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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)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANIES

THE DISPOSAL

The Board is pleased to announce that on 15 December 2025 (after trading hours), Zhanjiang Chenming Paper (as vendor of the Target Loan), Chenming HK (as vendor of the Target Interests) and the Purchaser (as purchaser) entered into the Equity and Loan Transfer Agreement, pursuant to which the Company and Chenming HK agreed to sell and the Purchaser agreed to acquire the Target Interests and the Target Loan for a total consideration of RMB3,336.353 million.

As at the date of this announcement, (i) Target Company 1 is held as to 100% by Chenming HK; (ii) Target Company 2 is held as to 75% by Target Company 1 and 25% by Chenming HK; and (iii) Target Company 3 is held as to 75% by Target Company 2 and 25% by Chenming HK.

Upon completion of the Disposal, the Company will cease to have any interest in the Target Group. The Target Group Companies will cease to be subsidiaries of the Company and the financial results of the Target Group will cease to be included in the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be convened and held for the Shareholders to consider and, if thought fit, pass resolution(s) to approve the Disposal.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or any of their respective associates has any material interest in the Disposal and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM.

A circular containing, among others, (i) further information on the Disposal; (ii) other information as required under the Listing Rules; and (iii) a notice of the EGM and the proxy form for the EGM, is expected to be despatched to the Shareholders on or before 30 December 2025.

Completion may or may not proceed as it is subject to a number of conditions precedent which may or may not be fulfilled. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 15 December 2025 (after trading hours), Zhanjiang Chenming Paper (as vendor of the Target Loan), Chenming HK (as vendor of the Target Interests) and the Purchaser (as purchaser) entered into the Equity and Loan Transfer Agreement, pursuant to which the Company and Chenming HK agreed to sell and the Purchaser agreed to acquire the Target Interests and the Target Loan for a total consideration of RMB3,336.353 million.

THE EQUITY AND LOAN TRANSFER AGREEMENT

The principal terms of the Equity and Loan Transfer Agreement are summarised as follows:

Date

15 December 2025

Parties

(1) Zhanjiang Chenming Paper (as vendor of the Target Loan);

(2) Chenming HK (as vendor of the Target Interests); and

(3) the Purchaser (as purchaser).

