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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)

2022 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)	8,679,605,529.93	1.06%	25,356,033,895.76	-1.57%
Net profit attributable to shareholders of the Company (RMB)	10,434,396.87	-93.53%	240,575,860.63	-88.98%
Net profit after extraordinary gains or losses attributable to shareholders of the Company (RMB)	-18,272,552.33	-93.99%	155,135,374.80	-92.07%
Net cash flows from operating activities (RMB)	–	–	1,149,199,574.17	-84.10%
Basic earnings per share (RMB per share)	-0.004	-150.00%	0.060	-90.20%
Diluted earnings per share (RMB per share)	-0.004	-150.00%	0.060	-90.20%
Rate of return on net assets on weighted average basis	-0.07%	Decrease by 0.3 percentage point	0.95%	Decrease by 8.22 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)	84,213,403,952.72		82,841,454,602.24	1.66%
Owners' equity attributable to shareholders of the Company (RMB)	19,181,075,352.39		19,089,778,227.64	0.48%

Explanation:

Net profit attributable to shareholders of the Company does not exclude the effect of the interest of perpetual bonds accrued during the reporting period. When calculating earnings per share and the rate of return on net assets on weighted average basis, the accrued interest for perpetual bonds from 1 January 2022 to 30 September 2022 of RMB67,090,684.93 is deducted.

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

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Amount for the reporting period	Amount for the period from the beginning of the year to the end of the reporting period	Explanation
Profit or loss from disposal of non-current assets (including write-off of asset impairment provision)	-168,199.99	-4,089,663.02	
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 in compliance with national policies and regulations) accounted for in profit or loss for the current period	59,922,132.37	209,186,744.05	
Profit or loss from debt restructuring	-62,888.33	-817,695.20	
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 financial assets available for sale	-10,273,947.26	-72,396,810.84	
Consumable biological assets measured at fair value	–	3,309,448.09	
Other non-operating income and expense other than the above items	-10,616,013.14	-14,191,733.37	
Less: Effect of income tax	6,174,669.38	30,743,770.17	
Effect of minority interests (after tax)	3,919,465.07	4,816,033.71	
Total	28,706,949.20	85,440,485.83	–

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 2022	31 December 2021	Change	Reason for change
Financial assets held for trading	43,750,076.80	110,886,182.88	-60.55%	(1)
Accounts receivable financing	2,289,103,016.37	435,459,341.76	425.68%	(2)
Other current assets	1,296,907,489.99	1,903,929,492.85	-31.88%	(3)
Other non-current financial assets	782,927,003.25	519,927,003.25	50.58%	(4)
Construction in progress	887,837,005.40	197,749,526.05	348.97%	(5)
Other non-current assets	899,651,848.48	489,936,694.10	83.63%	(6)
Taxes payable	195,238,618.57	321,495,480.67	-39.27%	(7)
Other payables	2,116,442,161.98	1,538,013,585.93	37.61%	(8)
Interest payable	10,082,041.64	55,437,777.80	-81.81%	(9)
Non-current liabilities due within one year	4,327,686,659.70	6,601,311,227.98	-34.44%	(10)
Bonds payable	–	155,000,000.00	-100.00%	(11)
Long-term payables	3,395,425,378.00	2,358,901,022.99	43.94%	(12)
Provisions	–	325,259,082.28	-100.00%	(13)
Treasury shares	128,780,100.00	226,860,000.00	-43.23%	(14)
Other comprehensive income	-759,129,626.55	-445,582,729.36	-70.37%	(15)
Minority interest	4,576,579,625.28	3,457,050,907.26	32.38%	(16)

Explanation of the reasons leading to the major changes:

- (1) Financial assets held for trading decreased by 60.55% as compared to the beginning of the year, mainly due to the fluctuations in the share price of China Bohai Bank held by the Company during the reporting period.
- (2) Accounts receivable financing increased by 425.68% as compared to the beginning of the year, mainly due to an increase in bills held at the end of the reporting period from the beginning of the year.
- (3) Other current assets decreased by 31.88% as compared to the beginning of the year, mainly due to the receipt of VAT credit refunds during the reporting period.

