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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 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 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

	The reporting period	Corresponding period of prior year	Increase/decrease compared to the corresponding period of the prior year
Revenue (RMB)	7,241,811,895.12	6,274,273,821.63	15.42%
Net profit attributable to shareholders of the Company (RMB)	782,500,357.98	702,517,923.91	11.39%
Net profit after extraordinary gains or losses attributable to shareholders of the Company (RMB)	733,118,818.26	615,479,547.22	19.11%
Net cash flows from operating activities (RMB)	1,267,680,953.19	-1,799,933,755.66	170.43%
Basic earnings per share (RMB per share)	0.31	0.29	6.90%
Diluted earnings per share (RMB per share)	0.31	0.29	6.90%
Rate of return on net assets on weighted average basis	3.32%	3.67%	-0.35%
	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)	107,080,769,428.79	105,625,096,076.92	1.38%
Net assets attributable to shareholders of the Company (RMB)	28,743,611,313.74	27,778,529,074.90	3.47%

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)	-833,628.51	
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	33,384,235.89	
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	18,500,000.00	
Non-operating income and expenses other than the above items	2,332,415.27	

Item	Amounts for the period from the beginning of the year to the end of the reporting period	Note
Less: Effect of income tax	3,695,386.20	
Effect of minority interest (after tax)	306,096.73	
Total	49,381,539.72	—

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	98,301, of which 79,067 were holders of A shares, 18,866 were holders of B shares and 368 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	193,939,100
HKSCC NOMINEES LIMITED	Overseas legal person	12.85%	248,905,750	0		
CHENMING HOLDINGS (HONG KONG) LIMITED	Overseas legal person	12.54%	242,754,375	0		
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	State-owned legal person	2.07%	40,137,900	0		
JIAO Yanxi	Domestic nature person	0.52%	9,978,637	0		
CHINA UNIVERSAL FUND-CHINA CONSTRUCTION BANK - CHINA LIFE INSURANCE - CHINA LIFE INSURANCE'S EQUITY PORTFOLIO ENTRUSTED TO CHINA UNIVERSAL FUND	Others	0.47%	9,134,240	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.44%	8,608,238	0		
INDUSTRIAL AND COMMERCIAL BANK OF CHINA - CHINA UNIVERSAL FOCUSED GROWTH FUND	Others	0.39%	7,500,009	0		
Chen Hongguo	Domestic nature person	0.35%	6,696,296	5,022,222		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas legal person	0.33%	6,301,672	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	248,905,750	Overseas listed foreign shares	248,905,750
CHENMING HOLDINGS (HONG KONG) LIMITED	242,754,375	Domestic listed foreign shares	140,478,375
		Overseas listed foreign shares	102,276,000
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	40,137,900	RMB ordinary shares	40,137,900
JIAO Yanxi	9,978,637	RMB ordinary shares	9,978,637
CHINA UNIVERSAL FUND- CHINA CONSTRUCTION BANK - CHINA LIFE INSURANCE - CHINA LIFE INSURANCE'S EQUITY PORTFOLIO ENTRUSTED TO CHINA UNIVERSAL FUND	9,134,240	RMB ordinary shares	9,134,240
VANGUARD EMERGING MARKETS STOCK INDEX FUND	8,608,238	Domestic listed foreign shares	8,608,238
INDUSTRIAL AND COMMERCIAL BANK OF CHINA - CHINA UNIVERSAL FOCUSED GROWTH FUND	7,500,009	RMB ordinary shares	7,500,009
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	6,301,672	Domestic listed foreign shares	6,301,672
LSV EMERGING MARKETS EQUITY FUND,L.P.	6,102,800	Domestic listed foreign shares	6,102,800
Related 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, 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 related 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	
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 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 with 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	31 March 2018	31 December 2017	Change	Reason for change
Goodwill	49,364,594.99	20,283,787.17	143.37%	(1)
Advance receipts	427,243,722.99	243,182,891.22	75.69%	(2)
Staff remuneration payables	106,813,340.85	185,130,892.10	-42.30%	(3)
Interest payable	47,928,028.59	85,480,380.32	-43.93%	(4)
Bonds payable	1,198,395,304.75	2,196,261,279.57	-45.43%	(5)
Other non-current liabilities	1,246,666,667.00	250,000,000.00	398.67%	(6)

