chenming Holdings was the major shareholder of the Company	Implementing as normal

Undertaking	Party involved in undertaking	Type of undertaking	Details of undertaking	Undertaking date	Term	Particulars on the performance
	Shouguang Chenming Holdings Co., Ltd.	Defective properties	(1) According to the plan on defective properties of the Company, Shouguang Chenming Holdings Co., Ltd. ("Shouguang Chenming Holdings") has guaranteed and undertaken that: according to the application of the Company, for defective property(ies) owned by the Company and its holding subsidiary company which situated in the administrative area of Shouguang city, Shouguang Chenming Holdings will purchase it (them) and have it(them) being transferred to itself pursuant to the law in accordance with the result of the related asset valuation if the Company decides to transfer and dispose of it(them) and there is no other transferee; (2) before the Company transfers and disposes of the defective properties pursuant to the law, if the Company suffers any economic losses due to the defects of the title (including but not limited to damages, penalties and relocation costs), Shouguang Chenming Holdings will bear such economic losses; (3) during the regulatory process taken to the defective properties of buildings and land of subsidiaries of the Company situated outside the local areas (outside the administrative area of Shouguang city), the economic losses such as penalties or relocation costs imposed by competent administrative authorities to be borne by the subsidiaries arising from defects of insufficient title documents shall be paid pursuant to the law by Shouguang Chenming Holdings after verification.	16 January 2008	During the period when Chenming Holdings was the major shareholder of the Company	Implementing as normal
	Shandong Chenming Paper Holdings Limited	Specific remedial measures in the non-public issue of preference shares	Taking into consideration the dilution of the current return of shareholders of ordinary shares due to the issue of preference shares, in order to maintain compliance with the Opinions of the General Office of the State Council on Further Strengthening the Protection of Legitimate Rights and Interests of Small and Medium Investors in Capital Market, protect the interests of shareholders of ordinary shares and make up for the potential loss of current return due to the issue of preference shares, the Company has undertaken to adopt various measures to ensure the effective use of proceeds, prevent the dilution of the current return and enhance future profitability.	25 March 2016	9999-12-31	Implementing as normal
Equity incentive undertaking						
Other undertakings made to minority shareholders of the Company						
Does the undertaking performed timely?	Yes					

#### IV. Estimate of the operating results for January - June 2017

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

No applicable

**V. Security investments**

Applicable                       No applicable

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

**VI. Derivatives investments**

Applicable                       No 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                       No 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                       No 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                       No 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 2017

Unit: RMB

Item	Closing balance	Opening balance
<b>CURRENT ASSETS:</b>		
Monetary funds	11,237,874,153.33	10,109,930,319.49
Bills receivable	2,039,793,921.81	1,590,460,875.23
Accounts receivable	3,793,252,083.80	3,974,065,104.15
Prepayments	1,714,499,302.44	1,511,362,674.64
Other receivables	1,414,122,977.66	1,614,214,645.48
Inventories	5,414,248,491.58	4,862,668,746.90
Non-current assets due within one year	5,217,101,389.99	5,487,376,588.22
Other current assets	8,782,506,684.11	6,616,744,831.28
Total current assets	39,613,399,004.72	35,766,823,785.39
<b>NON-CURRENT ASSETS:</b>		
Available-for-sale financial assets	1,945,000,000.00	1,945,000,000.00
Long-term receivables	9,517,153,410.79	8,844,262,173.65
Long-term equity investments	61,649,491.84	67,251,992.88
Investment properties	12,520,419.79	14,258,675.83
Fixed assets	28,508,557,953.20	28,811,555,365.39
Construction in progress	4,995,338,316.31	4,115,194,870.23
Construction materials	18,148,301.22	18,847,584.79
Intangible assets	1,529,626,223.84	1,540,959,330.74
Goodwill	20,283,787.17	20,283,787.17
Long-term prepaid expenses	155,956,500.81	157,772,100.69
Deferred income tax assets	510,319,913.71	497,457,826.70
Other non-current assets	438,455,735.92	485,687,038.68
Total non-current assets	47,713,010,054.60	46,518,530,746.75
Total assets	87,326,409,059.32	82,285,354,532.14
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings	28,137,792,231.04	27,875,506,988.53
Bills payable	637,415,703.08	515,301,703.08
Accounts payable	3,822,069,466.08	3,724,266,382.06
Advance receipts	292,171,502.54	377,135,566.33
Staff remuneration payables	190,947,525.66	159,968,262.82

