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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)**

**2021 Third Quarterly Report**

Shandong Chenming Paper Holdings Limited (the “Company”) is required to publish quarterly reports in accordance with the requirements of the China Securities Regulatory Commission.

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

**I IMPORTANT NOTICE**

The board of directors (the “Board”), the supervisory committee (the “Supervisory Committee”) and the directors (the “Directors”), supervisors (the “Supervisors”) and senior management (the “Senior Management”) of the Company hereby warrant the truthfulness, accuracy and completeness of this quarterly report which does not contain false representations, misleading statements or material omissions, and severally and jointly accept legal responsibility for its contents.

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	Increase/decrease compared to the corresponding period of the prior year	The period from the beginning of the year to the end of the reporting period	Increase/decrease for the period from the beginning of the year to the end of the reporting period as compared to the corresponding period of the prior year
Revenue (RMB)	8,588,800,889.56	1.36%	25,761,617,244.09	16.71%
Net profit attributable to shareholders of the Company (RMB)	161,233,847.41	-71.22%	2,182,329,264.95	102.71%
Net profit after extraordinary gains or losses attributable to shareholders of the Company (RMB)	-9,419,328.18	-102.03%	1,955,298,852.52	268.08%
Net cash flows from operating activities (RMB)	–	–	7,226,306,242.47	-0.59%
Basic earnings per share (RMB per share)	0.008	-94.12%	0.612	227.27%
Diluted earnings per share (RMB per share)	0.008	-94.12%	0.612	227.27%
Rate of return on net assets on weighted average basis	0.23%	Decrease by 2 percentage points	9.17%	Increase by 6.1 percentage points
	As at the end of the reporting period		As at the end of the prior year	Increase/decrease as at the end of the reporting period as compared to the end of the prior year
Total assets (RMB)		86,319,852,853.77	91,575,457,828.62	-5.74%
Owners' equity attributable to shareholders of the Company (RMB)		21,004,340,605.35	24,276,968,789.00	-13.48%

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. When calculating financial indicators such as earnings per share and the rate of return on net assets on weighted average basis, the interest for perpetual bonds from 1 January 2021 to 30 September 2021 of RMB67,090,684.93 and the dividend on preference shares paid in 2021 of RMB323,390,968.67 are deducted.

(ii) **Items and amounts of extraordinary gains or losses**

☒ Applicable    ☐ Not applicable

Unit: RMB

<b>Item</b>	<b>Amount for the reporting period</b>	<b>Amount for the period from the beginning of the year to the end of the reporting period</b>	<b>Explanation</b>
Profit or loss from disposal of non-current assets (including write-off of asset impairment provision)	118,519,190.73	167,193,943.88	
Government grants (except for the government grants closely related to the ordinary course of business 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	67,333,738.08	192,478,459.87	
Except for effective hedging business conducted in the ordinary course of business of the Company, gain or loss arising from 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, financial liabilities held for trading, and available-for-sale financial assets	13,138,878.96	-76,841,691.73	
Consumable biological assets subsequently measured at fair value	0.00	-9,139,121.20	
Dividends from financial assets held for trading	3,352,699.80	3,352,699.80	
Other non-operating income and expense other than the above items	395,179.89	15,660,150.60	
Less: Effect of income tax	31,620,127.09	62,138,013.84	
Effect of minority interests (after tax)	466,384.78	3,536,014.95	
Total	170,653,175.59	227,030,412.43	—

Particulars of other gains or losses items within the definition of extraordinary gains or losses:

☐ Applicable    ☒ Not applicable

No particulars of other gains or losses items within the definition of extraordinary gains or losses applied to the Company.

Notes on 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 recurring gain or loss items

☐ Applicable    ☒ Not applicable

No 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 were defined by the Company as its recurring gain or loss items.

