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## 山東晨鳴紙業集團股份有

(a joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 1812)

### 2024 First Quarterly Report

Shandong Chenming Paper Holdings Limited is required to publish quarterly reports in accordance with the requirements of the China Securities

The financial data contained in this quarterly report is unaudited and prepared in accordance with the Accounting Standards for Business Enterprises. This announcement is made in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part X of the Securities and Futures Ordinance. The same is also published on the website of Shandong Chenming Paper Industry Group Co., Ltd. in the newspapers in China.

#### IMPORTANT NOTICE:

1. The Board, the supervisory committee (the "Supervisory Committee"), and the directors (the "Directors"), supervisors (the "Supervisors") and senior management (the "Senior Management") hereby warrant 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.
2. The head of the Company, the head in charge of accounting, and the head of the accounting department (Accounting Officer), declare that they warrant the truthfulness, accuracy and completeness of the financial information in this quarterly report.
3. Has the first quarterly report already been audited yet?

☐ Yes      ☐ No

# I. KEY FINANCIAL DATA

## (I) Material accounting data and financial data

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

☐ Yes ☒ No

	The reporting period	The corresponding reporting period	Change/decline of the reporting period (%)
Revenue (RMB)	6,761,777,174.00	6,155,915,692.16	9.84%
Net profit attributable to shareholders of the Company (RMB)	58,196,200.97	-275,409,967.37	121.13%
Net profit after extraordinary gains or losses attributable to shareholders of the Company (RMB)	-226,480,578.98	-327,893,189.14	30.93%
Net cash flows from operating activities (RMB)	473,092,608.52	916,852,965.06	-48.40%
Basic earnings per share (RMB per share)	0.020	-0.101	119.80%
Diluted earnings per share (RMB per share)	0.020	-0.101	119.80%
Rate of return on weighted average net assets	0.35%	-1.66%	Increase of 2.01 percentage points
	The reporting period	The corresponding reporting period	Change/decline of the reporting period (%)
Total assets (RMB)	80,168,080,139.33	79,487,052,953.58	0.86%
Owners' equity attributable to shareholders of the Company (RMB)	16,678,962,579.88	16,692,175,196.53	-0.08%

(II) **Income Statement**

Applicable ☐ Not applicable

Unit: RMB

Item	Amount	Expense
Profit or loss from disposal of non-current assets (including write-off of provision for assets impairment)	235,146,650.14	
Government grants (except for the government grants closely related to the ordinary course of business of the Company, granted in accordance with an established standard and having an ongoing effect on the Company's profit or loss in compliance with national policies and regulations) accounted for in profit or loss for the current period	14,055,424.69	
Except for effective hedging business conducted in the ordinary course of business of the Company, gain or loss arising from the change in fair value of financial assets and financial liabilities held by a non-financial company, as well as gain or loss arising from disposal of its financial assets and financial liabilities	-17,123,566.63	
Reversal of provision for impairment of account receivables individually tested for impairment	25,852,248.07	
Profit or loss from debt restructuring	616,356.25	
Other non-operating income and expense other than the above items	926,353.05	
Less: Effect of income tax	-25,226,886.42	
Effect of minority interest (after tax)	23,572.04	
Total	284,676,779.95	—

Details of other gain or loss items that fall within the definition of extraordinary gains or losses:

☐ Applicable ☒ Not applicable

The Company did not have details of other gain or loss items that fall within the definition of extraordinary gain or loss.

Explanation 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 its recurring gain or loss items

Applicable ☐ Not applicable

Item	Amount (RMB)	Reason
Other income	13,141,697.56	Government grants related to assets and closely related to the ordinary course of business of the Company as recurring gain or loss due to the inclusion of their subsequent amortisation in other income and their ongoing effect on the Company's profit or loss

### (III) Detailed description of changes in accounting estimates and accounting policies

Applicable ☐ Not applicable

#### 1. Assets and liabilities of the Company

Unit: RMB

Item	31 March 2024	31 December 2023	Change	Reason for change
Receivable financing	253,615,761.22	215,884,249.97	17.48%	(1)
Construction in progress	984,098,616.85	859,617,965.16	14.48%	(2)
Goodwill	8,273,638.42	35,220,543.80	-76.51%	(3)

Explanation of the reasons leading to the major changes:

- Receivable financing increased by 17.48% as compared to the beginning of the year mainly due to an increase in the bills held by the Company as at the end of the reporting period as compared to the beginning of the year.
- Construction in progress increased by 14.48% as compared to the beginning of the year mainly due to an increase in the investments in the technological upgrade projects of the Company during the reporting period.
- Goodwill decreased by 76.51% as compared to the beginning of the year mainly due to the equity disposal of Tuoan Plastic, a subsidiary, during the reporting period.

