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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Shandong Chenming Paper Holdings Limited (the “**Company**”) published the “Shandong Chenming Paper Holdings Limited: Announcement on Progress of the Disposal of Equity Interest in Investee” dated 26 December 2023 on the website of Shenzhen Stock Exchange. The following is a translation of the official announcement solely for the purpose of providing information.

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

Shandong, the PRC
26 December 2023

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*

Stock code: 000488 200488 Stock abbreviation: Chenming Paper, Chenming B
Announcement No.: 2023-084

山东晨鸣纸业集团股份有限公司

SHANDONG CHENMING PAPER HOLDINGS LIMITED*

ANNOUNCEMENT ON PROGRESS OF THE DISPOSAL OF EQUITY INTEREST IN INVESTEE

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

I. Overview of the transaction

In order to further optimize the asset structure, focus on the main businesses of pulping and paper making and enhance the profitability of the Company, the thirteenth extraordinary meeting of the tenth session of the Board held by Shandong Chenming Paper Holdings Limited (the “Company”) on 28 November 2023 considered and approved the Resolution in relation to the Disposal of the Equity Interest in Goldtrust Futures through the Public Tender, pursuant to which the Company agreed Shouguang Meilun Paper Co., Ltd. (the “Shouguang Meilun”), a controlling subsidiary, to sell 35.4331% of its equity interests in Goldtrust Futures Co., Ltd. (the “Goldtrust Futures”), at the Wuhan Optics Valley United Property Rights Exchange Jiang Cheng Equity Exchange Limited (武汉光谷联合产权交易所江城产权交易所有限公司) (the “Wuhan Optics Valley Property Rights Exchange”) through public tender, at an initial tender price of RMB197 million. For details, please refer to the relevant announcements disclosed by the Company on the website of CNINFO (www.cninfo.com.cn) on 29 November 2023 and the website of the Hong Kong Stock Exchange (www.hkex.com.hk) on 28 November 2023.

II. Progress of the transaction

On 4 December 2023, Shouguang Meilun transferred 35.4331% of its equity interests in Goldtrust Futures, at the Wuhan Optics Valley Property Rights Exchange

through public tender, at an initial tender price of RMB197 million.

On 18 December 2023, Shouguang Meilun received the Information Feedback Letter on Project Listed (《挂牌项目信息反馈函》) from the Wuhan Optics Valley Property Rights Exchange. The transferee was a consortium constituted by Yuekai Securities Co., Ltd. (粤开证券股份有限公司) (“Yuekai Securities”), Shanghai Ding Anxin Enterprise Management Partnership (Limited Partnership) (上海鼎安欣企业管理合伙企业 (有限合伙)) (the “Ding Anxin Partnership”) and a natural person Chen Pingsen, at a transaction price of RMB197 million.

On 25 December 2023, Shouguang Meilun entered into the Property Rights Exchange Contract with Yuekai Securities, Ding Anxin Partnership and Chen Pingsen, under which Yuekai Securities accepted 30% equity interests in Goldtrust Futures, Ding Anxin Partnership accepted 4.99% equity interests in Goldtrust Futures and Chen Pingsen accepted 0.4431% equity interests in Goldtrust Futures.

The transaction does not constitute a related party transaction, nor does it constitute a material asset restructuring as stipulated in the Administrative Measures for Material Asset Restructuring of Listed Companies, and is subject to the approval of the China Securities Regulatory Commission.

III. Basic information of the counterparties

(I) Basic information of the counterparty I

Company name: Yuekai Securities Co., Ltd.

Legal representative: Yan Yibin

Registered capital: RMB3,322,610,898

Date of establishment: 23 June 1988

Unified social credit code: 914413001959762729

Business scope: securities brokerage; commissioned sales of securities investment fund; securities investment consulting; financial consultancy relating to securities transaction and securities investment; securities asset management; proprietary securities trading; commissioned sales of financial products; securities margin trading; securities underwriting and sponsorship.

Nature of the company: Other joint stock limited company (unlisted)

Registered address: 19th, 22nd and 23rd Floors, Development District Holding Center, No. 60 Kexue Avenue, Huangpu District, Guangzhou

Shareholding of the top 10 shareholders: Guangzhou Development District Holding Group Limited holds 47.24% of its equity interests, Grand China Air Co., Ltd. holds 4.77% of its equity interests, Harbin Economic Development and Investment Company holds 4.39% of its equity interests, Guangdong Yuecai Investment Holding Co., Ltd. holds 3.54% of its equity interests, Shanghai Yinke Chuangzhan Investment Group Co., Ltd. holds 2.3% of its equity interests, Zhang Jian, a natural person, holds 2.05% of its equity interests, Guan Aixia, a natural person, holds 1.54% of its equity interests, Tianfeng Securities Co., Ltd. through its securities account designated for market-making holds 1.31% of its equity interests, Li Haihuai, a natural person, holds 1.16% of its equity interests, and China Fortune Securities Co., Ltd. holds 1.1% of its equity interests.

Key financial data: As of 31 December 2022, Yuekai Securities had the total assets of RMB18,959,180,300, the total liabilities of RMB13,908,842,800, the net assets of RMB5,050,337,500, and achieved an operating income of RMB802,275,000, a total profit of RMB40,151,100, and a net profit of RMB31,296,300 (audited) in 2022.