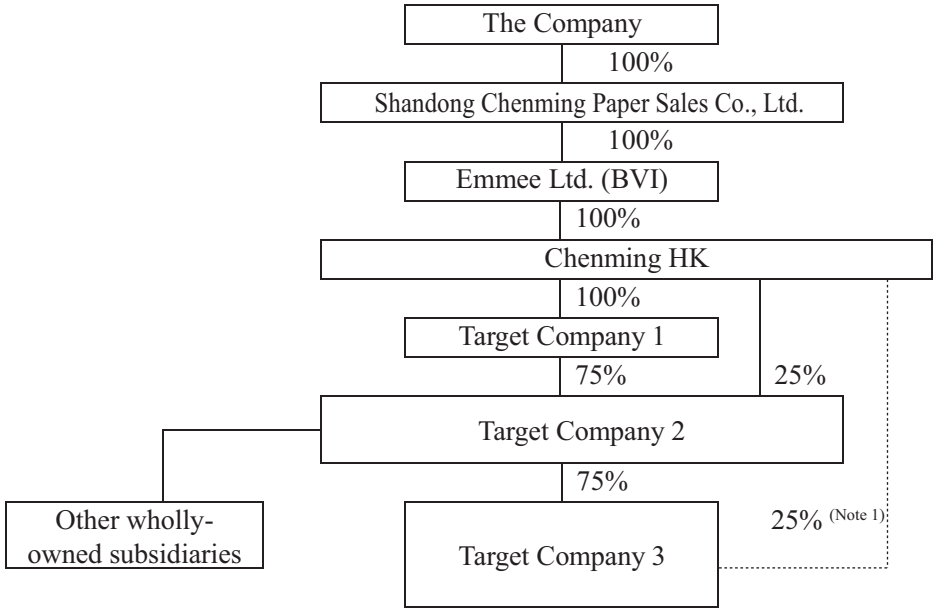
Subject Matter

Pursuant to the Equity and Loan Transfer Agreement, (1) Chenming HK has agreed to sell, and the Purchaser has agreed to acquire, 100% equity interest in Target Company 1, 25% equity interest in Target Company 2 and 25% equity interest in Target Company 3; and (2) Zhanjiang Chenming Paper has agreed to sell, and the Purchaser has agreed to acquire, the loan payable by Target Company 1 to Zhanjiang Chenming Paper with a carrying amount of RMB2,262.96 million, being the funding provided by Zhanjiang Chenming Paper to Target Company 1 before the date of the Equity and Loan Transfer Agreement to support the daily operation and Target Company 1.

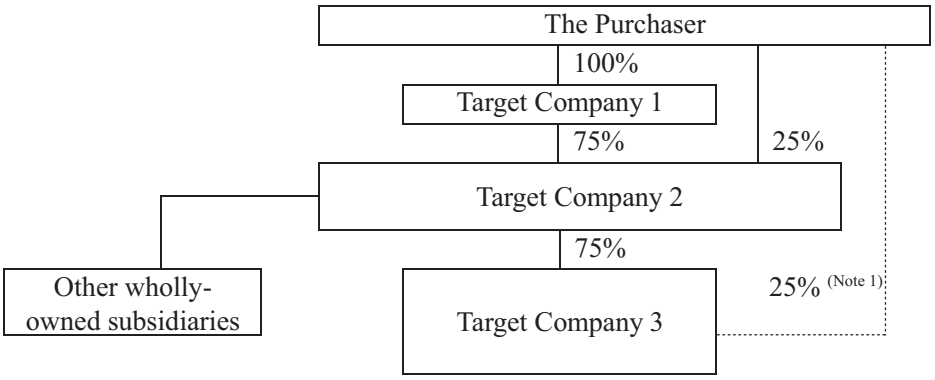
Group Chart

The following diagrams illustrate the simplified structure of the Target Group before and after Completion:

As at the date of this announcement and before Completion:



After Completion:



Note: The corresponding registered capital of Target Company 3 has not been paid up by the then shareholder (i.e. Chenming HK).

Consideration and Payment Terms

The total consideration of the Disposal shall be RMB3,336.353 million, which comprises of (i) RMB785.1593 million for Target Interest 1; (ii) RMB288.2376 million for Target Interest 2; (iii) RMB0 for Target Interest 3; and (iv) RMB2,262.9561 million for the Target Loan. The Purchaser shall pay the consideration in cash in accordance with the following payment schedule:

Payee	**Nature**	**Payment Date**	**Amount** *(RMB'0,000)*
Chenming HK	Consideration for Target Interests	Date on which all of the conditions precedent have been fulfilled	33,000
		25 December 2026	20,000
		25 December 2027	20,000
		25 December 2028	25,000
		25 December 2029	9,339.69
			107,339.69
Zhanjiang Chenming Paper	Consideration for Target Loan	25 December 2029	15,660.31
		25 December 2030	30,000
		25 December 2031	30,000
		25 December 2032	30,000
		25 December 2033	40,000
		25 December 2034	40,000
		25 December 2035	40,635.30
			226,295.61
Total			**333,635.30**

The Purchaser is a wholly state-owned enterprise under the Shouguang Municipal Government (壽光市政府) with a sound credit background. The Shouguang Municipal Government has provided a certain amount of funding and guarantee to the Company to support the Group's resumption of operations. In light of the Purchaser's request for a longer payment term, the current financial situation of the Group and the lack of other potential buyers in the market in the short term, to ensure the successful completion of the Disposal and the effective fulfilment of the obligations under the Equity and Loan Transfer Agreement, while taking into consideration the status of the underlying assets of the finance leasing business of the Target Group and the collection progress of receivables, the payment term has been mutually agreed upon as the most effective solution for the parties. The arrangement may enhance the sustained performance capability of the Purchaser, ensure the feasibility of the payment plan, and facilitate the thorough and stable divestiture of the finance leasing business of the Company, further optimizing its asset structure, improving asset quality, and enabling the focus on its core responsibilities and primary operations in line with the overall development strategy of the Company. Therefore, the Directors consider that the payment terms are fair and reasonable and in the best interests of the Company and its shareholders.