- (4) Other non-current financial assets increased by 50.58% as compared to the beginning of the year, mainly due to the new external investment of the subsidiary Jiangxi Chenming during the reporting period.
- (5) Construction in progress increased by 348.97% as compared to the beginning of the year, mainly due to the equipment relocation of Wuhan Chenming and equipment technological transformation of Shouguang Meilun during the reporting period.
- (6) Other non-current assets increased by 83.63% as compared to the beginning of the year, mainly due to an increase in the prepayments of the subsidiary Huanggang Chenming during the reporting period.
- (7) Taxes payable decreased by 39.27% as compared to the beginning of the year, mainly due to a decrease in taxes payable at the end of the reporting period as compared to the beginning of the year.
- (8) Other payables increased by 37.61% as compared to the beginning of the year, mainly due to the receipt of deposits by the subsidiary Huanggang Chenming for the Phase II project during the reporting period.
- (9) Interest payable decreased by 81.81% as compared to the beginning of the year, mainly due to the repayment of the interest on medium-term notes during the reporting period.
- (10) Non-current liabilities due within one year decreased by 34.44% as compared to the beginning of the year, mainly due to the repayment of medium-term notes and USD bonds during the reporting period.
- (11) 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.
- (12) Long-term payables increased by 43.94% as compared to the beginning of the year, mainly due to an increase in equipment financing at the end of the reporting period.
- (13) Provisions decreased by 100% as compared to the beginning of the year, mainly due to the judgment of the Hong Kong Court of Final Appeal on Arjo's lawsuit and the deduction of the security deposited in the prior periods during the reporting period.
- (14) Treasury shares decreased by 43.23% as compared to the beginning of the year, mainly due to the unlocking of restricted share incentives during the first unlocking period and the repurchase of certain shares that did not meet the unlocking conditions during the reporting period.
- (15) Other comprehensive income decreased by 70.37% as compared to the beginning of the year, mainly due to the effect of the differences arising from the translation of financial statements denominated in foreign currencies at the end of the reporting period.
- (16) Minority interest increased by 32.38% as compared to the beginning of the year, mainly due to the introduction of Xiamen International Trade and BOCOM Investment as strategic investors by the subsidiary Zhanjiang Chenming during the reporting period.

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

Unit: RMB

Item	January – September 2022	January – September 2021	Change	Reason for change
Other income	209,186,744.05	153,924,621.78	35.90%	(1)
Investment income	-35,152,327.92	158,390,688.24	-122.19%	(2)
Credit impairment loss	-39,776,513.42	-217,348,831.07	-81.70%	(3)
Gain on disposal of assets	2,438,642.89	50,997,043.97	-95.22%	(4)
Non-operating income	2,781,177.51	61,110,393.45	-95.45%	(5)
Non-operating expenses	23,508,029.31	5,836,064.62	302.81%	(6)
Income tax expenses	-55,677,461.01	302,614,679.67	-118.40%	(7)
Net profit attributable to owners of the Company	240,575,860.63	2,182,329,264.95	-88.98%	(8)
Profit or loss of minority interest	60,786,319.81	-54,288,254.10	211.97%	(9)

Explanation of the reasons leading to the major changes:

- (1) Other income increased by 35.90% as compared to the corresponding period of last year, mainly due to a year-on-year increase in government grants associated with ordinary operating activities received during the reporting period.
- (2) Investment income decreased by 122.19% as compared to the corresponding period of last year, mainly due to the expenses for derecognition of bill discounting being included in investment income during the reporting period.
- (3) Credit impairment loss decreased by 81.70% as compared to the corresponding period of last year, mainly due to a year-on-year decrease of the Company's provision for bad debts during the reporting period.
- (4) Gain on disposal of assets decreased by 95.22% as compared to the corresponding period of last year, mainly due to the income from land disposal by Huanggang Chenming, a subsidiary, during the corresponding period of last year.