Explanation of the reasons leading to the major changes:

- (1) Goodwill increased by 143.37% as compared to the beginning of the year mainly due to the positive goodwill arising from the acquisition of 30% equity interest in Shanghai Hongtai by the Company.
- (2) Advance receipts increased by 75.69% as compared to the beginning of the year mainly due to the increase of advance receipts received by the Company.
- (3) Staff remuneration payables decreased by 42.30% as compared to the beginning of the year mainly due to the payment of annual performance bonus by the Company during the reporting period.
- (4) Interest payable decreased by 43.93% as compared to the beginning of the year mainly due to the repayment of the interest on RMB1,000 million corporate bonds by the financial leasing company.
- (5) Bonds payable decreased by 45.43% as compared to the beginning of the year mainly due to the repayment of RMB1,000 million corporate bonds by the financial leasing company.

- (6) Other non-current liabilities increased by 398.67% as compared to the beginning of the year mainly due to the issue of RMB1,000 million medium-term notes 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 2018	January - March 2017	Change	Reason for change
Sales revenue	7,241,811,895.12	6,274,273,821.63	15.42%	(1)
Taxes and surcharges	62,538,374.77	54,684,663.59	14.36%	(2)
Selling and distribution expenses	270,903,272.57	304,176,522.86	-10.94%	(3)
General and administrative expenses	495,307,657.40	413,588,829.04	19.76%	(4)
Loss on impairment of assets	59,082,697.85	23,825,034.05	147.99%	(5)
Financial expenses	768,650,745.61	472,931,576.60	62.53%	(6)

Explanation of the reasons leading to the major changes:

- (1) Sales revenue increased by 15.42% as compared to the corresponding period of last year mainly due to a year-on-year increase in the prices of machine-made paper.
- (2) Taxes and surcharges increased by 14.36% as compared to the corresponding period of last year mainly due to a year-on-year increase in the Company's sales revenue and gross profit margin.
- (3) Selling and distribution expenses decreased by 10.94% as compared to the corresponding period of last year mainly due to the tighter control on selling and distribution expenses by the Company.
- (4) General and administrative expenses increased by 19.76% as compared to the corresponding period of last year mainly due to a year-on-year increase in R&D expenditure.

- (5) Loss on impairment of assets increased by 147.99% as compared to the corresponding period of last year mainly due to the amendment to the bad debt policy of the financial leasing business at the end of last year by the Company.
- (6) Financial expenses increased by 62.53% as compared to the corresponding period of last year mainly due to a year-on-year increase in the debt size and financing costs of the Company.

(III) Analysis of cash flows during the reporting period

Unit: RMB

Item	January - March 2018	January - March 2017	Change	Reason for change
Net cash flows from operating activities	1,267,680,953.19	-1,799,933,755.66	170.43%	(1)
Net cash flows from investment activities	-1,724,411,977.89	147,890,412.84	-1266.01%	(2)
Net cash flows from financing activities	-134,535,571.79	2,013,126,167.07	-106.68%	(3)

Explanation of the reasons leading to the major changes:

- (1) Net cash flows from operating activities increased by 170.43% as compared to the beginning of the year mainly due to an increase in sales revenue resulting from the increase in the prices of machine-made paper and a decrease in net leasing of the financial leasing business as compared to the corresponding period of last year.
- (2) Net cash flows from investing activities decreased by 1,266.01% as compared to the beginning of the year mainly due to the acquisition of 30% equity interest in Shanghai Hongtai by the Company.
- (3) Net cash flows from financial activities decreased by 106.68% as compared to the beginning of the year mainly due to the expansion of the debt size controlled by the Company.