Basis for Determining the Consideration

The consideration of the Disposal is determined on normal commercial terms after arm's length negotiations between Zhanjiang Chenming Paper, Chenming HK and the Purchaser and with reference to the following factors: (i) 100% of the appraised value of Target Company 1 as at the Valuation Benchmark Date of RMB785.1593 million based on the Valuation; (ii) 25% of the appraised value of Target Company 2 as at the Valuation Benchmark Date of RMB1,152.9504 million based on the Valuation, whereas the remaining 75% of the appraised value of Target Company 2 has been reflected in the appraised value of Target Company 1; (iii) 25% of the appraised value of Target Company 3 as at the Valuation Benchmark Date of RMB-402.0298 million based on the Valuation, whereas the remaining 75% of the appraised value of Target Company 3 has been reflected in the appraised value of Target Company 2; (iv) Target Interest 3 will be transferred at nil consideration because the corresponding registered capital of Target Company 3 has not been paid up by the then shareholder (i.e. Chenming HK); and (v) the carrying amount of the Target Loan which is RMB2,262.9561 million.

The appraised value of the entire equity interest of the Target Companies were arrived at by the Independent Valuer using the asset-based approach. The details of the valuation method adopted for the Target Companies in the Valuation are summarised as follows:

Reasons for adopting the asset-based approach

According to the Basic Rules for Asset Appraisal published by the Ministry of Finance of the PRC, there are three valuation methods to determine the asset value, namely market approach, income approach and asset-based approach (also known as cost approach), and their derivative approaches.

Asset appraisal professionals shall analyze the applicability of the three basic asset valuation approaches, namely market approach, income approach and asset-based approach (also known as cost approach), and select a valuation method according to the valuation purpose, the valuation target, the type of value and the information collected, etc.

The preconditions for the application of the market approach are:

(1) The comparable reference objects of the valuation target have a public market and active trading; and

(2) The necessary information of the transactions is available.

The preconditions for the application of the income approach are:

(1) The future income of the valuation target can be reasonably expected and measured in currencies;

(2) The risk associated with the expected income can be measured; and

(3) The income period can be determined or reasonably expected.

The preconditions for the application of the asset-based approach are:

(1) The valuation target can be used normally or is in use;

(2) The valuation target can be obtained through replacement; and

(3) The replacement cost of the valuation target and the relevant depreciation can be reasonably estimated.

The valuation method selected for the valuation of the Target Companies is asset-based approach. The reasons for selecting the valuation method are as follows:

The main business of the appraised entities is finance leasing business. It is difficult to find sufficient comparable corporate transactions that are the same as or similar to the valuation target in the capital market and the equity transaction market. Therefore, the market approach is not applicable.

The appraised entities are currently in a loss-making state, the future income period and amount cannot be predicted, and the risk associated with achieving expected income cannot be measured. Therefore, the income approach is not adopted.

Each item of the assets and liabilities of the appraised entities on and off the balance sheet as at the Valuation Benchmark Date can be identified and can be valuated separately by appropriate methods. Therefore, the asset-based approach is adopted for the valuation.