- (5) Non-operating income decreased by 95.45% as compared to the corresponding period of last year, mainly due to a year-on-year decrease in government grants unrelated to ordinary operating activities received during the reporting period.
- (6) Non-operating expenses increased by 302.81% as compared to the corresponding period of last year, mainly due to the payment of interest on security by the Company for Arjo's lawsuit during the reporting period.
- (7) Income tax expenses decreased by 118.40% as compared to the corresponding period of last year, mainly due to a year-on-year decrease in total profit achieved by the Company during the reporting period.
- (8) Net profit attributable to owners of the Company decreased by 88.98% as compared to the corresponding period of last year, mainly due to a year-on-year decrease in the Company's profit resulting from a year-on-year decrease of the selling prices of the Company's machine-made paper, and a year-on-year rise in raw material prices during the reporting period.
- (9) Profit or loss of minority interest increased by 211.97% as compared to the corresponding period of last year, mainly due to a year-on-year increase in the revenue attributable to the minority shareholders of Shouguang Meilun and Zhanjiang Chenming during the reporting period.

3. Analysis of cash flows during the reporting period

Unit: RMB

Item	January – September 2022	January – September 2021	Change	Reason for change
Net cash flows from operating activities	1,149,199,574.17	7,226,306,242.47	-84.10%	(1)
Net cash flows from investment activities	-999,164,406.72	-500,612,010.72	-99.59%	(2)
Net cash flows from financing activities	-1,241,316,289.61	-7,420,990,687.78	83.27%	(3)

Explanation of the reasons leading to the major changes:

- (1) Cash flows from operating activities decreased by 84.10% as compared to the corresponding period of last year, mainly due to a decrease in the proceeds as the selling prices of machine-made paper decreased year-on-year during the reporting period, and an increase in cash paid for the purchase of goods as the prices of raw materials, such as wood chips and chemicals, and energy increased year-on-year at the same time.
- (2) Cash flows from investment activities decreased by 99.59% as compared to the corresponding period of last year, mainly due to the receipt of consideration for equity transfer arising from the disposal of a subsidiary in the prior period.
- (3) Cash flows from financing activities increased by 83.27% as compared to the corresponding period of last year, mainly due to a year-on-year decrease in liabilities due for repayment 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	162,590, of which 139,992 were holders of A shares, 22,268 were holders of B shares and 330 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		Pledged	279,840,000
HKSCC NOMINEES LIMITED	Overseas legal person	12.51%	373,387,875			
CHENMING HOLDINGS (HONG KONG) LIMITED	Overseas legal person	12.20%	364,131,563			
HONG Zejun (洪澤君)	Domestic natural person	2.01%	60,000,000			
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	0.84%	24,987,117			
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas legal person	0.50%	14,771,945			
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.49%	14,688,346			
HONG KONG SECURITIES CLEARING COMPANY LIMITED	Overseas legal person	0.44%	13,193,913			
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	Overseas legal person	0.32%	9,494,211			