**2. Reason for Significant Year-on-Year Change of Items Affecting the Operating Profit**

Unit: RMB

Item	January March 2024	January March 2023	Change	Reason for change
Other income	67,250,033.79	36,447,285.05	84.51%	(1)
Investment income	175,353,651.00	-19,449,007.02	1,001.61%	(2)
Gain on change in fair value	-4,572,780.03	-20,439,857.02	77.63%	(3)
Credit impairment loss	-68,342,660.79	53,616,137.66	227.47%	(4)
Net profit attributable to shareholders of the Company	58,196,200.97	-275,409,967.37	121.13%	(5)

Explanation of the reasons leading to the major changes:

- (1) Other income increased by 84.51% as compared to the corresponding period of last year mainly due to a year-on-year increase in grants associated with day-to-day operation received during the reporting period.
- (2) Investment income increased by 1,001.61% as compared to the corresponding period of last year mainly due to a year-on-year increase in the gain on disposal of non-principal assets during the reporting period.
- (3) Gain on change in fair value increased by 77.63% as compared to the corresponding period of last year mainly due to share price fluctuation of China Bohai Bank held during the reporting period.
- (4) Credit impairment loss increased by 227.47% as compared to the corresponding period of last year mainly due to the bad debt provision made in respect of receivables during the reporting period.
- (5) Net profit attributable to shareholders of the Company increased by 121.13% as compared to the corresponding period of last year mainly due to a year-on-year decrease in the prices of major raw materials and energy, and a year-on-year increase in the production volume and sales of pulp and paper, which resulted in improved profitability of the Company during the reporting period.

### 3. Analysis of cash flow changes in period

Unit: RMB

Item	January March 2024	January March 2023	Change	Reason for change
Net cash flows from operating activities	473,092,608.52	916,852,965.06	-48.40%	(1)
Net cash flows from investment activities	578,290,447.91	-17,745,698.36	3,358.76%	(2)
Net cash flows from financing activities	-1,008,870,143.38	-2,099,312,947.21	51.94%	(3)

Explanation of the reasons leading to the major changes:

- (1) Net cash flows from operating activities decreased by 48.40% as compared to the corresponding period of last year mainly due to an increase in the expenditure on the purchase of raw materials due to an increase in production volume.
- (2) Net cash flows from investment activities increased by 3,358.76% as compared to the corresponding period of last year mainly due to a year-on-year increase in the receipt of proceeds from disposal of non-principal assets during the reporting period.
- (3) Net cash flows from financing activities increased by 51.94% as compared to the corresponding period of last year mainly due to a year-on-year decrease in the repayment of due debts during the reporting period.

## II. INFORMATION ON SHAREHOLDERS

(I) The following table shows the distribution of the shares of the Company as of the end of the reporting period.

Unit: share

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Shareholding percentage of the listed share			
Name of the shareholder	Number of listed shares	Classification	
		Classification	Number
CHENMING HOLDINGS COMPANY LIMITED	457,322,919	RMB ordinary shares	457,322,919
HKSCC NOMINEES LIMITED	373,490,275	Overseas listed foreign shares	373,490,275
CHENMING HOLDINGS (HONG KONG) LIMITED (Note 1)	364,131,563	Domestic listed foreign shares	210,717,563
		Overseas listed foreign shares	153,414,000
Hong Zejun	32,700,000	RMB ordinary shares	32,700,000
SHANDONG SUN HOLDINGS GROUP CO., LTD.	24,987,117	RMB ordinary shares	24,987,117
China Merchants Securities (HK) Co., Limited	21,103,282	Domestic listed foreign shares	21,103,282
HONG KONG SECURITIES CLEARING COMPANY LIMITED	16,798,430	RMB ordinary shares	16,798,430
VANGUARD EMERGING MARKETS STOCK INDEX FUND	14,852,146	Domestic listed foreign shares	14,852,146
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	14,771,945	Domestic listed foreign shares	14,771,945
Xu Hekun	6,239,800	Domestic listed foreign shares	6,239,800
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 and chairman of Chenming Holdings Company Limited. Save for the above, it is not aware that any other shareholders above are persons acting in concert. It is also not aware that any other shareholders above 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 326,322,919 shares were held through ordinary account and 131,000,000 shares were held through credit guarantee security account;  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.		

