



SHANDONG CHENMING PAPER HOLDINGS LIMITED

2020 First Quarterly Report

April 2020

I. Important Notice

The board of directors (the “Board”), the supervisory committee (the “Supervisory Committee”), and the directors (the “Directors”), supervisors (the “Supervisors”) and senior management (the “Senior Management”) of the Company hereby warrant that the truthfulness, accuracy and completeness of this quarterly report which does not contain 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 accounting data and financial indicators

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

Yes No

	The reporting period	The corresponding period of the prior year	Increase/decrease compared to the corresponding period of the prior year
Revenue (RMB)	6,085,376,805.28	6,159,836,579.24	-1.21%
Net profit attributable to shareholders of the Company (RMB)	202,790,856.25	38,223,111.21	430.55%
Net profit after extraordinary gains or losses attributable to shareholders of the Company (RMB)	143,993,251.71	-23,652,252.85	708.79%
Net cash flows from operating activities (RMB)	655,581,522.20	1,424,685,047.04	-53.98%
Basic earnings per share (RMB per share)	0.019	-0.037	151.35%
Diluted earnings per share (RMB per share)	0.019	-0.037	151.35%
Rate of return on weighted average net assets	0.32%	-0.61%	Increase of 0.93 percentage point
	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)	96,849,000,201.11	97,958,909,935.15	-1.13%
Net assets attributable to shareholders of the Company (RMB)	25,164,443,617.31	25,169,743,863.75	-0.02%

Explanation:

Net profit attributable to shareholders of the Company does not exclude the effect of the interest of perpetual bonds and the dividends of preference shares paid and declared to be paid. When calculating financial indicators such as earnings per share and the rate of return on weighted average net assets, the interest for perpetual bonds from 1 January 2020 to 31 March 2020 of RMB48,367,123.29 and the dividend on preference shares paid in 2020 of RMB98,100,000 are deducted.

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 asset impairment provision)	-4,496,557.63	
Government grants(except for the government grants closely related to thenormal operation of the company and granted constantly at a fixed amount or quantity in accordance with ascertain standard based on state policies) accounted for in profit or loss for the current period	86,170,502.36	
Non-operating income and expenses other than the above items	961,050.14	
Less: Effect of income tax	23,489,605.82	
Effect of minority interest (after tax)	347,784.51	
Total	58,797,604.54	-

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 shareholdings 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 shareholdings of the top ten shareholders

Unit: share

Total number of shareholders of ordinary shares as at the end of the reporting period	117,887, of which 97,790 were holders of A shares, 19,731 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	15.33%	445,396,128	0	Pledged	298,970,000
HKSCC NOMINEES LIMITED	Overseas legal person	12.85%	373,355,875	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		
HONG KONG SECURITIES CLEARING COMPANY LIMITED	Overseas legal person	0.63%	18,232,012	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.45%	13,176,446	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas legal person	0.45%	13,139,970	0		
AGRICULTURAL BANK OF CHINA LIMITED – CHINA CSI 500 ETF	Others	0.42%	12,304,250	0		
Chen Suiqiang	Domestic nature person	0.42%	12,270,300	0		
Chen Hongguo	Domestic nature person	0.38%	11,080,044	8,310,033		
Shareholdings 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	445,396,128	RMB ordinary shares	445,396,128			
HKSCC NOMINEES LIMITED	373,355,875	Overseas listed foreign shares	373,355,875			
CHENMING HOLDINGS (HONG KONG) LIMITED	364,131,563	Domestic listed foreign shares	210,717,563			
		Domestic listed foreign shares	153,414,000			
CENTRAL HUIJIN ASSET MANAGEMENT LTD.	60,206,850	RMB ordinary shares	60,206,850			

