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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)

VOLUNTARY LIQUIDATION OF A SUBSIDIARY

This announcement is made by Shandong Chenming Paper Holdings Limited* (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.25(1)(c) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) would like to inform the shareholders and potential investors of the Company that on 14 August 2024, the Company held the tenth meeting of the tenth session of the Board to consider and approve the Resolution on Dissolution of Shandong Chenming Group Finance Co., Ltd. (《關於山東晨鳴集團財務有限公司解散的議案》), pursuant to which the Company resolved to apply to the National Financial Regulatory Administration for the dissolution (the “**Voluntary Liquidation**”) of Shandong

Key Financial Data of Chenming Finance

Unit: RMB'0,000

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Total assets	604,484.37	648,507.84
Total liabilities	67,398.21	106,447.32
Net assets	537,086.16	542,060.52

	For the six months ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited)
Revenue	5,228.68	14,372.61
Operating profit	3,902.21	11,478.28
Net profit	2,825.64	8,605.32

Reasons for the Voluntary Liquidation

The current business scope of Chenming Finance failed to provide effective support for the development of major operations of the Company and increased the operating costs of the Company. Therefore, the Company resolved to dissolve Chenming Finance to further focus on the development of its major operations of pulp and paper making, improve the efficiency of asset management, reduce the operating costs, improve the economic returns and achieve a high-quality sustainable development.

Impact on the Company

The dissolution of Chenming Finance was carried out according to the relevant regulations and requirements of the Company Law, the Administrative Measures on Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》) and the Measures for the Implementation of Administrative Licensing Matters for Non-Banking Financial Institutions (《非銀行金融機構行政許可事項實施辦法》), and complied with the requirements of relevant laws, regulations and regulatory documents. Upon the dissolution of Chenming Finance, the Company will effectively lower the operating costs, reduce the capital appropriated to assets in non-major operations, further optimize the allocation of resources, enhance the profitability and achieve a sustainable and healthy development. Chenming Finance is a wholly-owned subsidiary of the Company and its dissolution will have a positive impact on the development and profitability of the Company's major operations, and will have no adverse impact on the financial position and operating results of the Company for the current period without prejudice to the interests of the Company and shareholders, especially those of minority shareholders.

In view of the above, the Board considers that the Voluntary Liquidation is in the best interests of the Company and its shareholders as a whole and will have no material adverse effect on the financial performance and operations of the Group.

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

Shandong, the PRC
14 August 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*