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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)

NEW CUMULATIVE LITIGATION

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

Reference is made to the announcement of the Company dated 23 January 2025 (the “**Announcement**”) in relation to, among other things, the cumulative litigation and arbitration of the Company. Unless the context otherwise requires, terms used in this announcement shall have the same meanings as those defined in the Announcement.

New litigation and arbitration of the Group that have occurred in the cumulative 12 months ended 27 February 2025 are hereby announced as follows.

NEW CUMULATIVE LITIGATION

From 23 January 2025 to 27 February 2025, the Company and its subsidiaries have been involved in a total of 63 new cumulative litigation cases amounting to RMB2,017,384,500, representing 12.09% of the Company’s latest audited net assets, due to, among others, debt overdue and contract performance disputes.

The Company and its subsidiaries are not involved in any material litigation or arbitration matters in which the amount involved in a single case represents more than 10% of the absolute value of the Company's latest audited net assets and the absolute amount of which exceeds RMB10 million. The cumulative new litigation is as follows:

Types		Causes of action	Number of cases	Amount involved (RMB'0000)	Progress
The Company as defendant	Financial institutions	Financing contract disputes	14	181,554.60	5 cases have been heard and are pending ruling; 9 cases have been accepted for litigation.
	Non-financial institutions	Financing contract disputes	47	19,935.62	35 cases have been accepted for litigation; 11 cases have been heard and are pending ruling; 1 case has been ruled and is pending execution.
	Non-financial institutions	Others	2	248.23	1 case has been accepted for litigation; 1 case has been heard and is pending ruling.
Total			63	201,738.45	

IMPACT ON THE COMPANY AND RISK WARNING

1. The Company and its subsidiaries are in the process of settling the litigation cases through means such as communication and negotiation, actively responding to the litigation, and reaching settlements with creditors. In view of the fact that the aforesaid cases have not yet been heard in court or been concluded, the Company will carry out the accounting treatment accordingly in accordance with the requirements of the accounting standards and the actual progress of the cases. The specific accounting treatment will be subject to the audited financial report of the Company.
2. A provincial-level creditor committee has been established by financial institutions, who have agreed that they will maintain the stability of existing credit line, renew business to be matured as much as possible, and will neither demand repayment of related loans in advance nor impose restrictions thereon, as well as providing supports including maturity extension, interest rate reduction and extension of interest settlement period. These measures have alleviated the operating burden of the Company. In addition, the Company has been endeavoring to raise liquidity by increasing disposal of assets in non-main business and improving the efficiency of assets disposal, and has increased debts collection to strive to increase corporate liquidity.
3. The Company will closely monitor the progress of the above matters and will inform and update its shareholders and other investors of any material development in relation to the above by way of announcement as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Shandong, the PRC
28 February 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*