HONG KONG SECURITIES CLEARING COMPANY LIMITED	18,232,012	RMB ordinary shares	18,232,012
VANGUARD EMERGING MARKETS STOCK INDEX FUND	13,176,446	Domestic listed foreign shares	13,176,446
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	13,139,970	Domestic listed foreign shares	13,139,970
AGRICULTURAL BANK OF CHINA LIMITED – CHINA CSI 500 ETF	12,304,250	RMB ordinary shares	12,304,250
Chen Suiqiang	12,270,300	RMB ordinary shares	12,270,300
Jin Xing	10,210,000	Domestic listed foreign shares	10,210,000
Related party relationship or acting in concert among the above shareholders	A shareholder, Chenming Holdings (Hong Kong) Limited, which is an overseas legal person, is a wholly-owned subsidiary of a shareholder, Chenming Holdings Company Limited, which is a state-owned legal person. A shareholder, Chen Hongguo, is the legal representative, chairman and general manager of Chenming Holdings Company Limited. 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 445,396,128 RMB ordinary shares, of which 402,196,128 shares were held through ordinary account and 43,200,000 shares were held through credit guarantee securities account; Chen Suiqiang held 12,270,300 RMB ordinary shares, of which 0 shares were held through ordinary account and 12,270,300 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 Not applicable

Unit: share

Total number of shareholders of preference shares as at the end of the reporting period					8	
Shareholdings 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	4.44%	2,000,000	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		
SHANGHAI SHIJIE BUSINESS CONSULTING CO., LTD.	Domestic non-state-owned legal person	2.22%	1,000,000	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

- (1) Accounts receivable financing increased by 68.72% 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) Construction in progress decreased by 91.03% as compared to the beginning of the year mainly due to the reclassification of the Huanggang Chenming Chemical pulp project during the reporting period.
- (3) Investment income increased by 1,124 times as compared to the corresponding period of the prior year mainly due to the recognised investment income from Guangdong Nanyue Bank by the Company during the reporting period.
- (4) Loss on impairment of assets increased by 100.2% as compared to the corresponding period of the prior year mainly due to receipt of confirmation letter in respect of assumption of expenses of the Guangdong Huirui BT project from the government during the corresponding period of the prior year.
- (5) Credit impairment loss increased by 397.65% as compared to the corresponding period of the prior year mainly due to an increase in the provision for impairment based on the receivables ageing made by the Company during the reporting period.
- (6) Gain on disposal of assets decreased by 367.96% as compared to the corresponding period of the prior year mainly due to a year-on-year increase in the loss on disposal of assets by the Company during the reporting period.
- (7) Net cash flows from operating activities decreased by 53.98% as compared to the corresponding period of the prior year mainly due to a year-on-year decrease in the expiry of the financial leasing business of the Company during the reporting period from the government.
- (8) Net cash flows from investment activities increased by 138.16% as compared to the corresponding period of the prior year mainly due to receipt of the equity and debt transfer payments for Haiming Mining by the Company during the reporting period.
- (9) Net cash flows from financing activities decreased by 2,106.14% as compared to the corresponding period of the prior year mainly due to greater debt repayments during the reporting period resulting from the active debt reduction by the Company during the reporting period.

II. Progress in respect of 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.

Estimate of the operating results for January – June 2020

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

No research investigations, communications and interviews of the Company occurred 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 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 2020