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
Taxes payable	324,373,998.85	236,927,459.78
Interest payable	99,708,753.71	30,731,253.71
Other payables	992,718,654.91	948,919,195.80
Non-current liabilities due within one year	7,174,385,186.92	6,237,021,557.17
Other current liabilities	8,093,126,466.00	6,602,863,069.45
Total current liabilities	49,764,709,488.79	46,708,641,438.73
<b>NON-CURRENT LIABILITIES:</b>		
Long-term borrowings	7,086,447,664.56	6,935,598,781.23
Bonds payable	1,000,000,000.00	
Long-term payables	4,152,550,721.60	3,951,368,854.00
Special payables	681,039,716.66	681,039,716.66
Deferred income	1,438,870,837.27	1,443,846,526.33
Total non-current liabilities	14,358,908,940.09	13,011,853,878.22
<b>TOTAL LIABILITIES</b>	<b>64,123,618,428.88</b>	<b>59,720,495,316.95</b>
<b>OWNERS' EQUITY:</b>		
Share capital	1,936,405,467.00	1,936,405,467.00
Other equity instruments	7,060,300,000.00	7,060,300,000.00
Including: Preference shares	4,477,500,000.00	4,477,500,000.00
Perpetual bonds	2,582,800,000.00	2,582,800,000.00
Capital reserves	6,149,257,784.90	6,149,257,784.90
Other comprehensive income	-768,745,385.95	-805,245,771.89
Surplus reserves	1,132,116,106.40	1,132,116,106.40
Retained profit	7,350,392,704.93	6,745,974,781.02
Total equity attributable to equity holders of the company	22,859,726,677.28	22,218,808,367.43
Minority interest	343,063,953.16	346,050,847.76
Total owners' equity	23,202,790,630.44	22,564,859,215.19
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>87,326,409,059.32</b>	<b>82,285,354,532.14</b>

Legal Representative:      Financial controller:      Head of the financial department:  
Chen Hongguo                      Hu Jinbao                      Dong Lianming

## 2. Balance sheet of the Company

Unit: RMB

Item	Closing balance	Opening balance
<b>CURRENT ASSETS:</b>		
Monetary funds	9,080,325,324.29	7,934,163,265.76
Bills receivable	96,971,187.04	112,943,069.85
Accounts receivable	106,036,984.51	84,089,911.81
Prepayments	1,733,071,521.96	1,003,699,885.05
Other receivables	25,977,673,863.98	22,848,685,985.74
Inventories	795,030,855.17	663,006,714.42
Non-current assets due within one year	400,000,000.00	900,000,000.00
Total current assets	38,189,109,736.95	33,546,588,832.63
<b>NON-CURRENT ASSETS:</b>		
Available-for-sale financial assets	1,909,000,000.00	1,909,000,000.00
Long-term equity investments	16,361,092,975.36	14,558,097,658.49
Investment properties	12,520,419.79	14,258,675.83
Fixed assets	3,304,268,288.38	3,343,366,320.45
Construction in progress	53,731,588.22	52,757,799.47
Construction materials	71,973.35	71,973.35
Intangible assets	479,470,727.10	300,218,996.05
Deferred income tax assets	153,476,177.41	164,139,190.27
Other non-current assets	67,400,000.00	67,400,000.00
Total non-current assets	22,341,032,149.61	20,409,310,613.91
Total assets	60,530,141,886.56	53,955,899,446.54
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings	8,360,607,909.03	8,203,392,554.58
Bills payable	3,517,000,000.00	3,057,000,000.00
Accounts payable	752,651,866.60	654,411,787.56
Advance receipts	2,346,430,617.24	537,139,483.60
Staff remuneration payables	68,146,707.90	58,599,576.37
Taxes payable	70,106,276.46	43,087,056.70
Interest payable	97,908,753.71	30,731,253.71
Other payables	5,801,019,616.43	3,689,371,275.46
Liabilities classified as held for sale		
Non-current liabilities due within one year	5,651,774,522.95	5,648,861,310.04
Other current liabilities	8,093,126,466.00	6,602,863,069.45
Total current liabilities	34,758,772,736.32	28,525,457,367.47



<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>NON-CURRENT LIABILITIES:</b>		
Long-term borrowings	1,636,710,158.87	1,521,611,382.77
Long-term payables	3,206,360,618.09	3,005,178,750.49
Deferred income	54,909,070.55	56,572,797.75
Total non-current liabilities	4,897,979,847.51	4,583,362,931.01
<b>TOTAL LIABILITIES</b>	<b>39,656,752,583.83</b>	<b>33,108,820,298.48</b>
<b>OWNERS' EQUITY:</b>		
Share capital	1,936,405,467.00	1,936,405,467.00
Other equity instruments	7,060,300,000.00	7,060,300,000.00
Including: Preference shares	4,477,500,000.00	4,477,500,000.00
Perpetual bonds	2,582,800,000.00	2,582,800,000.00
Capital reserves	5,938,960,168.19	5,938,960,168.19
Surplus reserves	1,119,926,524.49	1,119,926,524.49
Retained profit	4,817,797,143.05	4,791,486,988.38
Total owners' equity	20,873,389,302.73	20,847,079,148.06
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>60,530,141,886.56</b>	<b>53,955,899,446.54</b>