**(iii) Details and reasons for changes in major accounting figures and financial indicators**

√ Applicable    □ Not applicable

**1. Analysis of assets and liabilities of the Company**

Unit: RMB

Item	30 September 2021	31 December 2020	Change	Reason for change
Financial assets held for trading	114,489,369.44	192,907,800.62	-40.65%	(1)
Accounts receivable financing	707,897,674.69	488,385,666.76	44.95%	(2)
Long-term receivables	2,005,735,534.18	4,658,884,857.95	-56.95%	(3)
Other non-current financial assets	1,221,910,000.00	145,910,000.00	737.44%	(4)
Construction in progress	243,664,818.46	179,857,941.83	35.48%	(5)
Other non-current assets	333,912,675.34	58,886,418.75	467.05%	(6)
Bills payable	3,983,462,875.09	2,998,936,736.34	32.83%	(7)
Contract liabilities	1,882,292,654.56	1,051,147,044.74	79.07%	(8)
Taxes payable	305,659,237.77	652,647,840.63	-53.17%	(9)
Interest payable	78,956,099.74	178,992,959.85	-55.89%	(10)
Other current liabilities	0.00	157,037,833.35	-100.00%	(11)
Bonds payable	0.00	1,536,877,351.46	-100.00%	(12)
Other non-current liabilities	0.00	789,521,686.07	-100.00%	(13)
Other equity instruments	996,000,000.00	5,473,500,000.00	-81.80%	(14)
Minority interest	3,838,293,272.66	1,523,294,926.24	151.97%	(15)

Explanation of the reasons leading to the major changes:

- (1) Financial assets held for trading decreased by 40.65% as compared to the beginning of the year, mainly due to change in fair value of the shares of China Bohai Bank held by the Company during the reporting period.
- (2) Accounts receivable financing increased by 44.95% as compared to the beginning of the year, mainly due to the increase in bills held at the end of the reporting period from the beginning of the year.

- (3) Long-term receivables decreased by 56.95% as compared to the beginning of the year, mainly due to the effect of reclassification as a portion of financial leasing customers expired within one year during the reporting period.
- (4) Other non-current financial assets increased by 737.44% as compared to the beginning of the year, mainly due to the increase in investment of RMB400 million in Chenchuang Fund and an investment of RMB390 million in CCB Debt-to-Equity Swap by Chenming GDR Fund, a subsidiary, and the increase in investment of RMB310 million in CCB Debt-to-Equity Swap by Weifang Chendu Fund, a subsidiary, during the reporting period.
- (5) Construction in progress increased by 35.48% as compared to the beginning of the year, mainly due to the increased investment in sporadic technological transformation projects during the reporting period.
- (6) Other non-current assets increased by 467.05% as compared to the beginning of the year, mainly due to the payment of land premium for the Huanggang Chenming project Phase II during the reporting period.
- (7) Bills payable increased by 32.83% as compared to the beginning of the year, mainly due to the increase in payment for goods with bills during the reporting period.
- (8) Contract liabilities increased by 79.07% as compared to the beginning of the year, mainly due to the increase of advance payments for goods from customers to the Company at the end of the reporting period.
- (9) Taxes payable decreased by 53.17% as compared to the beginning of the year, mainly due to the decrease in taxes payable at the end of the reporting period as compared to the beginning of the year.
- (10) Interest payable decreased by 55.89% as compared to the beginning of the year, mainly due to the decrease in interest payable at the end of the reporting period as compared to the beginning of the year.
- (11) Other current liabilities decreased by 100% as compared to the beginning of the year, mainly due to the repayment for all super & short-term commercial paper by the Company during the reporting period.
- (12) Bonds payable decreased by 100% as compared to the beginning of the year, mainly due to the reclassification of bonds payable to non-current liabilities due within one year at the end of the reporting period.
- (13) Other non-current liabilities decreased by 100% as compared to the beginning of the year, mainly due to the reclassification of medium-term notes to non-current liabilities due within one year at the end of the reporting period.
- (14) Other equity instruments decreased by 81.80% as compared to the beginning of the year, mainly due to the payment of preference shares of RMB4.5 billion by the Company during the reporting period.
- (15) Minority interest increased by 151.97% as compared to the beginning of the year, mainly due to the introduction of strategic investors to participate in the capital increase of a subsidiary during the reporting period.