Unit: RMB

Item	31 March 2020	31 December 2019
CURRENT ASSETS:		
Monetary funds	17,945,064,973.73	19,306,529,473.33
Accounts receivable	2,585,913,010.42	2,525,083,311.03
Accounts receivable financing	747,303,546.42	442,915,861.70
Prepayments	683,531,207.43	603,573,549.08
Other receivables	2,256,642,821.36	2,216,654,598.66
Including: Dividends receivable	13,000,000.00	13,000,000.00
Inventories	5,324,637,789.32	4,774,430,110.81
Non-current assets due within one year	6,761,429,946.67	6,974,539,613.30
Other current assets	8,359,300,190.82	8,108,707,394.70
Total current assets	44,663,823,486.17	44,952,433,912.61
NON-CURRENT ASSETS:		
Long-term receivables	895,274,094.34	1,200,575,810.95
Long-term equity investments	3,690,225,211.59	3,606,339,023.74
Other non-current financial assets	147,445,653.55	147,445,653.55
Investment properties	5,052,099,663.96	5,082,362,293.11
Fixed assets	38,906,325,693.85	34,439,935,032.69
Construction in progress	490,984,338.97	5,476,122,928.95
Right-of-use assets	151,075,369.06	152,141,882.05
Intangible assets	1,670,534,278.92	1,781,061,904.51
Goodwill	5,969,626.57	5,969,626.57
Long-term prepaid expenses	53,752,451.32	48,203,408.71
Deferred income tax assets	954,862,303.05	892,442,631.04
Other non-current assets	166,628,029.76	173,875,826.67
Total non-current assets	52,185,176,714.94	53,006,476,022.54
Total assets	96,849,000,201.11	97,958,909,935.15

Item	31 March 2020	31 December 2019
CURRENT LIABILITIES:		
Short-term borrowings	37,162,255,680.29	36,883,156,014.19
Bills payable	1,605,128,806.38	1,515,048,206.00
Accounts payable	4,172,061,533.86	4,351,087,581.98
Contract liabilities	1,146,463,617.24	968,082,063.13
Staff remuneration payables	232,917,423.69	190,229,883.52
Taxes payable	398,048,496.05	311,554,116.73
Other payables	1,957,321,349.68	2,594,249,626.54
Including: Interest payable	127,487,697.54	208,189,699.15
Non-current liabilities due within one year	5,207,469,837.04	5,662,958,920.03
Other current liabilities	166,483,533.24	222,402,500.00
Total current liabilities	52,048,150,277.47	52,698,768,912.12
NON-CURRENT LIABILITIES:		
Long-term borrowings	9,850,422,478.38	9,140,339,693.56
Bonds payable	1,275,802,390.11	1,258,270,909.49
Lease liabilities	59,697,128.65	59,697,128.65
Long-term payables	2,864,252,501.15	3,321,535,538.94
Provisions	325,259,082.28	325,259,082.28
Deferred income	1,698,711,138.49	1,771,013,335.11
Deferred income tax liabilities	1,411,125.59	1,411,125.59
Other non-current liabilities	2,382,732,408.47	3,042,841,328.86
Total non-current liabilities	18,458,288,253.12	18,920,368,142.48
TOTAL LIABILITIES	70,506,438,530.59	71,619,137,054.60

Item	31 March 2020	31 December 2019
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	5,086,686,427.30	5,086,686,427.30
Other comprehensive income	-989,443,237.79	-879,452,135.10
Surplus reserves	1,212,009,109.97	1,212,009,109.97
General risk provisions	74,122,644.20	74,122,644.20
Retained profit	9,410,960,473.63	9,306,269,617.38
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	25,164,443,617.31	25,169,743,863.75
Minority interest	1,178,118,053.21	1,170,029,016.80
Total owners' equity	26,342,561,670.52	26,339,772,880.55
TOTAL LIABILITIES AND OWNERS' EQUITY	96,849,000,201.11	97,958,909,935.15