(II) Basic information of the counterparty II

Name: Chen Pingsen

Address: Qingpu District, Shanghai

Employed unit: Goldtrust Futures Co., Ltd.

(III) Basic information of the counterparty III

Company name: Shanghai Ding Anxin Enterprise Management Partnership (Limited Partnership)

Executive partner: Wang Qingxia

Registered capital: RMB27,750,000

Date of establishment: 21 November 2023

Unified social credit code: 91310116MAD5LRBM3L

Business scope: general projects: corporate management.

Type of company: Limited Partnership

Registered address: No. 28 Shenpujing Road, Zhujing Town, Jinshan District, Shanghai (Northern Economic Park of Jinshan Capital Group)

Shareholding structure: Chen Feng, a natural person, holds 50% of its equity interests, Ye Youyu, a natural person, holds 49% of its equity interests and Wang Qingxia, a natural person, holds 1% of its equity interests.

Key financial data: Ding Anxin Partnership is the newly established corporate without any financial data for the recent year.

Yuekai Securities, Ding Anxin Partnership and Chen Pingsen are not discredited parties subject to enforcement. They neither have connected relationship with the Company and its top ten shareholders regarding property rights, business, assets, debts and liabilities and personnel, nor there is any other relationship that may or has resulted in the interests of the listed company being tilted in its favour.

IV. Main contents of the transaction agreement

Transferor (hereinafter referred to as “Party A”): Shouguang Meilun Paper Co., Ltd.

Transferee 1 (hereinafter referred to as “Party B1”): Yuekai Securities Co., Ltd.

Transferee 2 (hereinafter referred to as “Party B2”): Chen Pingsen

Transferee 3 (hereinafter referred to as “Party B3”): Shanghai Ding Anxin Enterprise Management Partnership (Limited Partnership)

Target company: Goldtrust Futures Co., Ltd.

(I) Subject of property rights transfer

Party A holds 35.4331% equity interests in the target company and intends to transfer 35.4331% equity interests held in the target company to Party B, of which Party B1 acquires 30.00% equity interests in the target company held by Party A, and Party B2 acquires 0.4431% equity interest in the target company held by Party A, and Party B3 acquires 4.99% equity interests in the target company held by Party A.

(II) Method of property rights transfer

The transfer subject shall be transferred by agreement.

(III) Property rights transfer price and payment

1. Transfer price

According to the public listing results, Party A transferred the transfer subject under this contract to Party B at a price of RMB197,000,000. The deposit paid by Party B in accordance with the requirements of Party A and the property rights exchange institution shall be discounted as part of the transfer price. Among them, Party B1 paid a transfer price of RMB166,793,200 and paid a deposit of RMB16,679,300; Party B2 paid a transfer price of RMB2,463,500 and paid a deposit of RMB246,400; and Party B3 paid a transfer price of RMB27,743,300 and paid a deposit of RMB2,774,300.

2. Payment method of transfer price

The deposit paid by Party B in accordance with the requirements of Party A and the property rights exchange institution at the time of registration shall be discounted as part of the transfer price, which shall be paid by the property rights exchange institution to the designated account of Party A within five working days after the signing of this contract; and Party B shall remit the remaining transfer price (after deducting the deposit) to the settlement account designated by the property rights exchange institution within 5 working days from the approval date of property rights exchange by the China Securities Regulatory Commission.

(IV) Approval and completion of property rights transfer

The transfer shall be submitted to the approval authority for approval in accordance with the law. Party A and Party B shall perform or assist in fulfilling their report obligations to the approval authority and put their best efforts to cooperate with any reasonable requests and inquiries raised by the approval authority to obtain its approval for the contract and the property rights exchange thereunder.

Within 30 working days after obtaining the proof of property rights exchange issued by the property rights exchange institution for the property rights exchange under the contract, Party A shall convene the shareholders of the target company to hold a general meeting and make a resolution regarding the equity transfer, urge the target company to amend its articles of association as soon as possible in accordance with the resolution of the general meeting, and go through the registration procedures for the change of equity of the target company at the registration authority. Party B shall provide necessary assistance and cooperation.

(V) Establishment and validity of the contract

1. The contract is established after being signed and sealed by the legal representatives or authorized representatives of both parties.

2. In accordance with the PRC Civil Code, the Administrative Measures for the Supervision of Futures Companies and other relevant laws and regulations, the contract shall come into force upon approval by the China Securities Regulatory Commission. In the event of any dispute before it becomes effective, the relevant parties shall be held accountable in accordance with the terms of the contract and relevant laws and regulations.

V. Impact on the Company

The disposal of equity interest in Goldtrust Futures by Shouguang Meilun will help optimize the asset structure, increase cash inflow, give full play to its own advantages and focus on the development of the main business of pulping and paper making, and further enhance the profitability of the Company. Upon completion of the transaction, Shouguang Meilun will cease to hold any equity interest in Goldtrust Futures.

The transaction is subject to the approval of the China Securities Regulatory Commission. The Company will perform its information disclosure obligations in a timely manner according to the progress of the transaction, and investors are advised to pay attention to the investment risks.

VI. Documents available for inspection

1. Property Rights Exchange Contract.

It is hereby announced.

The Board of Directors of Shandong Chenming Paper Holdings Limited

26 December 2023