**Note 1:** In order to meet its own capital needs, Chenming Holdings (Hong Kong) Limited conducted share financing business with overseas institutions, entrusting 210,717,563 B shares and 153,414,000 H shares of the Company held by it to the custody brokerage designated by overseas institutions. The aforesaid shares were subject to the risk of not to be recovered, which may lead to a reduction in the Company's shareholding, but does not affect Chenming Holdings' position as the largest shareholder, and does not affect the control over the Company. For details, please refer to the announcement disclosed by the Company on CNINFO on 18 July 2023 (announcement no.: 2023-058) and the inside information disclosed by the Company on the website of Hong Kong Stock Exchange on 18 July 2023.





#### IV. QUARTERLY FINANCIAL STATEMENTS

##### (I) Financial Statement

##### 1. Consolidated Balance Sheet

Prepared by: Shandong Chenming Paper Holdings Limited

31 March 2024

Unit: RMB

Item	Balance at the end of the period	Balance at the beginning of the period
<b>CURRENT ASSETS:</b>		
Monetary funds	13,234,699,053.24	12,124,832,831.30
Financial assets held for trading	41,802,985.30	46,294,291.71
Bills receivable	446,641,680.93	411,600,000.00
Accounts receivable	2,595,192,714.93	2,528,507,059.83
Receivable financing	253,615,761.22	215,884,249.97
Prepayments	846,994,359.27	825,135,156.21
Other receivables	2,109,162,223.88	2,224,904,557.88
Including: Interest receivable	—	—
Dividend receivable	—	—
Inventories	5,033,548,744.08	4,958,178,000.36
Non-current assets due within one year	3,938,099,908.72	4,161,725,935.75
Other current assets	1,133,340,931.85	1,068,826,944.78
Total current assets	29,633,098,363.42	28,565,889,027.79

<b>I e</b>	<b>Ba a ce a he e d f he e í d</b>	<b>Ba a ce a he be ġ í g f he e í d</b>
<b>NON-CURRENT ASSETS:</b>		
Long-term receivables	658,330,160.63	339,293,533.35
Long-term equity investments	4,677,159,894.88	4,685,199,385.73
Other non-current financial assets	781,561,040.57	781,561,040.57
Investment property	6,002,437,507.46	6,049,242,696.36
Fixed assets	32,512,693,592.05	33,186,248,169.56
Construction in progress	984,098,616.85	859,617,965.16
Bearer biological assets	17,684,687.36	17,684,687.36
Right-of-use assets	165,847,864.12	167,815,311.50
Intangible assets	1,946,926,556.44	2,002,360,891.85
Goodwill	8,273,638.42	35,220,543.80
Long-term prepaid expenses	38,813,126.76	39,979,161.49
Deferred income tax assets	1,754,499,606.69	1,689,857,881.49
Other non-current assets	986,655,483.68	1,067,082,657.57
Total non-current assets	50,534,981,775.91	50,921,163,925.79
Total assets	80,168,080,139.33	79,487,052,953.58