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 December 2020	31 December 2019
CURRENT ASSETS:		
Monetary funds	8,480,014,351.40	9,001,257,324.52
Bills receivable	2,253,460,000.00	3,254,460,000.00
Accounts receivable	1,259,347,483.21	39,204,670.00
Accounts receivable financing	275,058,915.16	189,873,567.14
Prepayments	378,971,965.98	722,472,479.01
Other receivables	12,187,585,712.86	13,975,590,537.58
Inventories	1,040,723,685.75	696,487,727.53
Non-current assets due within one year	119,546,826.00	129,546,826.00
Other current assets	87,479,947.99	80,815,659.84
Total current assets	26,082,188,888.35	28,089,708,791.62
NON-CURRENT ASSETS:		
Long-term receivables	418,750,862.51	418,750,862.51
Long-term equity investments	23,645,643,907.57	23,629,780,317.87
Investment in other equity instruments		3,000,000.00
Other non-current financial assets	147,445,653.55	147,445,653.55
Fixed assets	3,866,844,374.90	3,901,007,932.88
Construction in progress	343,878,791.95	350,623,821.42
Intangible assets	443,446,229.37	446,430,156.00
Deferred income tax assets	421,577,745.82	426,711,909.98
Other non-current assets	110,930,000.00	110,930,000.00
Total non-current assets	29,398,517,565.67	29,434,680,654.21
Total assets	55,480,706,454.02	57,524,389,445.83
CURRENT ASSETS:		
Short-term borrowings	11,656,207,709.50	11,601,509,632.09
Bills payable	8,876,900,869.81	9,890,041,170.20
Accounts payable	2,453,278,350.44	833,526,295.40
Contract liabilities	2,234,960,927.54	2,096,436,345.90
Staff remuneration payables	84,915,868.36	71,040,017.13
Taxes payable	57,631,625.70	76,872,851.56
Other payables	4,880,617,762.52	6,426,648,847.95
Including: Interest payable	44,143,333.31	127,278,083.35
Non-current liabilities due within one year	3,002,733,964.90	3,695,934,663.30
Other current liabilities	312,810,000.00	932,402,500.00
Total current liabilities	33,560,057,078.77	35,624,412,323.53

Item	31 December 2020	31 December 2019
NON-CURRENT LIABILITIES:		
Long-term borrowings	850,692,035.94	150,692,035.94
Bonds payable	88,350,000.00	89,070,000.00
Long-term payables	1,012,327,385.48	1,167,426,124.98
Provisions	325,259,082.28	325,259,082.28
Deferred income	40,985,546.59	42,070,840.27
Other non-current liabilities	1,790,683,341.67	2,789,283,340.67
Total non-current liabilities	4,108,297,391.96	4,563,801,424.14
Total liabilities	37,668,354,470.73	40,188,213,747.67
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	1,199,819,528.06	1,199,819,528.06
Retained profit	1,288,866,820.04	812,690,534.91
Total owners' equity	17,812,351,983.29	17,336,175,698.16
TOTAL LIABILITIES AND OWNERS' EQUITY	55,480,706,454.02	57,524,389,445.83

3. Consolidated Income Statement

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Total revenue	6,085,376,805.28	6,159,836,579.24
Including: Revenue	6,085,376,805.28	6,159,836,579.24
II. Total operating costs	5,834,610,012.18	6,294,268,043.62
Including: Operating costs	4,367,126,791.55	4,741,194,631.64
Taxes and surcharges	47,639,420.31	65,722,322.73
Sales and distribution expenses	267,671,791.96	287,382,511.79
General and administrative expenses	246,726,191.21	272,195,901.33
Research and development expenses	253,652,714.07	192,763,955.03
Finance expenses	651,793,103.08	735,008,721.10
Including: Interest expenses	673,866,359.05	785,193,442.24
Interest income	81,512,048.23	85,022,879.60
Plus: Other income	60,795,590.78	18,406,874.30
Investment income (“-” denotes loss)	89,156,680.14	79,234.37
Including: Investment income from associates and joint ventures	76,715,510.22	79,234.37
Credit impairment loss (“-” denotes loss)	-179,716,703.05	60,378,880.05
Loss on impairment of assets (“-” denotes loss)	-164,217.76	82,790,921.68
Gain on disposal of assets (“-” denotes loss)	-16,937,727.55	-3,619,496.92
III. Operating profit (“-” denotes loss)	203,900,415.66	23,604,949.10
Plus: Non-operating income	29,326,528.55	85,638,465.22
Less: Non-operating expenses	2,456,719.00	4,104,746.56
IV. Total profit (“-” denotes total loss)	230,770,225.21	105,138,667.76
Less: Income tax expenses	19,890,332.52	66,242,708.11
V. Net profit (“-” denotes net loss)	210,879,892.69	38,895,959.65
(I) Classification according to the continuity of operation		
Net profit from continuing operations (“-” denotes net loss)	210,879,892.69	38,895,959.65
(II) Classification according to ownership		
1. Net profit attributable to shareholders of the Company	202,790,856.25	38,223,111.21
2. Profit or loss of minority interest	8,089,036.44	672,848.44

