

Stock code: 000488, 200488 Stock abbreviation: Chenming Paper Chenming B Announcement No.: 2024-0204

2023 Annual Report Summary of Shandong Chenming Paper Holdings Limited I.IMPORTANT NOTICE

This annual report summary is extracted from the text of the annual report. For the full understanding of the operating results, financial position and other information for further development, investors should carefully read the text of the annual report published on the media as designated by the CSRC. All directors have attended the board meeting to review this report. Notice of non-standard auditor's opinion □ Applicable □ Not applicable A proposed profit distribution plan or a proposed plan on conversion of capital reserves into share capital for the reporting period was considered and passed by the Board □ Applicable □ Not applicable The Company proposes not to distribute cash dividend, issue bonus share, or capitalise from capital reserves A proposed profit distribution plan on preference shares for the reporting period was considered and approved by the Board □ Applicable □ Not applicable I.BASIC INFORMATION ABOUT THE COMPANY 1.Company profile

Stock abbreviation	晨鳴紙業 晨鳴 B	Stock code	000488 200488
Stock exchange on which the shares are listed	Shenzhen Stock Exchange		
Stock abbreviation	CHENMING PAPER	Stock code	01812
Stock exchange on which the shares are listed	The Stock Exchange of Hong Kong Limited		
Stock abbreviation before the change (if any)	Nil		
Contact persons and contact methods	Secretary to the Board	Hong Kong Company Secretary	
Name	Yuan Xikun	Chu Hon Leung	
Correspondence address	No. 2199 East Nongsheng Road, Shouguang City, Shandong Province	22nd Floor, World Wide House, Central, Hong Kong	
Facsimile	0536-2158977	00852-21623600	
Telephone	0536-2158008	00852-25010028	
Email address	chenmingpaper@163.com	liamchu@li-partners.com	

2. Overview of principle activities or products during the reporting period (1) Industry Situation of the Company The industry in which the Company operates is paper making and paper product industry. As an important basic raw material industry, the paper enterprise plays an important role in various fields of the national economy. After nearly 30 years of accelerated progress, China's paper industry has made remarkable results and achieved landmark development, but is also facing new challenges in its new journey. During the reporting period, the overall profitability of the paper industry improved but its momentum was slightly weaker due to the sluggish downstream demand, raw material price fluctuation, increased supply and other factors. According to the data of the Ministry of Industry and Information Technology, from January to December 2023, revenue of paper-making and paper product enterprises above designated size was RMB1,392.62 billion, down 2.4% year on year; their operating costs were RMB1,222.80 billion, down 3.1% year on year; and their total profit was RMB50.84 billion, up 4.4% year on year On the supply side, the domestic and overseas supply growth had a great effect on paper price fluctuation. Domestically new paper production capacity in China had been drastically high in the past two years. Overseas, the import volume of machine-made paper and paperboard increased year on year as a result of the "zero tariff" policy. The domestic and overseas factors boosted the machine-made paper supply. According to the data of the National Bureau of Statistics, the national output of machine-made paper and paperboard was 144,055,300 tonnes from January to December, 2023, which exceeded the 140 million tonnes mark for the first time and reached a record high. During the reporting period, the prices of cultural paper and white cardboard prices were mixed. In terms of price, the white cardboard price rebounded slightly in October and November, and showed an overall fluctuation downward trend. The cultural paper price had a "V"-shaped trend that fluctuated downward in the first half of the year and floated upward in the second half. In terms of cost, the paper raw material prices and energy prices had fluctuated downward since 2023. However, due to a higher price base and the cost transmission delay, the paper enterprise production cost was still at a high level in 2023. Coupled with the weak product demand, enterprises faced a greater pressure to realise profit. In the short term, the paper product prices still face some upward resistance under the sufficient supply. However, the fierce competition will prompt leading enterprises to exploit the scale and cost advantages, and will facilitate the liquidation of small and medium-sized enterprises to improve the industry operational efficiency, thus further enhancing the industry concentration. In the long run, China's paper industry concentration is still at a low level. The data shows that the CR10 in China's paper industry remained at about 45% in 2022, compared with about 90% for the CR10 in the United States, which means much room for improvement. (2) Products of the Company The Company is a large modern conglomerate principally engaged in pulp production and paper making and committed itself to implementing a pulp and paper integration strategy. At present, the Company has production bases in Shandong, Guangdong, Hubei, Jiangxi, Jilin and other places, with annual pulp and paper production capacity of 11 million tonnes, including pulp production capacity of 4.3 million tonnes. It is the first domestic paper making enterprise that achieves a balance between pulp production and paper making capacity in general. During the reporting period, the Company realized revenue of RMB26,609 million. The machine-made paper business is the major source of revenue of the Company. There was no significant change in the principal activity and the business model of the Company. As a leading player in the domestic paper making industry in China, the Company attaches great importance to technology research and development and brand benefits. The Company has research institutions such as a national enterprise technology centre, a post-doctoral working station, a collaborative innovation center for cleaner production and refinery of light industry bio-based products, the Shandong Pulp and Paper Making Engineering Lab and the Guangdong Pulp and Paper Production Technology Research Centre. It has introduced internationally advanced pulp and paper production technologies and equipment for the production of machine-made paper products covering more than 200 types in seven series, including culture paper, coated paper, white cardboard, copy paper, industrial paper, special paper, and household paper. The Company owns "CHENMING CLOUDY MIRROR", "CHENMING CLOUDLY LION", "CHENMING SNOW SHARK", "CHENMING EAGLE", "CHENMING GONGHAO", "XINGZHILIAN" and other famous brands, with each major product ranking among the highest in terms of market share in China. It is the enterprise with the largest variety of products and the most complete products in the domestic paper making industry. During the reporting period, the 70g and 80g CLOUDY MIRROR, and CLOUDY LEOPARD electrostatic copy paper of the Company were successfully selected as the 2023 "Made in Shandong" Qilu Premium Products. The "embossed premium napkin" and the "high grade coated paper surface enhancement technology development" were awarded 2023 Shandong Province Technology Innovation Awards. As one of the brands which were selected as the first 223 "Shandong's Good Product" brands, the Company was awarded the "Shandong's Good Product" logo authorisation. Customers recognised the product quality of the Company. The Company built up strategic cooperation relationship with famous companies such as Daehan Paper, CellMark AB in Sweden, and Delli Group.