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	373,387,875	Overseas listed foreign shares	373,387,875
CHENMING HOLDINGS (HONG KONG) LIMITED	364,131,563	Domestic listed foreign shares	210,717,563
		Overseas listed foreign shares	153,414,000
HONG Zejun (洪澤君)	60,000,000	RMB ordinary shares	60,000,000
SHANDONG SUN HOLDINGS GROUP CO., LTD.	24,987,117	RMB ordinary shares	24,987,117
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	14,771,945	Domestic listed foreign shares	14,771,945
VANGUARD EMERGING MARKETS STOCK INDEX FUND	14,688,346	Domestic listed foreign shares	14,688,346
HONG KONG SECURITIES CLEARING COMPANY LIMITED	13,193,913	RMB ordinary shares	13,193,913
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	9,494,211	Domestic listed foreign shares	9,494,211
JIN XING (金幸)	7,407,705	Domestic listed foreign shares	7,407,705
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 these shareholders, it is not aware that any other shareholders mentioned above are persons acting in concert. It is also not aware that any other shareholders mentioned above are related to each other.		
Securities margin trading of top ten shareholders	<p>Chenming Holdings Company Limited held 457,322,919 RMB ordinary shares, of which 352,322,919 shares were held through ordinary account and 105,000,000 shares were held through credit guarantee security account.</p> <p>HONG Zejun (洪澤君) held 60,000,000 RMB ordinary shares, of which 0 share was held through ordinary account and 60,000,000 shares were held through credit guarantee security account.</p> <p>Shandong Sun Holdings Group Co., Ltd. held 24,987,117 RMB ordinary shares, of which 0 share was held through ordinary account and 24,987,117 shares were held through credit guarantee security account.</p>		

(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. Fulfilment of the unlocking conditions for the first unlocking period under the 2020 Restricted A Share Incentive Scheme

On 18 July 2022, the Company held the second extraordinary meeting of the tenth session of the Board and the first extraordinary meeting of the tenth session of the Supervisory Committee to consider and approve the Resolution on the Fulfilment of the Unlocking Conditions of the Restricted Shares Granted under the 2020 Restricted A Share Incentive Scheme during the First Unlocking Period. Given that the Company's various appraisal indicators had met the unlocking conditions of the 2020 Restricted A Share Incentive Plan (Draft) for granting restricted shares for the first unlocking period, according to the mandates from the Company's 2020 second extraordinary general meeting, the 2020 first class meeting for holders of domestic-listed shares and the 2020 first class meeting for holders of overseas-listed shares, the Board believed that the unlocking conditions for the first unlocking period for granting restricted shares under the 2020 Restricted A Share Incentive Scheme of the Company had been fulfilled, and it was agreed that the 29,948,000 restricted A shares held by 96 eligible participants would be unlocked.

The restricted shares that were unlocked were listed for trading on 27 July 2022.

For further details, please refer to the relevant announcements (announcement No.: 2022-062 and 2022-065) disclosed by the Company on CNINFO on 19 July and 25 July in 2022.

2. Introduction of strategic investors by Zhanjiang Chenming

On 28 July 2022, the Company held the third extraordinary meeting of the tenth session of the Board to consider and approve the Resolution in relation to the “Proposal on the Capital Contribution for Share Increase and Introduction of Strategic Investors for a Controlling Subsidiary”. As Zhanjiang Chenming Pulp & Paper Co., Ltd. (“Zhanjiang Chenming”), a majority-owned subsidiary of the Company, was highly recognised for its good development prospects and the strategic layout of pulp and paper integration, BOCOM Financial Assets Investment Co., Ltd. (“BOCOM Investment”) and Jiaohui Chenming Zhuli (Suzhou) Emerging Industry Development Fund Partnership (Limited Partnership)* (交匯晨鳴助力(蘇州)新興產業發展基金合夥企業(有限合夥)) (“Jiaohui Chenming Fund”) would contribute capital to Zhanjiang Chenming with a total capital contribution of RMB1,000 million. BOCOM Investment and Jiaohui Chenming Fund would contribute RMB500 million and RMB500 million, respectively.

For further details, please refer to the relevant announcement No. 2022-068 disclosed by the Company on CNINFO on 29 July 2022.