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 January - June 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. 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 2018

Unit: RMB

Item	Closing balance	Opening balance
CURRENT ASSETS:		
Monetary funds	15,089,639,413.59	14,443,492,461.43
Financial assets at fair value through profit or loss	112,500,000.00	94,000,000.00
Bills receivable	3,916,254,267.61	4,220,231,853.56
Accounts receivable	3,869,956,800.54	3,665,865,577.03
Prepayments	1,981,625,567.07	1,962,151,473.35
Other receivables	658,325,916.30	538,734,656.55
Inventories	6,632,665,030.29	6,022,805,491.17
Non-current assets due within one year	6,932,124,260.47	6,901,695,875.94
Other current assets	9,374,699,651.53	11,568,757,330.26
Total current assets	48,567,790,907.40	49,417,734,719.29
NON-CURRENT ASSETS:		
Available-for-sale financial assets	2,453,000,000.00	2,453,000,000.00
Long-term receivables	11,118,982,838.89	9,400,862,089.18
Long-term equity investments	408,356,486.31	391,868,827.45
Investment properties	4,785,281,837.13	4,809,535,109.82
Fixed assets	28,169,837,026.84	28,227,509,503.05
Construction in progress	8,460,922,302.89	7,668,669,413.87
Construction materials	10,090,951.74	15,275,630.45
Intangible assets	1,925,863,054.11	2,059,221,379.09
Goodwill	49,364,594.99	20,283,787.17
Long-term prepaid expenses	137,283,507.52	139,122,569.45
Deferred income tax assets	523,792,145.93	522,288,850.40
Other non-current assets	470,203,775.04	499,724,197.70
Total non-current assets	58,512,978,521.39	56,207,361,357.63
Total assets	107,080,769,428.79	105,625,096,076.92
CURRENT LIABILITIES:		
Short-term borrowings	35,711,413,757.44	35,096,574,873.03
Bills payable	1,595,333,518.56	1,278,395,090.71
Accounts payable	3,146,107,129.21	4,013,936,527.74

Item	Closing balance	Opening balance
Advance receipts	427,243,722.99	243,182,891.22
Staff remuneration payables	106,813,340.85	185,130,892.10
Taxes payable	506,766,970.98	496,626,014.68
Interest payable	47,928,028.59	85,480,380.32
Other payables	1,530,547,398.00	1,426,629,545.41
Non-current liabilities due within one year	3,529,882,896.40	3,625,430,347.40
Other current liabilities	12,907,095,864.17	10,797,248,631.76
Total current liabilities	59,509,132,627.19	57,248,635,194.37
NON-CURRENT LIABILITIES:		
Long-term borrowings	7,191,782,466.97	7,646,122,995.91
Bonds payable	1,198,395,304.75	2,196,261,279.57
Long-term payables	5,431,980,150.13	5,550,881,435.64
Special payables	681,039,716.66	681,039,716.66
Provisions	325,259,082.28	325,259,082.28
Deferred income	1,430,904,842.12	1,452,717,833.55
Other non-current liabilities	1,246,666,667.00	250,000,000.00
Total non-current liabilities	17,506,028,229.91	18,102,282,343.61
TOTAL LIABILITIES	77,015,160,857.10	75,350,917,537.98
OWNERS' EQUITY:		
Share capital	1,936,405,467.00	1,936,405,467.00
Other equity instruments	10,048,300,000.00	10,048,300,000.00
Including: Preference shares	4,477,500,000.00	4,477,500,000.00
Perpetual bonds	5,570,800,000.00	5,570,800,000.00
Capital reserves	6,149,257,784.90	6,149,257,784.90
Other comprehensive income	-73,483,246.94	-354,165,127.80
Surplus reserves	1,132,116,106.40	1,132,116,106.40
Retained profit	9,551,015,202.38	8,866,614,844.40
Total equity attributable to equity holders of the company	28,743,611,313.74	27,778,529,074.90
Minority interest	1,321,997,257.95	2,495,649,464.04
Total owners' equity	30,065,608,571.69	30,274,178,538.94
TOTAL LIABILITIES AND OWNERS' EQUITY	107,080,769,428.79	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	9,441,442,393.70	9,580,548,200.88
Financial assets at fair value through profit or loss	112,500,000.00	94,000,000.00
Bills receivable	923,114,795.94	787,095,075.51
Accounts receivable	1,334,746,219.41	8,188,750.45
Prepayments	655,328,549.76	742,107,273.09
Other receivables	26,863,440,842.76	22,351,203,484.83
Inventories	804,406,410.36	751,426,520.51
Other current assets	3,256,461.13	2,488,977.72
Total current assets	40,138,235,673.06	34,317,058,282.99
NON-CURRENT ASSETS:		
Available-for-sale financial assets	2,453,000,000.00	2,453,000,000.00
Long-term receivables	456,925,607.06	456,925,607.06
Long-term equity investments	18,662,876,221.53	18,674,034,243.49
Fixed assets	2,177,471,274.40	2,364,990,246.94
Construction in progress	1,303,979,588.96	973,375,557.42
Intangible assets	467,348,695.74	470,379,203.58
Deferred income tax assets	168,294,583.66	186,935,887.68
Other non-current assets	54,800,000.00	54,800,000.00
Total non-current assets	25,744,695,971.35	25,634,440,746.17
Total assets	65,882,931,644.41	59,951,499,029.16
CURRENT LIABILITIES:		
Short-term borrowings	7,278,360,581.34	7,522,637,247.14
Bills payable	6,978,205,900.00	6,375,070,000.00
Accounts payable	1,793,381,184.53	570,706,495.21
Advance receipts	1,435,718,563.63	956,040,917.07
Staff remuneration payables	37,774,561.75	47,546,116.66
Taxes payable	100,627,697.68	116,173,781.96
Interest payable	47,928,028.59	28,428,028.58
Other payables	2,739,303,962.12	2,162,553,106.46
Non-current liabilities due within one year	1,743,985,162.45	1,318,429,260.12
Other current liabilities	12,907,095,864.17	10,797,248,631.76
Total current liabilities	35,062,381,506.26	29,894,833,584.96