Item	Amounts for the period	Amounts for the prior period
VI. Net other comprehensive income after tax	-109,991,102.69	153,048,157.14
Net other comprehensive income after tax attributable to shareholders of the Company	-109,991,102.69	153,048,157.14
Other comprehensive income that will be reclassified to profit and loss in subsequent periods	-109,991,102.69	153,048,157.14
Including Exchange differences on translation	-109,991,102.69	153,048,157.14
VII. Total comprehensive income	100,888,790.00	191,944,116.79
Total comprehensive income attributable to shareholders of the Company	92,799,753.56	191,271,268.35
Total comprehensive income attributable to minority interest	8,089,036.44	672,848.44
VIII. Earnings per share:		
(I) Basic earnings per share	0.019	-0.037
(II) Diluted earnings per share	0.019	-0.037

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	1,916,635,173.20	1,180,608,914.97
Less: Operating costs	1,442,158,792.79	996,667,766.88
Taxes and surcharges	9,314,020.08	11,315,088.59
Sales and distribution expenses	53,050,071.32	41,028,655.63
General and administrative expenses	72,148,076.69	79,878,521.50
Research and development expenses	61,093,032.27	53,425,038.77
Finance expenses	227,917,229.09	359,385,884.76
Including: Interest expenses	422,979,137.81	604,583,755.19
Interest income	231,893,683.70	257,495,978.51
Plus: Other income	1,085,293.68	1,085,293.68
Investment income (“-” denotes loss)	501,463,589.70	312,370.63
Including: Investment income from associates and joint ventures	-1,636,410.30	312,370.63
Credit impairment loss (“-” denotes loss)	17,806,046.25	-1,063,774.22
Gain on disposal of assets (“-” denotes loss)	5,198,189.62	-3,632,875.13
II. Operating profit (“-” denotes loss)	576,507,070.21	-364,391,026.20
Plus: Non-operating income	3,006,242.05	2,648,246.00
Less: Non-operating expenses	102,862.97	3,482,007.43
III. Total profit (“-” denotes total loss)	579,410,449.29	-365,224,787.63
Less: Income tax expenses	5,134,164.16	-61,173,011.98
IV. Net profit (“-” denotes net loss)	574,276,285.13	-304,051,775.65
Net profit from continuing operations (“-” denotes net loss)	574,276,285.13	-304,051,775.65
V. Total comprehensive income	574,276,285.13	-304,051,775.65
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	6,083,538,589.42	6,865,397,396.38
Tax rebates received	152,548.94	345,075.02
Cash received relating to other operating activities	654,984,761.52	1,574,349,856.47
Subtotal of cash inflows from operating activities	6,738,675,899.88	8,440,092,327.87
Cash paid for goods and services	5,294,624,400.87	5,663,841,703.91
Cash paid to and for employees	262,530,875.99	346,721,083.55
Payments of taxes and surcharges	193,288,988.68	552,838,124.31
Cash paid relating to other operating activities	332,650,112.15	452,006,369.06
Subtotal of cash outflows from operating activities	6,083,094,377.68	7,015,407,280.83
Net cash flows from operating activities	655,581,522.20	1,424,685,047.04
II. Cash flows from investing activities:		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	73,153,160.00	76,631.50
Net cash received from disposal of subsidiaries and other business units	217,810,000.00	
Cash received relating to other investing activities	129,197,968.06	
Subtotal of cash inflows from investing activities	420,161,128.06	76,631.50
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	57,107,045.84	176,754,169.25
Cash paid on investments	32,253,000.00	
Cash paid relating to other investing activities		690,140,000.00
Subtotal of cash outflows from investing activities	89,360,045.84	866,894,169.25
Net cash flows from investing activities	330,801,082.22	-866,817,537.75