3. Trial operation of the household paper project of Shouguang Meilun upon completion

In order to optimise resource allocation, speed up the conversion of old and new energy sources, and promote industrial upgrading and transformation, the Company relocated the household paper production line of its majority-owned subsidiary Wuhan Chenming Hanyang Paper Holdings Co., Ltd. to its majority-owned subsidiary Shouguang Meilun Paper Co., Ltd. (“Shouguang Meilun”). In September 2022, the Shouguang Meilun household paper relocation project commenced trial operation. With a total investment amount of RMB460 million, the entire production line equipment and control system were imported from Valmet, Finland with the world’s most advanced double-layer headbox, former, shoe press, Yankee drying, high temperature air hood and a complete set of automatic DCS system, QCS system, electric drive system and MES system. The entire production line is under fully automatic control, the wire width of the paper machine is 5,600mm, and the running speed can reach 2,000m/min. The project uses 100% virgin wood pulp as raw material, and the products are then sterilised at 450°C to produce high-grade toilet rolls, pocket tissues, facial tissues, napkins, paper towels, etc. of various specifications, with annual production capacity of 49,000 tonnes.

IV. QUARTERLY FINANCIAL STATEMENTS

(i) Financial Statements

1. Consolidated Balance Sheet

Prepared by: Shandong Chenming Paper Holdings Limited

30 September 2022

Unit: RMB

Item	30 September 2022	31 December 2021
CURRENT ASSETS:		
Monetary funds	13,028,752,857.71	14,119,782,939.66
Financial assets held for trading	43,750,076.80	110,886,182.88
Bills receivable	830,000,000.00	—
Accounts receivable	3,276,006,623.53	2,656,517,150.46
Accounts receivable financing	2,289,103,016.37	435,459,341.76
Prepayments	986,947,964.10	891,485,078.46
Other receivables	2,261,241,319.53	2,252,864,083.00
Inventories	5,253,223,532.92	5,282,631,922.12
Non-current assets due within one year	5,376,691,203.14	5,216,934,172.61
Other current assets	1,296,907,489.99	1,903,929,492.85
Total current assets	34,642,624,084.09	32,870,490,363.80

Item	30 September 2022	31 December 2021
NON-CURRENT ASSETS:		
Long-term receivables	1,605,938,260.02	1,788,759,975.35
Long-term equity investments	1,933,960,818.44	1,866,587,685.35
Other non-current financial assets	782,927,003.25	519,927,003.25
Investment property	6,308,537,472.75	6,473,538,431.91
Fixed assets	33,761,859,868.50	35,653,492,676.15
Construction in progress	887,837,005.40	197,749,526.05
Productive biological assets	12,013,202.80	–
Right-of-use assets	185,406,451.23	197,429,176.44
Intangible assets	1,876,399,238.01	1,592,672,934.54
Goodwill	26,946,905.38	26,946,905.38
Long-term prepaid expenses	46,097,578.47	49,141,773.14
Deferred income tax assets	1,243,204,215.90	1,114,781,456.78
Other non-current assets	899,651,848.48	489,936,694.10
Total non-current assets	49,570,779,868.63	49,970,964,238.44
Total assets	84,213,403,952.72	82,841,454,602.24

Item	30 September 2022	31 December 2021
CURRENT LIABILITIES:		
Short term borrowings	35,942,267,360.91	33,523,025,186.22
Bills payable	3,366,847,357.49	3,089,512,327.40
Accounts payable	3,092,487,097.49	3,871,131,345.34
Receipts in advance	46,828,939.04	38,274,028.20
Contract liabilities	1,298,596,641.54	1,382,289,597.54
Employee benefits payable	135,264,818.24	169,899,008.01
Taxes payable	195,238,618.57	321,495,480.67
Other payables	2,116,442,161.98	1,538,013,585.93
Including: Interest payable	10,082,041.64	55,437,777.80
Non-current liabilities due within one year	4,327,686,659.70	6,601,311,227.98
Total current liabilities	50,521,659,654.96	50,534,951,787.29
NON-CURRENT LIABILITIES:		
Long-term borrowings	4,971,348,900.01	5,276,340,154.98
Bonds payable	–	155,000,000.00
Lease liabilities	59,479,962.26	57,281,205.81
Long-term payables	3,395,425,378.00	2,358,901,022.99
Provisions	–	325,259,082.28
Deferred income	1,495,278,104.67	1,573,681,684.25
Deferred income tax liabilities	12,556,975.15	13,210,529.74
Total non-current liabilities	9,934,089,320.09	9,759,673,680.05
Total liabilities	60,455,748,975.05	60,294,625,467.34