Item	Closing balance	Opening balance
NON-CURRENT LIABILITIES:		
Long-term borrowings	742,724,996.42	908,182,122.65
Bonds payable	1,198,395,304.75	1,198,305,304.75
Long-term payables	4,514,290,046.62	4,605,691,332.13
Provisions	325,259,082.28	325,259,082.28
Deferred income	49,667,895.95	50,753,189.60
Other non-current liabilities	1,246,666,667.00	250,000,000.00
Total non-current liabilities	8,077,003,993.02	7,338,191,031.41
TOTAL LIABILITIES	43,139,385,499.28	37,233,024,616.37
OWNERS' EQUITY:		
Share capital	1,936,405,467.00	1,936,405,467.00
Other equity instruments	10,048,300,000.00	10,048,300,000.00
Including: Preference shares	4,477,500,000.00	4,477,500,000.00
Perpetual bonds	5,570,800,000.00	5,570,800,000.00
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	3,699,953,985.45	3,674,882,253.11
Total owners' equity	22,743,546,145.13	22,718,474,412.79
TOTAL LIABILITIES AND OWNERS' EQUITY	65,882,931,644.41	59,951,499,029.16

3. Consolidated income statement

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Total revenue	7,241,811,895.12	6,274,273,821.63
Including: Revenue	7,241,811,895.12	6,274,273,821.63
II. Total operating costs	6,348,793,347.27	5,540,639,425.53
Including: Operating costs	4,692,310,599.07	4,271,432,799.39
Taxes and surcharges	62,538,374.77	54,684,663.59
Sales and distribution expenses	270,903,272.57	304,176,522.86
General and administrative expenses	495,307,657.40	413,588,829.04
Finance expenses	768,650,745.61	472,931,576.60
Loss on impairment of assets	59,082,697.85	23,825,034.05
Plus: Gain on change in fair value (“-” denotes loss)	18,500,000.00	
Investment income (“-” denotes loss)	38,745,214.22	34,080,946.51
Including: Investment income from associates and joint ventures	-5,008,613.46	-5,602,501.04
Gain on disposal of assets (“-” denotes loss)	5,264.44	-921,000.44
Other income	35,587,255.87	
III. Operating profit (“-” denotes loss)	985,856,282.38	766,794,342.17
Plus: Non-operating income	2,608,937.24	98,493,848.65
Less: Non-operating expenses	905,848.50	429,165.35
IV. Total profit (“-” denotes total loss)	987,559,371.12	864,859,025.47
Less: Income tax expenses	207,172,541.16	165,263,056.51
V. Net profit (“-” denotes net loss)	780,386,829.96	699,595,968.96
(I) Net profit from continuing operations (“-” denotes net loss)	780,386,829.96	699,595,968.96
(II) Net profit from discontinued operations (“-” denotes net loss)	—	—
Net profit attributable to shareholders of the Company	782,500,357.98	702,517,923.91
Profit or loss of minority interest	-2,113,528.02	-2,921,954.95