Item	Amounts for the period	Amounts for the prior period
III. Cash flows from financing activities:		
Cash received from borrowings	8,767,475,858.20	9,537,282,829.45
Cash received relating to other financing activities	320,000,000.00	2,432,706,925.14
Subtotal of cash inflows from financing activities	9,087,475,858.20	11,969,989,754.59
Cash repayments of amounts borrowed	9,045,058,473.31	8,052,875,959.00
Cash paid for dividend and profit distribution or interest payment	718,587,541.06	712,139,280.54
Cash paid relating to other financing activities	1,410,982,326.58	3,100,936,139.44
Subtotal of cash outflows from financing activities	11,174,628,340.95	11,865,951,378.98
Net cash flows from financing activities	-2,087,152,482.74	104,038,375.61
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-8,973,806.00	-202,918,477.21
V. Net increase in cash and cash equivalents	-1,109,743,084.32	458,987,407.69
Plus: Balance of cash and cash equivalents as at the beginning of the period	2,890,328,027.41	2,381,558,242.52
VI. Balance of cash and cash equivalents as at the end of the period	1,780,584,343.09	2,840,545,650.21

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	2,016,322,718.53	1,344,720,749.36
Cash received relating to other operating activities	80,132,375.79	618,744,996.01
Subtotal of cash inflows from operating activities	2,096,455,094.32	1,963,465,745.37
Cash paid for goods and services	1,053,052,884.20	610,419,459.85
Cash paid to and for employees	77,807,706.74	113,868,782.40
Payments of taxes and surcharges	30,799,543.79	30,119,219.00
Cash paid relating to other operating activities	98,434,983.32	395,606,491.12
Subtotal of cash outflows from operating activities	1,260,095,118.05	1,150,013,952.37
Net cash flows from operating activities	836,359,976.26	813,451,793.00
II. Cash flows from investing activities:		
Cash received from investment income	500,000,000.00	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,153,160.00	25,022.00
Net cash received from disposal of subsidiaries and other business units	217,810,000.00	
Cash received relating to other investing activities	129,197,968.06	
Subtotal of cash inflows from investing activities	848,161,128.06	25,022.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	2,025,213.00	2,752,000.00
Cash paid on investments	27,500,000.00	1,047,500,000.00
Subtotal of cash outflows from investing activities	29,525,213.00	1,050,252,000.00
Net cash flows from investing activities	818,635,915.06	-1,050,226,978.00

Item	Amounts for the period	Amounts for the prior period
III. Cash flows from financing activities:		
Cash received from borrowings	5,527,955,369.41	3,608,046,421.28
Cash received relating to other financing activities	695,738,215.55	1,399,028,643.17
Subtotal of cash inflows from financing activities	6,223,693,584.96	5,007,075,064.45
Cash repayments of amounts borrowed	6,174,301,531.59	2,213,232,691.23
Cash paid for dividend and profit distribution or interest payment	422,979,137.81	364,442,666.62
Cash paid relating to other financing activities	1,389,481,422.69	2,224,412,965.16
Subtotal of cash outflows from financing activities	7,986,762,092.09	4,802,088,323.01
Net cash flows from financing activities	-1,763,068,507.13	204,986,741.44
IV. Effect of foreign exchange rate changes on cash and cash equivalents	226,208.85	-296,116.69
V. Net increase in cash and cash equivalents	-107,846,406.96	-32,084,560.25
Plus: Balance of cash and cash equivalents as at the beginning of the period	136,328,721.71	607,805,063.02
VI. Balance of cash and cash equivalents as at the end of the period	28,482,314.75	575,720,502.77

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
20April 2020