## 2. Reasons for significant year-on-year changes of income statement items

Unit: RMB

Item	January – September 2021	January – September 2020	Change	Reason for change
Other income	153,924,621.78	226,087,658.21	-31.92%	(1)
Gain on change in fair value	-85,980,812.93	-15,839,733.91	-442.82%	(2)
Loss on impairment of assets	0.00	-13,570,727.71	-100.00%	(3)
Gain on disposal of assets	50,997,043.97	24,228,282.47	110.49%	(4)
Non-operating income	61,110,393.45	666,294,459.14	-90.83%	(5)
Non-operating expenses	5,836,064.62	18,524,079.27	-68.49%	(6)
Net profit attributable to owners of the Company	2,182,329,264.95	1,076,554,278.62	102.71%	(7)
Profit or loss of minority interest	-54,288,254.10	147,273,767.04	-136.86%	(8)

Explanation of the reasons leading to the major changes:

- (1) Other income decreased by 31.92% as compared to the corresponding period of last year, mainly due to the year-on-year decrease in government grants associated with day-to-day operation received by the Company during the reporting period.
- (2) The gain on change in fair value decreased by 442.82% as compared to the corresponding period of last year, mainly due to change in fair value of the shares of China Bohai Bank held by the Company during the reporting period.
- (3) Loss on impairment of assets decreased by 100% as compared to the corresponding period of last year, mainly due to loss on impairment of idle assets made by the Company in the corresponding period of last year.
- (4) Gain on disposal of assets increased by 110.49% as compared to the corresponding period of last year, mainly due to the income from land disposal by Huanggang Chenming, a subsidiary, during the reporting period.

- (5) Non-operating income decreased by 90.83% as compared to the corresponding period of last year, mainly due to the compensation for environmental protection relocation received by Wuhan Chenming, a subsidiary, in the corresponding period of last year.
- (6) Non-operating expenses decreased by 68.49% as compared to the corresponding period of last year, mainly due to the increase in the Company's expenditure on public welfare donations to support the fight against the pandemic in the corresponding period of last year.
- (7) Net profit attributable to owners of the Company increased by 102.71% as compared to the corresponding period of last year, mainly due to a year-on-year increase in operating profit as a result of the year-on-year increase in the average selling price of the Company's major paper types and the outstanding cost advantage brought by the pulp and paper integration during the reporting period.
- (8) Profit or loss of minority interest decreased by 136.86% as compared to the corresponding period of last year, mainly due to the year-on-year decrease in operating profit of some non-wholly-owned subsidiaries during the reporting period.



### 3. Analysis of cash flows during the reporting period

Unit: RMB

Item	January – September 2021	January – September 2020	Change	Reason for change
Net cash flows from investment activities	-500,612,010.72	431,479,896.26	-216.02%	(1)

Explanation of the reasons leading to the major changes:

- (1) Net cash flows from investment activities decreased by 216.02% as compared to the corresponding period of last year, mainly due to the increase in investment expenditure as a result of the increase in investment of RMB400 million in Chenchuang Fund and an investment of RMB390 million in CCB Debt-to-Equity Swap by Chenming GDR Fund, a subsidiary, and the increase of investment of RMB310 million in CCB Debt-to-Equity Swap by Weifang Chendu Fund, a subsidiary, during the reporting period.