Assumptions of the valuation

The Valuation was subject to the following key assumptions:

(I) Underlying Assumptions

1. Open market assumption: Open market assumption is an assumption about the market conditions into which the assets are proposed to enter and the impact on the assets under such market conditions. Open market refers to adequately developed and sound market conditions, and refers to a competitive market with voluntary buyers and sellers. In such market, buyers and sellers are equal and have opportunities and time to obtain sufficient market information. Transactions between buyers and sellers are conducted on voluntary, rational, non-mandatory or unrestricted conditions. Open market assumption is based on the fact that the assets can be publicly traded in the market.

2. Going concern assumption: The going concern assumption is a valuation assumption made by considering the assets of the enterprise as a whole as the valuation target. That is, the enterprise, as a business entity, continues to operate in accordance with its business objectives in the external environment where it operates. The operator of the enterprise is responsible and competent for assuming responsibilities; and the enterprise operates legally and is able to make appropriate profits to maintain its ability to continue as a going concern.

3. Assumption about the use of an asset for existing purpose: Assumption about the use of an asset for existing purpose is an assumption about the market conditions into which an asset is intended to enter and the use status of the asset under such market conditions. Firstly, it is assumed that the assets within the scope of valuation are in use. Secondly, it is assumed that the assets will continue to be used for the current purpose and usage without considering asset use conversion or optimal utilization conditions.

4. Transaction assumption: It is assumed that all assets to be appraised are in the process of transaction, and the appraisal is made by the valuers based on a simulated market according to the transaction conditions of the assets to be appraised.

(II) General Assumptions

1. It is assumed that after the Valuation Benchmark Date, there will be no significant changes in the current national laws, regulations, policies, and macroeconomic conditions, and the political, economic, and social environment of the region where the parties to the transaction are located will not undergo significant changes.

2. It is assumed that after the Valuation Benchmark Date, the management of the appraised entity will be responsible, stable, and capable of fulfilling their duties.

3. There are no material adverse effects on the appraised entity caused by other force majeure factors beyond the control of human and unforeseeable factors.

4. The basic and financial information provided by the principal and the appraised entity is true, accurate, and complete.

(III) Special Assumptions

1. It is assumed that after the Valuation Benchmark Date, the appraised entity maintains its business scope and approaches with the current direction based on the existing management style and level.

2. It is assumed that the accounting policies used by the appraised entity after the Valuation Benchmark Date remain consistent in material aspects with those used at the time this report was prepared.

3. It is assumed that there are no significant changes to the interest rates, exchange rates, tax bases and rates, and policy-related fees relevant to the appraised entity after the Valuation Benchmark Date.

4. It is assumed that the appraised entity fully complies with all relevant laws and regulations.

5. It is assumed that the lease signed by the appraised entity is legal and valid; the signed lease is actually performed and will not be changed and terminated without cause.

6. The asset valuation professionals have not conducted any technical tests on the technical parameters and performance of the various equipment as at the Valuation Benchmark Date, and have made their judgments through on-site inspections on the assumption that the relevant technical information and operational records provided by the principal are true and valid.

7. The on-site inspection of the valuation target by the asset valuation professionals was confined to the appearance and conditions of use of the valuation target, and no tests were conducted on the internal quality of the structure and other parts of the target to ascertain whether there are any inherent defects in the valuation target. The valuation report is based on the assumption that the internal quality of the valuation target complies with the relevant national standards and is sufficient to maintain its normal use.

The Directors have reviewed the Valuation provided by the Independent Valuer. With respect to the assumptions adopted, the Directors are of the view that the assumptions used in the Valuation are common assumptions adopted in business valuations based on asset-based approach and are in line with market practice. The Directors have also taken various measures to ascertain the fairness, reasonableness and appropriateness of the Valuation, including but not limited to reviewing the financial statement of the Target Group to understand its financial performance and position.

Based on the foregoing, and taking into account that the valuation approach is a commonly adopted approach, and that the key assumptions used in the calculations of the appraised values are assumptions commonly adopted in other business valuation in the market, the Directors consider that the valuation approach and the assumptions used in the Valuation are fair and reasonable.

