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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 Rules 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 “Announcement on Provision for Asset Impairment of Shandong Chenming Paper Holdings Limited” dated 30 October 2025 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
Jiang Yanshan
Chairman

Shandong, the PRC
30 October 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*

Shandong Chenming Paper Holdings Limited

Announcement on Provision for Asset Impairment

The Company and all members of the board of directors (the “Board”) warrant that the contents of the information disclosure are true, accurate and complete without containing any false representations, misleading statements or material omissions.

I. Overview of the Provision for Asset Impairment

On 30 October 2025, the Company held the second meeting of the 11th Board and considered and approved the Proposal on Provision for Asset Impairment for the First Three Quarters of 2025. In accordance with the Accounting Standards for Business Enterprises and the relevant provisions of the Company's accounting policies and accounting estimates, and based on the principle of prudence, the Company and its subsidiaries have made provisions for impairment on items such as receivables, inventories and fixed assets for the first three quarters of 2025. The details are as follows:

Unit: RMB’0,000

Asset name	Amount of impairment provisions accrued in the first three quarters of 2025
Credit impairment of accounts receivable	9,070.30
Credit impairment of other receivables	37,462.93
Credit Impairment of financial leasing business	87,637.50
Inventory impairment losses	339.29
Impairment of fixed assets	43,716.85
Total	178,226.88

Note: The difference between the total amount and the sum of the individual items is due to rounding.

II. Recognition Criteria and Provision Methods for the Impairment of Assets Recognized

1. Accounts receivables

The Company considers reasonable and well-founded information such as relevant past events, current conditions, and forecasts of future economic conditions, calculates

the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the expected cash flows to be received, weighted by the risk of default, and recognizes the expected credit losses. Based on the expected credit losses, the Company conducts impairment accounting treatment and recognizes loss provisions for accounts receivable, other receivables, other current assets, long-term receivables, and debt restructurings.

The Company measures the expected credit losses of financial instruments in different stages separately. Financial instruments for which the credit risk has not increased significantly since initial recognition are in Stage 1, and the loss provisions are measured according to the expected credit losses within the next 12 months; financial instruments for which the credit risk has increased significantly since initial recognition but have not yet suffered credit impairment are in Stage 2, and the loss provisions are measured according to the expected credit losses over the entire life of the instrument; financial instruments that have suffered credit impairment since initial recognition are in Stage 3, and the loss provisions are measured according to the expected credit losses over the entire life of the instrument.

For financial instruments in Stage 1 and Stage 2, as well as those with low credit risk, the Company calculates interest income based on their book balances before deducting impairment provisions and the effective interest rate. For financial instruments in Stage 3, the Company calculates interest income based on the amortized cost (book balance minus the accumulated impairment provisions) and the effective interest rate.

① For notes receivable, accounts receivable, and contract assets, regardless of whether there is a significant financing component, the Company always measures their loss provisions at an amount equal to the expected credit losses over the entire life. For notes receivable and accounts receivable with significantly different credit risks, the expected credit losses are determined on an individual basis; when it is not possible to assess the information on expected credit losses for a single financial asset at a reasonable cost, the Company classifies notes receivable and accounts receivable into groups based on credit risk characteristics and calculates the expected credit losses on a portfolio basis. For accounts receivable and notes receivable classified into groups, with reference to historical credit loss experience, combined with current conditions and forecasts of future economic conditions, the Company prepares a comparison table of accounts receivable aging/overdue days and the expected credit loss rate over the entire life to calculate the expected credit losses.

② For other receivables, the expected credit losses for those with significantly different credit risks are determined on an individual basis; when it is not possible to assess the information on expected credit losses for a single financial asset at a reasonable cost, the Company classifies other receivables into groups based on credit risk characteristics. For other receivables classified into groups, the Company calculates the expected credit losses through the default risk exposure and the expected credit loss rate within the next 12 months or over the entire life.

③ Long-term receivables include finance lease receivables and deposits receivable. The Company classifies finance lease receivables and deposits receivable into several groups based on credit risk characteristics and calculates the expected credit losses on a portfolio basis; for those with significantly different credit risks, the expected credit losses are determined on an individual basis.

2. Inventories

Inventories of the Company at the end of the period are measured at the lower of cost and net realizable value. For inventories, if the net realisable value is below the cost, a provision for inventory impairment is made. For goods in stock and bulk raw materials, the provision is made based on the difference between the cost of each individual inventory item and its net realisable value. For other raw and auxiliary materials with large quantities and lower unit prices, the provision for inventory impairment is made by category. For inventories of goods held for direct sales, such as goods in stock, work in progress, and materials for sale, the net realisable value are determined by the estimated selling price less estimated sales expenses and related taxes and levies. For materials held for production, the net realisable value is determined by the estimated selling price of the finished goods produced less the estimated cost incurred upon completion, estimated sales expenses and related taxes and levies.

3. Long-term equity investments, fixed assets, investment properties, construction in progress, bearer biological assets, and goodwill

The Company determines if there is any indication of asset impairment as at the balance sheet date. If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for impairment test.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the

asset. The Company estimates the recoverable amount of an individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company shall determine the recoverable amount of the asset group to which the asset belongs. The determination of an asset group is based on whether major cash inflows generated by the asset group are independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction amount is charged to profit or loss for the current period and an impairment provision is made accordingly.

III. Statement of the Audit Committee of the Board for the Reasonableness of the Provision for Asset Impairment

The Audit Committee of the Board of the Company believes that the provision for asset impairment is made in accordance with the principle of prudence and is in compliance with the Accounting Standards for Business Enterprises and based the Company's actual circumstances. After the provision, the financial statements of the Company can give an objective and fair picture of the asset and operating results of the Company, without compromising the interests of the Company and all shareholders, particularly minority shareholders. Therefore, the provision for asset impairment is hereby approved.

IV. Statement of the Board for the Reasonableness of the Provision for Asset Impairment

The provision for asset impairment of the Company is in compliance with the relevant provisions of the Accounting Standards for Business Enterprises. It is a reasonable judgment made by the Company in accordance with the principle of prudence, with truthful and reliable basis, and based on the Company's actual circumstances. It can give a fairer picture of the financial position of the Company as at 30 September 2025 and its operating results for the first three quarters of 2025, ensuring the accuracy and completeness of the financial reports and without compromising the interests of the Company and its shareholders.

V. Impact of the Provision for Asset Impairment on the Company

The provision for asset impairment is expected to reduce the total profit of the Company for the first three quarters of 2025 by RMB1,782,268,800 and decrease the net profit attributable to shareholders of the Company by RMB1,701,197,800. The provision for asset impairment has not

been audited and the final amount shall be subject to confirmation by the accounting firm during the annual audit.

This announcement is hereby published.

The Board of
Shandong Chenming Paper Holdings Limited

30 October 2025