## II. INFORMATION ON SHAREHOLDERS

### (i) 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	185,791, of which 163,819 were holders of A shares, 21,637 were holders of B shares and 335 were holders of H shares	Total number of shareholders of preference shares with restored voting right as at the end of the reporting period		0		
Shareholding of the top ten shareholders						
Name of shareholders	Nature of shareholders	Percentage of shareholding	Number of shares held	Number of restricted shares held	Share pledged, marked or locked-up	
					Status of shares	Number
CHENMING HOLDINGS COMPANY LIMITED	State-owned legal person	15.32%	457,322,919	0	Pledged	268,330,000
HKSCC NOMINEES LIMITED	Overseas legal person	12.52%	373,524,625	0		
CHENMING HOLDINGS (HONG KONG) LIMITED	Overseas legal person	12.20%	364,131,563	0		
CHEN Hongguo	Domestic natural person	1.04%	31,080,044	23,310,033		
SHANDONG SUN HOLDINGS GROUP CO., LTD.	Domestic non-state-owned legal person	0.65%	19,291,717	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas legal person	0.50%	14,771,945	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.46%	13,756,746	0		
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Overseas legal person	0.42%	12,472,253	0		
MORGAN STANLEY & CO. INTERNATIONAL PLC	Overseas legal person	0.41%	12,382,283	0		
GOLDMAN SACHS INTL	Overseas legal person	0.39%	11,687,819	0		

Shareholding of the top ten shareholders of non-restricted shares			
Name of shareholders	Number of non-restricted shares held	Class of shares	
		Class of shares	Number
CHENMING HOLDINGS COMPANY LIMITED	457,322,919	RMB ordinary shares	457,322,919
HKSCC NOMINEES LIMITED	373,524,625	Overseas listed foreign shares	373,524,625
CHENMING HOLDINGS (HONG KONG) LIMITED	364,131,563	Domestic listed foreign shares	210,717,563
		Overseas listed foreign shares	153,414,000
SHANDONG SUN HOLDINGS GROUP CO., LTD.	19,291,717	RMB ordinary shares	19,291,717
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	14,771,945	Domestic listed foreign shares	14,771,945
VANGUARD EMERGING MARKETS STOCK INDEX FUND	13,756,746	Domestic listed foreign shares	13,756,746
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	12,472,253	Domestic listed foreign shares	12,472,253
MORGAN STANLEY & CO. INTERNATIONAL PLC	12,382,283	Domestic listed foreign shares	12,382,283
GOLDMAN SACHS INTL	11,687,819	Domestic listed foreign shares	11,687,819
HONG KONG SECURITIES CLEARING COMPANY LIMITED	10,873,466	RMB ordinary shares	10,873,466
Related party relationship or acting in concert among the above shareholders	A shareholder, Chenming Holdings (Hong Kong) Limited, which is an overseas legal person, is a wholly-owned subsidiary of a shareholder, Chenming Holdings Company Limited, which is a state-owned legal person. Hence, they are persons acting in concert under the Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies. 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 ten shareholders	Chenming Holdings Company Limited held 457,322,919 RMB ordinary shares, of which 379,522,919 shares were held through ordinary account and 77,800,000 shares were held through credit guarantee security account. Shandong Sun Holdings Group Co., Ltd. held 19,291,717 RMB ordinary shares, of which 0 share was held through ordinary account and 19,291,717 shares were held through credit guarantee security account.		

**(ii) Total number of shareholders of preference shares and shareholding of the top ten shareholders of preference shares**

☐ Applicable    ☒ Not applicable

**III. OTHER MATERIAL MATTERS**

☒ Applicable    ☐ Not applicable

**1. Full redemption of second-tranche and third-tranche preference shares**

On 15 July 2021, the Company held the twentieth extraordinary meeting of the ninth session of the Board to consider and approve the Resolution on Redemption of the Second-tranche and Third-tranche Preferred Shares. The independent Directors provided independent opinions.

On 16 August 2021, the Company entrusted the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to pay shareholders of the second-tranche preference shares a total of RMB1,051,700,000 in full to redeem all the 10 million second-tranche preference shares in issue of the Company, and such preference shares were delisted from the Shenzhen Stock Exchange on 19 August 2021.

On 22 September 2021, the Company entrusted the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited to pay shareholders of the third-tranche preference shares a total of RMB1,314,625,000 in full to redeem all the 12.50 million third-tranche preference shares in issue of the Company, and such preference shares were delisted from the Shenzhen Stock Exchange on 24 September 2021.

