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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)

**Inside Information – 2024 Annual Results Forecast
Profit Warning**

This announcement is made by Shandong Chenming Paper Holdings Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (“**SFO**”) (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The Company and all members of its board (the “**Board**”) of directors hereby warrant the truthfulness, accuracy and completeness of the contents of this announcement which do not contain any false information, misleading statements or material omissions.

I. RESULTS FORECAST FOR THE PERIOD

(1) Reporting period

1 January 2024 to 31 December 2024 (the “**Reporting Period**”)

(2) Results forecast

Net profit is expected to be negative

Item	During the Reporting Period	Corresponding period of last year
Net profit attributable to shareholders of the Company	Loss: RMB6,500.00 million – 7,500.00 million	Loss: RMB1,281.29 million
Net profit attributable to shareholders of the Company after extraordinary gains or losses	Loss: RMB6,550.00 million – 7,550.00 million	Loss: RMB1,942.12 million
Basic earnings per share	Loss: RMB2.21 per share – RMB2.56 per share	Loss: RMB0.45 per share

II. COMMUNICATION WITH THE ACCOUNTING FIRM

Relevant data in this results forecast are preliminary estimations by the financial department of the Company, which have not been audited by an accounting firm. The Company has communicated with the accounting firm responsible for its annual audit in respect of matters regarding this results forecast. There is no disagreement on the results forecast between the Company and the accounting firm responsible for its annual audit.

III. REASONS FOR THE CHANGES IN RESULTS

- 1) In recent years, the contradiction between supply and demand in the short term has been prominent due to the concentration of newly-added production capacity in the paper industry. During the reporting period, the prices of the Company's major products continued to decline, resulting in a year-on-year decrease in gross profit. As some finance lease customers were not operating well and there were unexpected circumstances such as litigation and seizure, the Company increased the proportion of bad debt provision for some finance lease customers based on the principle of prudence. As a result of the shutdown and maintenance of the Company's major production bases one after another in the fourth quarter, the production capacity was under-utilised, and the production and sales volume declined year on year. The Company made provision for impairment of certain assets.
- 2) Currently, financial institutions have established provincial debt committees, which have preliminarily agreed there will be no loan cancellations or delays at the moment and to renew maturing business wherever possible. They have also considered to provide support such as maturity period extension, interest rate reduction and interest settlement cycle extension, thus easing the Company's operating pressure. However, relevant matters are subject to the review and approval by relevant financial institutions. With the strong support of government authorities and financial institutions at all levels, the Company will accelerate the progress of maintenance and technical renovation, focus on its main responsibilities and principal activities, adjust and optimise its internal management, promote corporate reform and innovation, and fully promote the resumption of normal production, thus achieving sustainable and stable operation and further restoring its profitability.

IV. OTHER RELEVANT EXPLANATION

The financial data set out above are solely preliminary estimations by the Board with reference to available information as at the date of this announcement. Such information has not yet been audited or reviewed by the auditor of the Company, and may be subject to adjustment. Shareholders of the Company and investors are advised to read the relevant announcement when the Company publishes its 2024 annual report.

Shareholders of the Company and potential investors are urged to exercise caution when dealing in the securities of the Company.

By order of the Board
Shandong Chenming Paper Holdings Limited
Hu Changqing
Chairman

Shandong, the PRC
23 January 2025

As at the date of this announcement, the executive Directors are 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*