<b>I e</b>	<b>Ba a ce a he e d f he p e í d</b>	<b>Ba a ce a he begí í g f he p e í d</b>
<b>CURRENT LIABILITIES:</b>		
Short-term borrowings	34,156,538,006.30	33,475,479,021.62
Bills payable	4,864,151,408.49	4,618,986,463.95
Accounts payable	4,012,928,426.86	3,902,620,870.20
Receipts in advance	12,726,452.13	16,242,921.65
Contract liabilities	1,484,812,635.97	1,443,680,155.62
Employee benefits payable	71,553,817.28	74,337,158.44
Taxes payable	89,002,240.16	99,709,707.56
Other payables	2,435,171,337.85	2,414,752,127.19
Including: Interest payable	—	—
Dividend payable	—	—
Non-current liabilities due within one year	3,697,955,819.50	3,631,937,677.82
Other current liabilities	100,000,000.00	100,000,000.00
Total current liabilities	50,924,840,144.54	49,777,746,104.05
<b>NON-CURRENT LIABILITIES:</b>		
Long-term borrowings	4,522,792,275.32	4,681,014,489.64
Lease liabilities	41,987,022.85	41,987,022.85
Long-term payables	2,490,524,904.95	2,541,095,217.66
Deferred income	1,315,791,418.97	1,337,864,114.70
Deferred income tax liabilities	5,460,721.21	9,490,159.05
Total non-current liabilities	8,376,556,343.30	8,611,451,003.90
Total liabilities	59,301,396,487.84	58,389,197,107.95

Item	Balance at the beginning of the period	Balance at the end of the period
<b>OWNERS' EQUITY:</b>		
Share capital	2,956,813,200.00	2,956,813,200.00
Capital reserves	5,260,800,924.65	5,328,790,899.61
Less: Treasury shares	63,432,450.00	63,432,450.00
Other comprehensive income	-869,637,853.41	-864,881,489.08
Special reserves	24,660,351.24	23,322,829.57
Surplus reserves	1,212,009,109.97	1,212,009,109.97
General risk provisions	79,370,294.91	79,370,294.91
Retained profit	8,078,379,002.52	8,020,182,801.55
Total equity attributable to owners of the Company	16,678,962,579.88	16,692,175,196.53
Minority interest	4,187,721,071.61	4,405,680,649.10
Total owners' equity	20,866,683,651.49	21,097,855,845.63
Total liabilities and owners' equity	80,168,080,139.33	79,487,052,953.58

Legal Representative:  
CHEN Hongguo

Financial controller:  
DONG Lianming

Head of the financial  
department:  
ZHANG Bo

## 2. Consolidated cash flow

Unit: RMB

Item	Amount	Amount
I. Total revenue	6,761,777,174.00	6,155,915,692.16
Including: Revenue	6,761,777,174.00	6,155,915,692.16
II. Total operating costs	6,942,765,607.09	6,538,140,020.52
Including: Operating costs	5,925,181,391.78	5,508,548,242.09
Taxes and surcharges	52,636,926.02	48,149,038.79
Sales and distribution expenses	49,301,631.54	50,837,060.50
General and administrative expenses	186,746,853.59	195,126,403.86
Research and development expenses	307,814,308.92	274,275,020.83
Finance expenses	421,084,495.24	461,204,254.45
Including: Interest expenses	384,652,878.96	413,293,924.01
Interest income	50,214,057.31	51,013,234.96
Plus: Other income	67,250,033.79	36,447,285.05
Investment income (“-” denotes loss)	175,353,651.00	-19,449,007.02
Including: Investment income from associates and joint ventures	-8,039,490.86	11,141,176.01
Gains on derecognition of financial assets measured at amortised cost	-33,377,925.62	-30,590,183.03
Gain from changes in fair value (“-” denotes loss)	-4,572,780.03	-20,439,857.02
Credit impairment loss (“-” denotes loss)	-68,342,660.79	53,616,137.66
Gain on disposal of assets (“-” denotes loss)	18,782,963.11	1,625,279.33
III. Operating profit (“-” denotes loss)	7,482,773.99	-330,424,490.36
Plus: Non-operating income	1,576,216.66	164,395.01
Less: Non-operating expenses	440,887.81	38,033.94