For further details, please refer to the relevant announcements (announcement No.: 2021-061, 2021-070, 2021-073, 2021-079 and 2021-081) disclosed by the Company on CNINFO on 16 July, 11 August, 19 August, 10 September and 24 September in 2021.

**2. Change of listing venue of the domestic listed foreign shares and their listing and trading on the Main Board of the Stock Exchange of Hong Kong Limited by conversion (B-to-H Conversion)**

In order to fully safeguard the legitimate rights and interests of the holders of B Shares, the Company proposed to arrange for a third party(ies) to provide Cash Options to the holders of B Shares of the Company. As specified in the B-to-H Conversion Proposal, the third party(ies) providing Cash Options will pay the cash consideration to the holders of B Shares who validly declared for the exercise of the relevant Cash Options. The initial cash consideration for each validly declared Chenming B Share will be HK\$3.33. If ex-rights, ex-dividends and other matters of the shares of the Company occur during the period between the announcement of this B-to-H Conversion Proposal and the implementation of the Cash Options, adjustment shall be made to such cash consideration.

On 6 August 2021, the Company disclosed the Announcement of 2020 Dividend Distribution Implementation for A Shares and B Shares. The dividend on B Shares would be paid in Hong Kong dollar at the medium exchange rate of Renminbi to Hong Kong dollar (HK\$:RMB = 1:0.8315) as announced by the People's Bank of China on 21 June 2021, and a dividend of approximately HK\$0.222 per share would be distributed to the holders of B Shares. According to the relevant mandates from the 2021 first extraordinary general meeting, the 2021 first class meeting for holders of domestic-listed shares and the 2021 first class meeting for holders of overseas-listed shares of the Company, the aforementioned cash consideration was adjusted to HK\$3.11/share upon ex-dividend.

For further details, please refer to the relevant announcement No. 2021-074 disclosed by the Company on CNINFO on 19 August 2021.

### **3. Completion of resale and delisting for “17 Chenming Bond 01”**

The Company implemented the resale of the corporate bonds “17 Chenming Bond 01” as agreed in the Prospectus on the Public Issuance of the Corporate Bonds of Shandong Chenming Paper Holdings Limited to Qualified Investors in 2017 (phase I) at the resale price of RMB107.28 per bond (including accrued interest of RMB7.28 per bond for the current period and the accrued interest including tax). During the resale declaration period (from 12 July 2021 to 16 July 2021), 900,000 bonds were registered for resale. After the resale, the number of outstanding bonds to be resold was 0. On 23 August 2021, the Company entrusted the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited with the completion of the payment of principle and interest of the partial resale of “17 Chenming Bond 01”, and such bonds were delisted from the Shenzhen Stock Exchange on the same date.

For further details, please refer to the relevant announcements No. 2021-075 and No.2021-076 disclosed by the Company on CNINFO on 19 August 2021.

### **4. Introduction of strategic investors by Zhanjiang Chenming**

On 23 September 2021, the 22th extraordinary meeting of the ninth session of the Board of the Company considered and approved the Resolution on Capital Contribution and Introduction of Strategic Investor of a Majority-owned Subsidiary. The Company introduced 北京川發投資管理有限公司(Beijing Chuanfa Investment Management Co., Ltd.\*) to contribute capital amounting to RMB350,000,000 to Zhanjiang Chenming Pulp & Paper Co., Ltd. (in which RMB215,833,333 was credited into the registered capital and the remaining RMB134,166,667 was credited into the capital reserves).

For further details, please refer to the relevant announcements No. 2021-082 and No. 2021-083 disclosed by the Company on CNINFO on 24 September 2021.