Valuation results

The appraised value of the entire equity interest of Target Company 1 as at the Valuation Benchmark Date, which also took into account 75% of the equity interest of Target Company 2 held by Target Company 1, was RMB785.1593 million. The table below sets out the summarised asset valuation result of Target Company 1.

Unit: RMB'0,000

Item	**Carrying amount A**	**Appraised value B**	**Change C=B-A**	**Change (%) D=C/A×100**
Current assets	256,547.82	258,994.10	2,446.28	0.95
Non-current assets	113,167.47	114,329.56	1,162.09	1.03
Of which: Long-term receivables	20,636.88	20,636.88	0.00	0.00
Long-term equity investments	85,614.53	86,471.28	856.75	1.00
Fixed assets *(Note 1)*	5,680.08	6,006.52	326.44	5.75
Intangible assets	47.23	26.13	-21.10	-44.67
Other non-current assets	1,188.75	1,188.75	0.00	0.00
Total assets	**369,715.29**	**373,323.66**	**3,608.37**	**0.98**
Current liabilities	294,807.73	294,807.73	0.00	0.00
Non-current liabilities	0.00	0.00		
Total liabilities	**294,807.73**	**294,807.73**	**0.00**	**0.00**
Total equity of shareholders	**74,907.56**	**78,515.93**	**3,608.37**	**4.82**

Notes:

1. Machinery and equipment with a net carrying amount of approximately RMB47.6275 million was excluded from the valuation of the fixed assets of Target Company 1 as such assets do not form part of the subject matter of the Disposal and will continue to be owned by the Company after the Disposal.

The appraised value of the entire equity interest of Target Company 2 as at the Valuation Benchmark Date, which also took into account 75% of the equity interest of Target Company 3 and the equity interests in other wholly-owned subsidiaries held by Target Company 2, was RMB1,152.9504 million. The table below sets out the summarised asset valuation result of Target Company 2.

Unit: RMB'0,000

Item	**Carrying amount A**	**Appraised value B**	**Change C=B-A**	**Change (%) D=C/A×100**
Current assets	57,433.26	57,433.26	–	–
Non-current assets	67,202.23	68,344.57	1,142.34	1.70
Of which: Long-term equity investments	63,335.74	64,757.82	1,422.08	2.25
Fixed assets	3,866.49	3,586.74	-279.75	-7.24
Total assets	**124,635.49**	**125,777.83**	**1,142.34**	**0.92**
Current liabilities	10,482.79	10,482.79	–	–
Non-current liabilities	–	–	–	–
Total liabilities	**10,482.79**	**10,482.79**	**–**	**–**
Total equity of shareholders	**114,152.70**	**115,295.04**	**1,142.34**	**1.00**

The appraised value of the entire equity interest of Target Company 3 as at the Valuation Benchmark Date was RMB-402.0298 million. The table below sets out the summarised asset valuation result of Target Company 3.

Unit: RMB'0,000

Item	**Carrying amount A**	**Appraised value B**	**Change C=B-A**	**Change (%) D=C/A×100**
Current assets	50,004.50	50,004.50	0.00	0.00
Non-current assets	45,516.94	47,167.80	1,650.86	3.63
Of which: Long-term equity investments	45,516.30	47,167.30	1,651.00	3.63
Fixed assets	0.11	0.10	-0.01	-10.14
Intangible assets	0.53	0.41	-0.12	-23.30
Total assets	**95,521.44**	**97,172.30**	**1,650.86**	**1.73**
Current liabilities	137,375.28	137,375.28	0.00	0.00
Non-current liabilities	0.00	0.00		
Total liabilities	**137,375.28**	**137,375.28**	**0.00**	**0.00**
Total equity of shareholders	**-41,853.84**	**-40,202.98**	**1,650.86**	**3.94**

Security

Within 15 business days after the completion of the equity transfer registration procedures in relation to the Target Interests, the Purchaser shall pledge 100% of the equity interests in the Target Companies to Zhanjiang Chenming Paper and Chenming HK to secure the full payment of the total consideration of the Disposal. The parties shall enter into a separate share pledge agreement and complete the necessary registration procedures for the share pledge with the relevant authority. The share pledge shall be released in one go after the total consideration of the Disposal has been fully paid by the Purchaser.

