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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 – 2023 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 2023 to 31 December 2023 (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: RMB1,200 million – RMB1,300 million	Earnings: RMB189.29 million
Net profit attributable to shareholders of the Company after extraordinary gains or losses	Loss: RMB1,850 million – RMB1,950 million	Loss: RMB361.46 million
Basic earnings per share	Loss: RMB0.43 per share – RMB0.46 per share	Earnings: RMB0.03 per share

II. Communication with the Accounting Firm

The Company has conducted preliminary communication with the accounting firm on matters related to this results forecast, and there is no major disagreement between the two parties. The relevant financial data in this results forecast has not been audited by a certified public accountant.

III. Reasons for the Changes in Results

- 1) During the Reporting Period, the insufficient domestic demand, coupled with the impact of the safety accidents occurred by the slurry residue outsourcing entity on the major production base of the Company, Zhanjiang Chenming, the utilization of production capacity was reduced and the output and sales volume of machine-made paper decreased year-on-year, which had an impact on the Company's profitability.
- 2) During the Reporting Period, due to the weak downstream demand and the concentrated use of new production capacity, the price of machine-made paper, especially white paper board, had experienced a significant year-on-year decrease. The price of raw materials such as wood chips, raw coal and chemicals still maintained at a high level, which severely squeezed the profit margin of the Company and had a great impact on the profit of the Company.
- 3) With a series of policies to expand domestic demand and promote consumption, the downstream demand will gradually pick up, the short-term supply and demand contradiction in the paper industry will be alleviated to a certain extent, therefore, the industry prosperity is expected to be effectively restored. Meanwhile, the Company will actively improve the quality and enhance the efficiency by optimization of its product structure, export expansion, increase in production efficiency, production costs control and disposal of non-principal business assets, and the profitability of the Company will gradually recover.

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 2023 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
Chen Hongguo
Chairman

Shandong, the PRC
30 January 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*