#### IV. FINANCIAL STATEMENTS

##### (i) Financial Statements

##### 1. Consolidated Balance Sheet

Prepared by: Shandong Chenming Paper Holdings Limited

30 September 2021

Unit: RMB

Item	30 September 2021	31 December 2020
<b>CURRENT ASSETS:</b>		
Monetary funds	13,571,350,927.30	17,759,537,598.98
Financial assets held for trading	114,489,369.44	192,907,800.62
Accounts receivable	1,765,529,364.47	1,984,931,665.82
Accounts receivable financing	707,897,674.69	488,385,666.76
Prepayments	959,086,987.45	964,290,512.36
Other receivables	2,934,476,193.45	2,417,240,559.46
Inventories	5,958,142,714.47	5,135,293,347.82
Non-current assets due within one year	5,131,971,774.13	4,222,744,207.34
Other current assets	2,894,502,815.61	2,716,918,695.85
Total current assets	34,037,447,821.01	35,882,250,055.01

Item	30 September 2021	31 December 2020
<b>NON-CURRENT ASSETS:</b>		
Long-term receivables	2,005,735,534.18	4,658,884,857.95
Long-term equity investments	3,701,270,624.71	3,906,158,402.45
Other non-current financial assets	1,221,910,000.00	145,910,000.00
Investment property	5,818,990,011.39	5,943,159,568.00
Fixed assets	35,981,815,727.13	37,651,706,658.97
Construction in progress	243,664,818.46	179,857,941.83
Right-of-use assets	199,981,330.49	205,876,719.75
Intangible assets	1,604,165,596.62	1,774,624,509.33
Goodwill	26,946,905.38	32,916,531.95
Long-term prepaid expenses	50,190,060.32	51,061,485.49
Deferred income tax assets	1,093,821,748.74	1,084,164,679.14
Other non-current assets	333,912,675.34	58,886,418.75
Total non-current assets	52,282,405,032.76	55,693,207,773.61
Total assets	86,319,852,853.77	91,575,457,828.62

Item	30 September 2021	31 December 2020
<b>CURRENT LIABILITIES:</b>		
Short term borrowings	31,727,025,725.32	32,793,992,957.86
Bills payable	3,983,462,875.09	2,998,936,736.34
Accounts payable	3,936,411,317.07	4,042,430,732.31
Contract liabilities	1,882,292,654.56	1,051,147,044.74
Employee benefits payable	244,707,774.80	232,376,585.31
Taxes payable	305,659,237.77	652,647,840.63
Other payables	1,933,610,027.29	1,956,715,367.83
Including: Interest payable	78,956,099.74	178,992,959.85
Non-current liabilities due within one year	5,814,088,524.41	7,160,949,615.93
Other current liabilities		157,037,833.35
Total current liabilities	49,827,258,136.31	51,046,234,714.30
<b>NON-CURRENT LIABILITIES:</b>		
Long term borrowings	6,937,140,141.89	8,077,150,979.15
Bonds payable		1,536,877,351.46
Lease liabilities	60,507,444.90	60,271,769.90
Long-term payables	2,698,119,799.87	2,295,309,357.74
Provisions	325,259,082.28	325,259,082.28
Deferred income	1,622,361,834.54	1,637,996,636.51
Deferred income tax liabilities	6,572,535.97	6,572,535.97
Other non-current liabilities		789,521,686.07
Total non-current liabilities	11,649,960,839.45	14,728,959,399.08
Total liabilities	61,477,218,975.76	65,775,194,113.38



Item	30 September 2021	31 December 2020
<b>OWNERS' EQUITY:</b>		
Share capital	2,984,208,200.00	2,984,208,200.00
Other equity instruments	996,000,000.00	5,473,500,000.00
Including: Preference Shares		4,477,500,000.00
Perpetual Bonds	996,000,000.00	996,000,000.00
Capital reserves	5,262,068,690.22	5,321,911,413.75
Less: Treasury shares	226,860,000.00	226,860,000.00
Other comprehensive income	-514,131,847.06	-561,686,607.66
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	11,216,923,808.02	9,999,764,028.74
<b>Total equity attributable to owners of the Company</b>	<b>21,004,340,605.35</b>	<b>24,276,968,789.00</b>
Minority interest	3,838,293,272.66	1,523,294,926.24
Total owners' equity	24,842,633,878.01	25,800,263,715.24
<b>Total liabilities and owners' equity</b>	<b>86,319,852,853.77</b>	<b>91,575,457,828.62</b>