Equity Transfer and Registration

Zhanjiang Chenming Paper and Chenming HK shall cooperate with the Purchaser to procure the completion of the equity transfer registration procedures after the signing of the Equity and Loan Transfer Agreement.

Conditions Precedent

Completion of the Disposal is conditional upon the following conditions precedent being fulfilled:

(a) the Company having obtained the requisite approval from the relevant government department of Shouguang City; and

(b) the Company having obtained the requisite Shareholders' approval in respect of the Disposal contemplated thereunder in accordance with the Listing Rules.

Each of the aforementioned conditions precedent cannot be waived. As at the date of this announcement, none of the conditions precedent has been fulfilled.

INFORMATION OF THE TARGET GROUP

As at the date of this announcement, (i) Target Company 1 is held as to 100% by Chenming HK; (ii) Target Company 2 is held as to 75% by Target Company 1 and 25% by Chenming HK; and (iii) Target Company 3 is held as to 75% by Target Company 2 and 25% by Chenming HK.

The Target Group is principally engaged in the business of finance leasing.

According to the audited consolidated financial statements of the Target Group, the financial information of the Target Group for each of the financial years ended 31 December 2023 and 2024, respectively, was as follows:

	For the year ended 31 December 2023 *RMB'million (Audited)*	**For the year ended 31 December 2024** *RMB'million (Audited)*
Profit/(Loss) before tax	38.34	(3,304.63)
Profit/(Loss) after tax	31.89	(3,814.98)

As at 30 September 2025, (i) the audited consolidated net assets of the Target Group was RMB1,082.0849 million; (ii) the audited net assets of Target Company 1 was approximately RMB796.70 million; (iii) the audited net assets of Target Company 2 was approximately RMB1,141.53 million; and (iv) the audited net liabilities of Target Company 3 was approximately RMB418.54 million.

As at the Valuation Benchmark Date, the appraised value of the entire equity interest of (i) Target Company 1 was RMB785.1593 million; (ii) Target Company 2 was RMB1,152.9504 million; and (iii) Target Company 3 was RMB-402.0298 million.

INFORMATION OF THE GROUP, CHENMING HK AND ZHANJIANG CHENMING PAPER

The principal activities of the Group are production and sales of paper products.

Chenming HK is a wholly-owned subsidiary of the Company and is principally engaged in the trading of paper products.

Zhanjiang Chenming Paper is a subsidiary of the Company and is principally engaged in the manufacturing and trading of paper products.

INFORMATION OF THE PURCHASER

The Purchaser is a limited liability company incorporated in the PRC and is principally engaged in investment activities using own funds; sales of non-ferrous metal alloys; sales of building materials; sales of fertilizers; technical services, technical development, technical consulting, technical exchange, technology transfer and technology promotion; general cargo warehousing services (excluding hazardous chemicals and other items requiring licensing approval); vegetable cultivation; fresh vegetable wholesale; fresh vegetable retail; fruit cultivation; fresh fruit wholesale; fresh fruit retail; planning and design management; agricultural professional and auxiliary activities; agricultural horticultural services; scenic area management. (Except for items subject to approval by law, business activities may be conducted independently in accordance with the business license.) Licensed items: general contracting for housing construction and municipal infrastructure projects; operation of crop seeds; wholesale of pesticides; retail of pesticides. (Items subject to approval by law may only be conducted after obtaining approval from relevant authorities. Specific business items shall be subject to the approval documents or permits issued by relevant authorities). The ultimate beneficial owner of the Purchaser is the Finance Bureau of Shouguang City (壽光市財政局).

