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常茂生物化學工程股份有限公司

Changmao Biochemical Engineering Company Limited*

(a joint stock limited company incorporated in the People’s Republic of China)

(Stock Code: 954)

VOLUNTARY ANNOUNCEMENT APPLICATION OF NEW PROJECT BANK LOAN

This announcement is made by Changmao Biochemical Engineering Company Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Changmao (Dalian) New Material Company Limited (“**Changmao Dalian**”), a wholly owned subsidiary of the Company, operates a factory in Dalian City, Liaoning Province, the People’s Republic of China (the “**PRC**”). The phase I production plant construction of Changmao Dalian has been completed and started operation in the fourth quarter of 2022. The construction of the phase II production plant of Changmao Dalian (“**Phase II Project**”) has been recently commenced.

The board of directors (the “**Board**”) of the Company hereby announces the Board has approved to apply for a new project bank loan amounting to not more than RMB200 million (“**Bank Loan**”) to finance the Phase II Project. The remaining funding requirements for the Phase II Project will be satisfied by the Group's internal resources.

Principal terms of the Bank Loan are as follows:

Principal amount:	Not more than RMB200,000,000
Borrower:	Changmao Dalian
Lenders:	Industrial and Commercial Bank of China Limited (“ ICBC ”) (Changzhou Branch and Dalian Branch) and Shanghai Pudong Development Bank Company Limited (“ SPD ”) (Dalian Branch)
Guarantor:	The Company will provide a full guarantee of all liabilities under the Bank Loan

Security:	A second mortgage of the industrial land under the name of Changmao (Dalian) New Material Company Limited (Certificate No.: Liao (2021) Dalian Changxingdao Real Estate No. 06900014 (遼 (2021) 大連長興島不動產權第06900014號))
Total interest rate and comprehensive handling fee:	Market quoted Loan Prime Rate (“LPR”) for loans over 5 years announced by The National Interbank Funding Center one working day before the effective date of the contract +0.3% / year. Subsequent interest rate will be adjusted according to the LPR every 12 months
Repayment period:	Repayable in 5 years by 10 equal half-yearly installments of RMB20 million, with the first installment starting from September 2024

As far as the Company is aware and after making reasonable enquiries, ICBC is a licensed state-owned commercial bank established under the law of the PRC and its shares are listed on the Shanghai Stock Exchange and the Main Board of the Stock Exchange; SPD is a licensed commercial bank established under the law of the PRC and its shares are listed on the Shanghai Stock Exchange. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, ICBC and SPD and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons as at the date of this announcement.

Other terms of the Bank Loan will be determined after negotiations between the Group and the Lenders.

By order of the Board of
Changmao Biochemical Engineering Company Limited*
Rui Xin Sheng
Chairman

The PRC, 13 September 2023

As at the date hereof, Mr. Rui Xin Sheng (Chairman) and Mr. Pan Chun are the executive directors of the Company, Mr. Zeng Xian Biao, Mr. Yu Xiao Ping, Mr. Wang Jian Ping and Ms. Leng Yi Xin are the non-executive directors of the Company, Mr. Zhou Zhi Wei, Mr. Shu Rong Xin and Ms. Cheng Mun Wah are the independent non-executive directors of the Company.

**For identification purpose only*