Item	Amounts for the period	Amounts for the prior period
VI. Net other comprehensive income after tax	280,681,880.86	36,500,385.95
Net other comprehensive income after tax attributable to shareholders of the Company	280,681,880.86	36,500,385.95
(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	280,681,880.86	36,500,385.95
1. Exchange differences on translation of foreign operations	280,681,880.86	36,500,385.95
Net other comprehensive income after tax attributable to minority interest	—	—
VII. Total comprehensive income	1,061,068,710.82	736,096,354.91
Total other comprehensive income attributable to shareholders of the Company	1,063,182,238.84	739,018,309.86
Total comprehensive income attributable to minority interest	-2,113,528.02	-2,921,954.95
VIII. Earnings per share:		
(I) Basic earnings per share	0.31	0.29
(II) Diluted earnings per share	0.31	0.29

Legal Representative:

Chen Hongguo

Financial controller:

Hu Jinbao

Head of the financial department:

Zhang Bo

4. Income statement of the Company

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Revenue	1,450,100,125.24	1,825,135,337.89
Less: Operating costs	1,004,299,850.90	1,346,106,037.13
Taxes and surcharges	23,185,158.78	22,146,157.86
Sales and distribution expenses	41,118,479.35	61,708,995.39
General and administrative expenses	128,845,305.73	157,074,579.69
Finance expenses	160,195,809.53	133,730,116.49
Loss on impairment of assets	-3,637,308.53	10,581,405.57
Plus: Gain on change in fair value (“-” denotes loss)	18,500,000.00	
Investment income (“-” denotes loss)	35,095,805.72	39,583,206.16
Including: Investment income from associates and joint ventures	-154,294.28	-97,092.16
Gain on disposal of assets (“-” denotes loss)	121.63	19,293.30
Other income	1,085,293.65	
II. Operating profit (“-” denotes loss)	150,774,050.48	133,390,545.22
Plus: Non-operating income	164,617.03	1,682,622.31
Less: Non-operating expenses	621,903.47	
III. Total profit (“-” denotes total loss)	150,316,764.04	135,073,167.53
Less: Income tax expenses	18,641,304.02	10,663,012.86
IV. Net profit (“-” denotes net loss)	131,675,460.02	124,410,154.67
(I) Net profit from continuing operations (“-” denotes net loss)	131,675,460.02	124,410,154.67
(II) Net profit from discontinued operations (“-” denotes net loss)	—	—
V. Net other comprehensive income after tax	—	—
(I) Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	—	—

Item	Amounts for the period	Amounts for the prior period
(II) Other comprehensive income that will be reclassified to profit or loss in subsequent periods	—	—
VI. Total comprehensive income	131,675,460.02	124,410,154.67
VII. 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	8,279,206,351.45	6,071,765,519.77
Tax rebates received	2,412,586.40	49,253.28
Cash received relating to other operating activities	580,565,896.58	344,275,340.11
Subtotal of cash inflows from operating activities	8,862,184,834.43	6,416,090,113.16
Cash paid for goods and services	6,100,012,550.54	4,284,027,734.66
Cash paid to and for employees	338,948,088.15	254,685,584.47
Payments of taxes and surcharges	497,568,122.37	349,632,991.79
Cash paid relating to other operating activities	657,975,120.18	3,327,677,557.90
Subtotal of cash outflows from operating activities	7,594,503,881.24	8,216,023,868.82
Net cash flows from operating activities	1,267,680,953.19	-1,799,933,755.66
II. Cash flows from investment activities:		
Cash received from investments	30,000,000.00	—
Cash received from investment income	112,541,400.00	13,750,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	17,384.00	—
Cash received relating to other investment activities	—	518,764,372.00
Subtotal of cash inflows from investment activities	142,558,784.00	532,514,372.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	591,970,761.89	384,623,959.16
Cash paid on investments	1,171,957,789.46	
Cash paid relating to other investment activities	103,042,210.54	
Subtotal of cash outflows from investment activities	1,866,970,761.89	384,623,959.16
Net cash flows from investment activities	-1,724,411,977.89	147,890,412.84