### 3. Consolidated income statement

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Total revenue	6,274,273,821.63	4,951,931,256.74
Including: Revenue	6,274,273,821.63	4,951,931,256.74
II. Total operating costs	5,540,639,425.53	4,534,400,365.69
Including: Operating costs	4,271,432,799.39	3,427,558,022.08
Taxes and surcharges	54,684,663.59	35,522,816.60
Sales and distribution expenses	304,176,522.86	254,937,855.85
General and administrative expenses	413,588,829.04	327,367,757.71
Finance expenses	472,931,576.60	492,709,119.49
Loss on impairment of assets	23,825,034.05	-3,695,206.04
Plus: Gain on change in fair value (“-” denotes loss)		
Investment income (“-” denotes loss)	34,080,946.51	14,515,005.16
Including: Investment income from associates and joint ventures	-5,602,501.04	-8,234,994.84
Foreign exchange gains (“-” denotes loss)		
III. Operating profit (“-” denotes loss)	767,715,342.61	432,045,896.21
Plus: Non-operating income	98,617,512.36	122,346,818.32
Including: Gain on disposal of non-current assets	188,603.36	631,136.62
Less: Non-operating expenses	1,538,769.15	299,463.53
Including: Loss on disposal of non-current assets	1,109,603.80	207,203.80
IV. Total profit (“-” denotes total loss)	864,794,085.82	554,093,251.00
Less: Income tax expenses	165,263,056.51	163,276,472.80
V. Net profit (“-” denotes net loss)	699,531,029.31	390,816,778.20
Net profit attributable to shareholders of the Company	702,517,923.91	402,131,344.77
Profit or loss of minority interest	-2,986,894.60	-11,314,566.57
VI. Net other comprehensive income after tax	36,500,385.95	29,818,903.01

<b>Item</b>	<b>Amounts for the period</b>	<b>Amounts for the prior period</b>
Net other comprehensive income after tax attributable to shareholders of the Company	36,500,385.95	29,818,903.01
(I) Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		
(II) Other comprehensive income that will be reclassified to profit or loss in subsequent periods	36,500,385.95	29,818,903.01
Exchange differences on translation of foreign operations	36,500,385.95	29,818,903.01
Net other comprehensive income after tax attributable to minority interest		
VII. Total comprehensive income	736,031,415.26	420,635,681.21
Total other comprehensive income attributable to shareholders of the Company	739,018,309.86	431,950,247.78
Total comprehensive income attributable to minority interest	-2,986,894.60	-11,314,566.57
VIII. Earnings per share:		
(I) Basic earnings per share	0.29	0.18
(II) Diluted earnings per share	0.29	0.18

Legal Representative:      Financial controller:      Head of the financial department:  
Chen Hongguo                      Hu Jinbao                      Dong Lianming

#### 4. Income statement of the Company

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Revenue	1,825,135,337.89	1,624,983,408.12
Less: Operating costs	1,346,106,037.13	1,334,992,670.50
Taxes and surcharges	22,146,157.86	3,499,786.77
Sales and distribution expenses	61,708,995.39	57,086,536.90
General and administrative expenses	157,074,579.69	125,978,458.42
Finance expenses	133,730,116.49	273,560,487.30
Loss on impairment of assets	10,581,405.57	3,452,110.25
Plus: Gain on change in fair value (“-” denotes loss)		
Investment income (“-” denotes loss)	39,583,206.16	22,602,080.41
Including: Investment income from associates and joint ventures	-97,092.16	-147,919.59
II. Operating profit (“-” denotes loss)	133,371,251.92	-150,984,561.61
Plus: Non-operating income	1,715,004.61	10,230,665.29
Including: Gain on disposal of non-current assets	32,382.30	
Less: Non-operating expenses	13,089.00	275.97
Including: Loss on disposal of non-current assets	13,089.00	275.97
III. Total profit (“-” denotes total loss)	135,073,167.53	-140,754,172.29
Less: Income tax expenses	10,663,012.86	-25,523,334.64
IV. Net profit (“-” denotes net loss)	124,410,154.67	-115,230,837.65
V. Net other comprehensive income after tax		
(I) Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		
(II) Other comprehensive income that will be reclassified to profit or loss in subsequent periods		
VI. Total comprehensive income	124,410,154.67	-115,230,837.65