Legal Representative:  
Chen Hongguo

Financial controller:  
Dong Lianming

Head of the  
financial department:  
Zhang Bo

**2. Consolidated statement of profit or loss from the beginning of the year to the end of the reporting period**

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Total revenue	25,761,617,244.09	22,073,110,681.21
Including: Revenue	25,761,617,244.09	22,073,110,681.21
II. Total operating costs	23,446,218,592.39	21,347,078,154.23
Including: Operating costs	19,140,007,356.87	17,408,594,933.65
Taxes and surcharges	216,411,985.30	170,715,297.17
Sales and distribution expenses	219,283,471.96	214,459,606.07
General and administrative expenses	765,443,272.45	729,639,987.46
Research and development expenses	1,092,930,072.65	865,743,883.85
Finance expenses	2,012,142,433.16	1,957,924,446.03
Including: Interest expenses	2,336,052,665.80	2,135,844,207.98
Interest income	382,888,399.63	402,049,517.88
Plus: Other income	153,924,621.78	226,087,658.21
Investment income (“-” denotes loss)	158,390,688.24	201,568,566.22
Including: Investment income from associates and joint ventures	21,317,900.90	184,790,525.01
Gain from changes in fair value (“-” denotes loss)	-85,980,812.93	-15,839,733.91
Credit impairment loss (“-” denotes loss)	-217,348,831.07	-240,647,125.75
Loss on impairment of assets (“-” denotes loss)		-13,570,727.71
Gain on disposal of assets (“-” denotes loss)	50,997,043.97	24,228,282.47
III. Operating profit (“-” denotes loss)	2,375,381,361.69	907,859,446.51
Plus: Non-operating income	61,110,393.45	666,294,459.14
Less: Non-operating expenses	5,836,064.62	18,524,079.27

Item	Amounts for the period	Amounts for the prior period
IV. Total profit (“-” denotes total loss)	2,430,655,690.52	1,555,629,826.38
Less: Income tax expenses	302,614,679.67	331,801,780.72
V. Net profit (“-” denotes net loss)	2,128,041,010.85	1,223,828,045.66
(I) Classification according to the continuity of operation		
1. Net profit from continuing operations (“-” denotes net loss)	2,128,041,010.85	1,223,828,045.66
(II) Classification according to ownership		
1. Net profit attributable to owners of the Company	2,182,329,264.95	1,076,554,278.62
2. Profit or loss of minority interests	-54,288,254.10	147,273,767.04
VI. Net other comprehensive income after tax	47,554,760.60	94,239,077.31
Net other comprehensive income after tax attributable to owners of the Company	47,554,760.60	94,239,077.31
(I) Other comprehensive income that cannot be reclassified to profit and loss		
(II) Other comprehensive income that will be reclassified to profit and loss	47,554,760.60	94,239,077.31
1. Exchange differences on translation	47,554,760.60	94,239,077.31
Net other comprehensive income after tax attributable to minority interest		
VII. Total comprehensive income	2,175,595,771.45	1,318,067,122.97
Total comprehensive income attributable to owners of the Company	2,229,884,025.55	1,170,793,355.93
Total comprehensive income attributable to minority interest	-54,288,254.10	147,273,767.04
VIII. Earnings per share:		
(I) Basic earnings per share	0.612	0.187
(II) Diluted earnings per share	0.612	0.187