Item	Amounts for the period	Amounts for the prior period
III. Cash flows from financing activities:		
Cash received from borrowings	9,233,253,564.49	13,559,751,515.69
Cash received from issuance of bonds		997,000,000.00
Cash received relating to other financing activities	6,034,958,302.56	5,011,942,828.52
Subtotal of cash inflows from financing activities	15,268,211,867.05	19,568,694,344.21
Cash repayments on borrowing	10,182,447,626.95	12,943,894,864.13
Cash paid for dividend and profit distribution or interest payment	651,766,445.79	468,301,155.59
Cash paid relating to other financing activities	4,568,533,366.10	4,143,372,157.42
Subtotal of cash outflows from financing activities	15,402,747,438.84	17,555,568,177.14
Net cash flows from financing activities	-134,535,571.79	2,013,126,167.07
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-18,600,721.48	-12,654,907.93
V. Net increase in cash and cash equivalents	-609,867,317.97	348,427,916.32
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	2,194,541,056.49	2,328,288,961.94

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	1,646,162,348.96	2,043,512,964.97
Cash received relating to other operating activities	21,435,511.08	2,307,363,848.50
Subtotal of cash inflows from operating activities	1,667,597,860.04	4,350,876,813.47
Cash paid for goods and services	800,010,191.80	1,596,601,181.89
Cash paid to and for employees	109,109,796.36	91,590,954.26
Payments of taxes and surcharges	129,294,420.54	93,278,359.86
Cash paid relating to other operating activities	2,483,754,448.42	14,107,297.75
Subtotal of cash outflows from operating activities	3,522,168,857.12	1,795,577,793.76
Net cash flows from operating activities	-1,854,570,997.08	2,555,299,019.71
II. Cash flows from investment activities:		
Cash received from investments	30,000,000.00	—
Cash received from investment income	112,541,400.00	13,750,000.00
Cash received relating to other investment activities	—	500,000,000.00
Subtotal of cash inflows from investment activities	142,541,400.00	513,750,000.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	6,127,000.00	246,066.75
Cash paid on investments	—	2,000,000,000.00
Subtotal of cash outflows from investment activities	6,127,000.00	2,000,246,066.75
Net cash flows from investment activities	136,414,400.00	-1,486,496,066.75
III. Cash flows from financing activities:		
Cash received from borrowings	2,680,503,196.92	2,805,500,000.00
Cash received relating to other financing activities	5,408,064,947.95	4,495,241,096.00
Subtotal of cash inflows from financing activities	8,088,568,144.87	7,300,741,096.00
Cash repayments on borrowing	3,605,796,202.77	3,585,574,810.02

Item	Amounts for the period	Amounts for the prior period
Cash paid for dividend and profit distribution or interest payment	438,519,151.51	374,131,591.29
Cash paid relating to other financing activities	2,710,525,941.91	4,660,350,945.07
Subtotal of cash outflows from financing activities	6,754,841,296.19	8,620,057,346.38
Net cash flows from financing activities	1,333,726,848.68	-1,319,316,250.38
IV. Effect of foreign exchange rate changes on cash and cash equivalents	5,801,533.68	42,600.81
V. Net increase in cash and cash equivalents	-378,628,214.72	-250,470,696.61
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	641,633,855.13	332,107,730.01

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, the PRC, 26 April 2018

As at the date of this notice, 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