## 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	6,071,765,519.77	3,861,397,415.68
Tax rebates received	49,253.28	1,678,391.44
Cash received relating to other operating activities	344,275,340.11	247,252,260.95
Subtotal of cash inflows from operating activities	6,416,090,113.16	4,110,328,068.07
Cash paid for goods and services	4,284,027,734.66	2,329,851,383.64
Cash paid to and for employees	254,685,584.47	255,883,771.79
Payments of taxes and surcharges	349,632,991.79	259,042,511.99
Cash paid relating to other operating activities	3,327,677,557.90	5,202,441,298.94
Subtotal of cash outflows from operating activities	8,216,023,868.82	8,047,218,966.36
Net cash flows from operating activities	-1,799,933,755.66	-3,936,890,898.29
II. Cash flows from investment activities:		
Cash received from investment income	13,750,000.00	22,750,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		123,100.00
Cash received relating to other investment activities	518,764,372.00	104,056,200.00
Subtotal of cash inflows from investment activities	532,514,372.00	126,929,300.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	384,623,959.16	574,396,852.31
Subtotal of cash outflows from investment activities	384,623,959.16	574,396,852.31
Net cash flows from investment activities	147,890,412.84	-447,467,552.31

<b>Item</b>	<b>Amounts for the period</b>	<b>Amounts for the prior period</b>
III. Cash flows from financing activities:		
Cash received from borrowings	13,559,751,515.69	11,127,284,771.56
Cash received from issuance of bonds	997,000,000.00	
Cash received relating to other financing activities	5,011,942,828.52	5,937,250,000.00
Subtotal of cash inflows from financing activities	19,568,694,344.21	17,064,534,771.56
Cash repayments on borrowing	12,943,894,864.13	8,407,337,300.81
Cash paid for dividend and profit distribution or interest payment	468,301,155.59	403,109,470.56
Cash paid relating to other financing activities	4,143,372,157.42	3,939,020,012.67
Subtotal of cash outflows from financing activities	17,555,568,177.14	12,749,466,784.04
Net cash flows from financing activities	2,013,126,167.07	4,315,067,987.52
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-12,654,907.93	-13,417,584.13
V. Net increase in cash and cash equivalents	348,427,916.32	-82,708,047.21
Plus: Balance of cash and cash equivalents as at the beginning of the period	1,979,861,045.62	1,888,107,493.76
VI. Balance of cash and cash equivalents as at the end of the period	2,328,288,961.94	1,805,399,446.55

## 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	2,043,512,964.97	1,481,863,637.30
Cash received relating to other operating activities	2,307,363,848.50	34,061,752.46
Subtotal of cash inflows from operating activities	4,350,876,813.47	1,515,925,389.76
Cash paid for goods and services	1,596,601,181.89	1,360,752,845.89
Cash paid to and for employees	91,590,954.26	105,169,505.84
Payments of taxes and surcharges	93,278,359.86	47,215,367.24
Cash paid relating to other operating activities	14,107,297.75	2,288,082,633.71
Subtotal of cash outflows from operating activities	1,795,577,793.76	3,801,220,352.68
Net cash flows from operating activities	2,555,299,019.71	-2,285,294,962.92
II. Cash flows from investment activities:		
Cash received from investment income	13,750,000.00	22,750,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,100.00
Cash received relating to other investment activities	500,000,000.00	
Subtotal of cash inflows from investment activities	513,750,000.00	22,753,100.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	246,066.75	
Cash paid on investments	2,000,000,000.00	
Subtotal of cash outflows from investment activities	2,000,246,066.75	
Net cash flows from investment activities	-1,486,496,066.75	22,753,100.00
III. Cash flows from financing activities:		
Cash received from borrowings	2,805,500,000.00	3,992,000,000.00
Cash received relating to other financing activities	4,495,241,096.00	5,737,250,000.00
Subtotal of cash inflows from financing activities	7,300,741,096.00	9,729,250,000.00

<b>Item</b>	<b>Amounts for the period</b>	<b>Amounts for the prior period</b>
Cash repayments on borrowing	3,585,574,810.02	3,364,731,090.73
Cash paid for dividend and profit distribution or interest payment	374,131,591.29	83,696,736.94
Cash paid relating to other financing activities	4,660,350,945.07	2,922,349,824.95
Subtotal of cash outflows from financing activities	8,620,057,346.38	6,370,777,652.62
Net cash flows from financing activities	-1,319,316,250.38	3,358,472,347.38
IV. Effect of foreign exchange rate changes on cash and cash equivalents	42,600.81	-11,576,258.45
V. Net increase in cash and cash equivalents	-250,470,696.61	1,084,354,226.01
Plus: Balance of cash and cash equivalents as at the beginning of the period	582,578,426.62	49,438,736.95
VI. Balance of cash and cash equivalents as at the end of the period	332,107,730.01	1,133,792,962.96

## II. 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, PRC  
27 April 2017

*As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Yin Tongyuan, Mr. Li Feng and Mr. Geng Guanglin, 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*