Item	30 September 2022	31 December 2021
OWNERS' EQUITY:		
Share capital	2,979,742,200.00	2,984,208,200.00
Other equity instruments	996,000,000.00	996,000,000.00
Including: Preference Shares	—	—
Perpetual Bonds	996,000,000.00	996,000,000.00
Capital reserves	5,359,405,282.88	5,282,805,114.62
Less: Treasury shares	128,780,100.00	226,860,000.00
Other comprehensive income	-759,129,626.55	-445,582,729.36
Surplus reserves	1,212,009,109.97	1,212,009,109.97
General risk provisions	79,840,068.72	76,825,918.60
Retained profit	9,441,988,417.37	9,210,372,613.81
Total equity attributable to owners of the Company	19,181,075,352.39	19,089,778,227.64
Minority interest	4,576,579,625.28	3,457,050,907.26
Total owners' equity	23,757,654,977.67	22,546,829,134.90
Total liabilities and owners' equity	84,213,403,952.72	82,841,454,602.24

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	25,356,033,895.76	25,761,617,244.09
Including: Revenue	25,356,033,895.76	25,761,617,244.09
II. Total operating costs	25,159,168,151.47	23,446,218,592.39
Including: Operating costs	21,661,992,873.92	19,140,007,356.87
Taxes and surcharges	173,762,349.09	216,411,985.30
Sales and distribution expenses	211,648,240.10	219,283,471.96
General and administrative expenses	647,963,086.10	765,443,272.45
Research and development expenses	978,386,493.77	1,092,930,072.65
Finance expenses	1,485,415,108.49	2,012,142,433.16
Including: Interest expenses	1,471,057,552.72	2,176,147,890.57
Interest income	183,204,055.55	222,983,624.40
Plus: Other income	209,186,744.05	153,924,621.78
Investment income (“-” denotes loss)	-35,152,327.92	158,390,688.24
Including: Investment income from associates and joint ventures	36,362,903.71	21,317,900.90
Gain on derecognition of financial assets measured at amortised cost	-105,681,243.38	—
Gain from changes in fair value (“-” denotes loss)	-69,087,362.75	-85,980,812.93
Credit impairment loss (“-” denotes loss)	-39,776,513.42	-217,348,831.07
Loss on impairment of assets (“-” denotes loss)	1,936,644.09	—
Gain on disposal of assets (“-” denotes loss)	2,438,642.89	50,997,043.97
III. Operating profit (“-” denotes loss)	266,411,571.23	2,375,381,361.69
Plus: Non-operating income	2,781,177.51	61,110,393.45
Less: Non-operating expenses	23,508,029.31	5,836,064.62
IV. Total profit (“-” denotes total loss)	245,684,719.43	2,430,655,690.52
Less: Income tax expenses	-55,677,461.01	302,614,679.67

Item	Amounts for the period	Amounts for the prior period
V. Net profit (“-” denotes net loss)	301,362,180.44	2,128,041,010.85
(I) Classification according to the continuity of operation		
1. Net profit from continuing operations (“-” denotes net loss)	301,362,180.44	2,128,041,010.85
(II) Classification according to ownership		
1. Net profit attributable to owners of the Company	240,575,860.63	2,182,329,264.95
2. Profit or loss of minority interests	60,786,319.81	-54,288,254.10
VI. Net other comprehensive income after tax	-313,546,897.19	47,554,760.60
Net other comprehensive income after tax attributable to owners of the Company	-313,546,897.19	47,554,760.60
(I) Other comprehensive income that cannot be reclassified to profit and loss	–	–
(II) Other comprehensive income that will be reclassified to profit and loss	-313,546,897.19	47,554,760.60
1. Exchange differences on translation	-313,546,897.19	47,554,760.60
Net other comprehensive income after tax attributable to minority interest	–	–
VII. Total comprehensive income	-12,184,716.75	2,175,595,771.45
Total comprehensive income attributable to owners of the Company	-72,971,036.56	2,229,884,025.55
Total comprehensive income attributable to minority interest	60,786,319.81	-54,288,254.10
VIII. Earnings per share:		
(I) Basic earnings per share	0.060	0.612
(II) Diluted earnings per share	0.060	0.612