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Upon completion of the Disposal, the Company will cease to have any interest in the Target Group. The Target Group Companies will cease to be subsidiaries of the Company and the financial results of the Target Group will cease to be included in the consolidated financial statements of the Group.

Based on the consideration of the Disposal, the Company is expected to record an unaudited gain of approximately RMB38.9395 million, which is estimated based on the consideration of the Disposal of RMB3,336.3530 million less the net asset value of the Target Group of approximately RMB1,034.4574 million (after excluding the net carrying amount of machinery and equipment of approximately RMB47.6275 million) and the carrying amount of the Target Loan of RMB2,262.9561 million as at the Valuation Benchmark Date. The actual gain to be recorded by the Group in the consolidated financial statements of the Group for the year ended 31 December 2025 will be subject to audit.

The Disposal is estimated to result in a gradual decrease of approximately RMB3,336 million in the total assets of the Group which represents the total assets of the Target Group to be disposed of and a decrease of approximately RMB3,336 million in the total liabilities of the Group which represents the consideration of the Disposal.

The net proceeds from the Disposal are proposed to be used for the repayment of loan(s) of the Group in instalments in accordance with the payment schedule of the consideration of the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In order to focus on its core responsibilities and primary business, the Company intends to divest all assets in relation to its finance leasing operations by disposing the equity interests in and the loan to the Target Company. The Disposal aligns with the Company's overall development strategy and would improve its asset-liability structure, revitalize existing assets and allow the Company to focus resources on developing its main business. This would in turn enhance the Company's profitability and improve core competitiveness, therefore driving high-quality sustainable development. The Purchaser, a wholly state-owned enterprise established by the Finance Bureau of Shouguang City, has good credibility and high ability of obligation performance.

The Directors consider that the terms of the Equity and Loan Transfer Agreement are determined on normal commercial terms after arm's length negotiations between the parties, are fair and reasonable, and in the interest of the Company and its shareholders as a whole.

After completion of the Disposal, the daily business operation of the Group will remain substantially unchanged prior to and after completion. The Group will continue to focus on its principal business of production and sale of paper products. Currently, four out of the five production bases of the Group have resumed production. The Directors do not anticipate a substantial change in the business and operation scale of the Group after completion of the Disposal and the Disposal will not have a material impact on the Group's business and operations.

Based on the information currently available including but not limited to business model, business operation scale and working capital, the Directors believe that following completion of the Disposal, the Group's remaining operating business will meet the requirements of Rule 13.24 of the Listing Rules in respect of sufficiency of operations and assets.

APPROVAL OF THE BOARD

None of the Directors has any material interest in the Disposal and is required to abstain from voting on the Board resolutions in respect of the approval of the Disposal.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be convened and held for the Shareholders to consider and, if thought fit, pass resolution(s) to approve the Disposal.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or any of their respective associates has any material interest in the Disposal and the transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM.

A circular containing, among others, (i) further information on the Disposal; (ii) other information as required under the Listing Rules; and (iii) a notice of the EGM and the proxy form for the EGM, is expected to be despatched to the Shareholders on or before 30 December 2025.

Completion of the Disposal may or may not proceed as it is subject to a number of conditions precedent which may or may not be fulfilled. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following terms and expressions used herein shall have the following meanings unless the context otherwise requires:

"A Share(s)"	the domestic share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB (stock code: 000488);
"Board"	the board of Directors of the Company;
"B Share(s)"	the domestic listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of Shenzhen Stock Exchange and traded in Hong Kong dollars (stock code: 200488);
"Chenming HK"	Chenming (HK) Limited, a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company;
"Company"	Shandong Chenming Paper Holdings Limited*, a joint stock limited liability company incorporated in the PRC whose H Shares are listed on the Main Board of the Stock Exchange;