Legal Representative:  
Chen Hongguo

Financial controller:  
Dong Lianming

Head of the  
financial department:  
Zhang Bo

**3. Consolidated statement of cash flows from the beginning of the year to the end of the reporting period**

Unit: RMB

Item	Amounts for the period	Amounts for the prior period
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	28,957,487,987.07	24,709,035,873.24
Tax rebates received	2,971,484.88	4,987,490.79
Cash received relating to other operating activities	1,322,671,592.03	3,128,476,419.91
Subtotal of cash inflows from operating activities	30,283,131,063.98	27,842,499,783.94
Cash paid for goods and services	19,150,958,256.57	17,553,230,744.56
Cash paid to and for employees	944,064,403.84	887,119,561.10
Payments of taxes and surcharges	1,385,504,517.96	919,411,194.62
Cash paid relating to other operating activities	1,576,297,643.14	1,213,888,162.10
Subtotal of cash outflows from operating activities	23,056,824,821.51	20,573,649,662.38
Net cash flows from operating activities	7,226,306,242.47	7,268,850,121.56
II. Cash flows from investing activities:		
Cash received from disposal of investments	220,000,000.00	
Cash received from investments income	58,224,595.34	26,760,712.33
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	180,415,326.19	131,924,763.00
Net cash received from disposal of subsidiaries and other business units	157,239,547.48	217,547,669.15
Cash received relating to other investing activities	493,655,373.48	409,282,077.65
Subtotal of cash inflows from investing activities	1,109,534,842.49	785,515,222.13
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	510,146,853.21	225,778,525.87
Cash paid on investments	1,100,000,000.00	124,256,800.00
Cash paid relating to other investing activities		4,000,000.00

<b>Item</b>	<b>Amounts for the period</b>	<b>Amounts for the prior period</b>
Subtotal of cash outflows from investing activities	1,610,146,853.21	354,035,325.87
Net cash flows from investing activities	-500,612,010.72	431,479,896.26
III. Cash flows from financing activities:		
Cash receipts from capital contributions	2,500,000,000.00	596,070,000.00
Including: Cash receipts from capital contributions by minority shareholders of subsidiaries	2,500,000,000.00	369,210,000.00
Cash received from borrowings	19,290,941,644.67	19,337,769,412.42
Cash received relating to other financing activities	5,664,015,968.35	2,738,933,979.49
Subtotal of cash inflows from financing activities	27,454,957,613.02	22,672,773,391.91
Cash repayments of amounts borrowed	23,016,573,913.99	22,137,188,922.54
Cash paid for dividend and profit distribution or interest payment	2,917,529,642.16	2,572,090,031.97
Including: Dividend and profit paid by subsidiaries to minority shareholders	48,309,125.87	8,375,000.00
Cash paid relating to other financing activities	8,941,844,744.65	6,208,558,904.21
Subtotal of cash outflows from financing activities	34,875,948,300.80	30,917,837,858.72
Net cash flows from financing activities	-7,420,990,687.78	-8,245,064,466.81
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-18,795,399.94	49,151,722.65
V. Net increase in cash and cash equivalents	-714,091,855.97	-495,582,726.34
Plus: Balance of cash and cash equivalents as at the beginning of the period	4,389,169,963.79	2,890,328,027.41
VI. Balance of cash and cash equivalents as at the end of the period	3,675,078,107.82	2,394,745,301.07

**(ii) Reason for Adjustment in the Financial Statements**

**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 Lease in 2021**

☐ 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 Lease in 2021**

☐ Applicable    ☒ Not applicable

**(iii) Auditors' Report**

Has the third quarterly report already been audited yet?

☐ Yes    ☒ No

The third quarterly report of the Company is unaudited.

By order of the Board  
**Shandong Chenming Paper Holdings Limited**  
**Chen Hongguo**  
*Chairman*

Shandong, the PRC  
29 October 2021

*As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Hu Changqing, Mr. Li Xingchun and Mr. Li Feng; the non-executive Directors are Mr. Han Tingde and Mr. Li Chuanxuan and the independent non-executive Directors are Ms. Yin Meiqun, Mr. Sun Jianfei and Mr. Yang Biao.*

\* *For identification purposes only*