Item	Amount in RMB	Amount in USD
IV. Total profit (“-” denotes total loss)	8,618,102.84	-330,298,129.29
Less: Income tax expenses	-59,148,858.64	-62,533,791.41
V. Net profit (“-” denotes net loss)	67,766,961.48	-267,764,337.88
(I) Classification according to the continuity of operation		
1. Net profit from continuing operations (“-” denotes net loss)	67,766,961.48	-267,764,337.88
2. Net profit from discontinued operations (“-” denotes net loss)	-	-
(II) Classification according to ownership		
1. Net profit attributable to owners of the Company	58,196,200.97	-275,409,967.37
2. Profit or loss of minority interest	9,570,760.51	7,645,629.49
VI. Net other comprehensive income after tax	-4,756,364.33	9,681,977.36
Net other comprehensive income after tax attributable to owners of the Company	-4,756,364.33	9,681,977.36
(I) Other comprehensive income that cannot be reclassified to profit or loss	-	-
(II) Other comprehensive income that will be reclassified to profit and loss	-4,756,364.33	9,681,977.36
1. Exchange differences on translation	-4,756,364.33	9,681,977.36
VII. Total comprehensive income	63,010,597.15	-258,082,360.52
Total comprehensive income attributable to owners of the Company	53,439,836.64	-265,727,990.01
Total comprehensive income attributable to minority interest	9,570,760.51	7,645,629.49
VIII. Earnings per share:		
(I) Basic earnings per share	0.020	-0.101
(II) Diluted earnings per share	0.020	-0.101

Legal Representative:  
CHEN Hongguo

Financial controller:  
DONG Lianming

Head of the financial  
department:  
ZHANG Bo

### 3. Continued cash flow

Unit: RMB

Item	Amount for the period	Amount for the period
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	7,033,986,890.40	6,667,567,447.74
Tax rebates received	—	50,397,942.81
Cash received relating to other operating activities	74,844,984.08	454,140,977.17
Subtotal of cash inflows from operating activities	7,108,831,874.48	7,172,106,367.72
Cash paid for goods and services	5,621,813,152.10	5,290,268,561.37
Cash paid to and for employees	313,463,670.98	329,095,399.91
Payments of taxes and surcharges	92,191,721.74	241,728,451.16
Cash paid relating to other operating activities	608,270,721.14	394,160,990.22
Subtotal of cash outflows from operating activities	6,635,739,265.96	6,255,253,402.66
Net cash flows from operating activities	473,092,608.52	916,852,965.06
II. Cash flows from investing activities:		
Cash received from investments income	—	1,100,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	14,579,061.29	38,118,000.00
Net cash received from disposal of subsidiaries and other business units	610,036,216.44	—
Subtotal of cash inflows from investing activities	624,615,277.73	39,218,000.00
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	46,324,829.82	56,963,698.36
Subtotal of cash outflows from investing activities	46,324,829.82	56,963,698.36
Net cash flows from investing activities	578,290,447.91	-17,745,698.36



Item	Amount for the period	Amount for the period
III. Cash flows from financing activities:		
Cash received from borrowings	7,413,379,935.27	6,865,328,508.10
Cash received relating to other financing activities	753,100,000.00	1,097,552,764.73
Subtotal of cash inflows from financing activities	8,166,479,935.27	7,962,881,272.83
Cash repayments of amounts borrowed	6,635,729,674.31	8,516,517,361.50
Cash paid for dividend and profit distribution or interest payment	429,540,804.58	443,884,107.05
Including: Dividend and profit paid by subsidiaries to minority shareholders	—	—
Cash paid relating to other financing activities	2,110,079,599.76	1,101,792,751.49
Subtotal of cash outflows from financing activities	9,175,350,078.65	10,062,194,220.04
Net cash flows from financing activities	-1,008,870,143.38	-2,099,312,947.21
IV. Effect of foreign exchange rate changes on cash and cash equivalents	7,400,877.02	-74,878,346.63
V. Net increase in cash and cash equivalents	49,913,790.07	-1,275,084,027.14
Plus: Balance of cash and cash equivalents as at the beginning of the period	764,233,742.61	2,159,460,149.51
VI. Balance of cash and cash equivalents as at the end of the period	814,147,532.68	884,376,122.37

(II) Add the first quarter of the year the financial results of the first quarter of the year ended March 31, 2024

☐ Applicable ☐ Not applicable

(III) Add ' Rep

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 Chengyong Paper Holding Limited  
Chen Hongguo  
Chairman

Shandong, the PRC  
15 April 2024

*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