"Director(s)"	the director(s) of the Company;
"Disposal"	the disposal of the Target Interests and Target Loan by Chenming HK and Zhanjiang Chenming Paper to the Purchaser in accordance with the terms and conditions of the Equity and Loan Transfer Agreement;
"EGM"	the extraordinary general meeting of the Company to be held for the Shareholders to, among other things, consider and, if thought fit, approve the transactions contemplated under the Equity and Loan Transfer Agreement;
"Equity and Loan Transfer Agreement"	the equity and loan transfer agreement dated 15 December 2025 entered into among Zhanjiang Chenming Paper (as vendor of the Target Loan), Chenming HK (as vendor of the Target Interests) and the Purchaser (as purchaser) in relation to the Disposal;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"H Share(s)"	the overseas listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars (stock code: 01812);
"Independent Valuer"	Kun Xin International Assets Appraisal Group Co., Ltd.* (坤信國際資產評估集團有限公司), and independent qualified asset valuer in the PRC;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	the People's Republic of China, for the purposes of this announcement, excludes Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan;
"Purchaser"	Shouguang Shengjia Investment Co., Ltd.* (壽光市晟嘉投資有限公司), a limited liability company incorporated in the PRC and the purchaser under the Equity and Loan Transfer Agreement;
"RMB"	Renminbi, the lawful currency of the PRC;
"Share(s)"	A Share(s), B Share(s) and H Share(s);
"Shareholder(s)"	holder(s) of Share(s) of the Company;

"Shenzhen Stock Exchange"	Shenzhen Stock Exchange;
"Shouguang Jintou"	Shouguang Jintou Industrial Investment Partnership (Limited Partnership)* (壽光市金投產業投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Target Company 1"	Shandong Chenming Financial Leasing Co., Ltd.* (山東晨鳴融資租賃有限公司), a company incorporated in the PRC with limited liability;
"Target Company 2"	Qingdao Chenming Paper Products Sales Co., Ltd.* (青島晨鳴紙製品銷售有限公司) (previously known as Qingdao Chenming Nonghai Financial Leasing Co., Ltd* (青島晨鳴弄海融資租賃有限公司)), a company incorporated in the PRC with limited liability;
"Target Company 3"	Shanghai Chenming Financial Leasing Co., Ltd.* (上海晨鳴融資租賃有限公司), a company incorporated in the PRC with limited liability;
"Target Companies"	Target Company 1, Target Company 2 and Target Company 3;
"Target Group"	the Target Companies and their subsidiaries;
"Target Group Company(ies)"	member(s) of the Target Group;
"Target Interests"	Target Interest 1, Target Interest 2 and Target Interest 3;
"Target Interest 1"	100% equity interest in Target Company 1 held by Chenming HK;
"Target Interest 2"	25% equity interest in Target Company 2 held by Chenming HK;
"Target Interest 3"	25% equity interest in Target Company 3 held by Chenming HK (the corresponding registered capital of which has not been paid up by Chenming HK);
"Target Loan"	the loan owed by Target Company 1 to Zhanjiang Chenming Paper with a carrying amount of RMB2,262,956,136.67 as at 30 September 2025;

"Valuation"	the valuation of each of the Target Companies dated provided by the Independent Valuer using the asset-based approach;
"Valuation Benchmark Date"	30 September 2025, being the benchmark date of the Valuation;
"Zhanjiang Chenming Paper"	Zhanjiang Chenming Paper Co., Ltd.* (湛江晨鳴紙品有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company; and
"%"	per cent.

By order of the Board
Shandong Chenming Paper Holdings Limited
Jiang Yanshan
Chairman

Shandong, the PRC
15 December 2025

As at the date of this announcement, the executive Directors are Mr. Jiang Yanshan, Mr. Li Weixian, Mr. Liu Peiji, Mr. Meng Feng and Ms. Zhu Yanli; the non-executive Directors are Mr. Song Yuchen and Ms. Wang Ying; and the independent non-executive Directors are Mr. Zhang Zhiyuan, Mr. Luo Xinhua, Mr. Wan Gang and Mr. Kong Pengzhi.

* *For identification purposes only*