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	25,909,074,910.47	28,957,487,987.07
Tax rebates received	769,119,198.60	2,971,484.88
Cash received relating to other operating activities	1,016,570,780.94	1,322,671,592.03
Subtotal of cash inflows from operating activities	27,694,764,890.01	30,283,131,063.98
Cash paid for goods and services	22,936,348,093.13	19,150,958,256.57
Cash paid to and for employees	1,061,976,197.57	944,064,403.84
Payments of taxes and surcharges	906,349,062.57	1,385,504,517.96
Cash paid relating to other operating activities	1,640,891,962.57	1,576,297,643.14
Subtotal of cash outflows from operating activities	26,545,565,315.84	23,056,824,821.51
Net cash flows from operating activities	1,149,199,574.17	7,226,306,242.47
II. Cash flows from investing activities:		
Cash received from disposal of investments	–	220,000,000.00
Cash received from investments income	33,418,471.24	58,224,595.34
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	56,620,992.30	180,415,326.19
Net cash received from disposal of subsidiaries and other business units	–	157,239,547.48
Cash received relating to other investing activities	–	493,655,373.48
Subtotal of cash inflows from investing activities	90,039,463.54	1,109,534,842.49
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	826,203,870.26	510,146,853.21
Cash paid on investments	263,000,000.00	1,100,000,000.00
Cash paid relating to other investing activities	–	–
Subtotal of cash outflows from investing activities	1,089,203,870.26	1,610,146,853.21
Net cash flows from investing activities	-999,164,406.72	-500,612,010.72

Item	Amounts for the period	Amounts for the prior period
III. Cash flows from financing activities:		
Cash receipts from capital contributions	1,400,000,000.00	2,500,000,000.00
Including: Cash receipts from capital contributions by minority shareholders of subsidiaries	1,400,000,000.00	2,500,000,000.00
Cash received from borrowings	25,170,479,799.08	19,290,941,644.67
Cash received relating to other financing activities	2,850,090,394.82	5,664,015,968.35
Subtotal of cash inflows from financing activities	29,420,570,193.90	27,454,957,613.02
Cash repayments of amounts borrowed	24,517,081,618.27	23,016,573,913.99
Cash paid for dividend and profit distribution or interest payment	1,976,091,231.17	2,917,529,642.16
Including: Dividend and profit paid by subsidiaries to minority shareholders	200,352,435.08	48,309,125.87
Cash paid relating to other financing activities	4,168,713,634.07	8,941,844,744.65
Subtotal of cash outflows from financing activities	30,661,886,483.51	34,875,948,300.80
Net cash flows from financing activities	-1,241,316,289.61	-7,420,990,687.78
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-22,851,708.48	-18,795,399.94
V. Net increase in cash and cash equivalents	-1,114,132,830.64	-714,091,855.97
Plus: Balance of cash and cash equivalents as at the beginning of the period	3,168,915,847.02	4,389,169,963.79
VI. Balance of cash and cash equivalents as at the end of the period	2,054,783,016.38	3,675,078,107.82

(ii) 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
31 October 2022

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Hu Changqing, Mr. Li Xingchun, Mr. Li Feng and Mr. Li Weixian; 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, Mr. Yang Biao and Mr. Li Zhihui.

* *For identification purposes only*