Category	Major brands and types	Major manufacturing companies	Range of application
Culture paper series	1. "BIYUNTIAN", "CLOUDY MIRROR", "CLOUDY LEOPARD" and "YUNJIN" all-wood pulp offset paper and electrostatic base paper	Shouguang Head-quarters Zhanjiang Chenming Jiangxi Chenming Jilin Chenming	Printing publications, textbooks, magazines, covers, illustrations, notebooks, test papers, teaching materials, reference books, etc.
	2. "CLOUDY LION" and "CLOUDY CRANE" original white offset paper		
	3. "CLOUDY PINE" and "GREEN PINE" light weight paper		
	4. Blueprint paper, colour offset paper, pure texture paper, non-fluorescent offset paper, PE offset paper		
	5. Beige and high white book paper		
	6. Light weight coated paper		
Coated paper series	1. "SNOW SHARK" and "EAGLE" one-sided coated paper	Shouguang Head-quarters Shouguang Meilun	Double-sided coated paper is suitable for high quality printing, such as high-grade picture albums, picture, magazines and so on, promotional materials such as interior pages of high-end books, wall calendars, posters and so on, and suitable for suitable for high-speed sheet printing and high-speed rotary printing.
	2. "SNOW SHARK", "EAGLE" and "RABBIT" double-sided coated paper		
	3. "EAGLE" and "RABBIT" matte coated paper		
White cardboard series	1. White cardboard of "LIYA" series, white cardboard and ivory cardboard of "LUPIN" and "POPLAR" series, high bulk cardboard and ivory cardboard of "LIZZY" and "BAIYU" series, and super high bulk cardboard of "LIY-ING" and "BAIYU" series	Shouguang Head-quarters Jiangxi Chenming Zhanjiang Chenming	High-end gift boxes, cosmetics boxes, bags, shopping bags, publicity pamphlets, high-end postcards, cigarette package printing of medium and high quality, milk package, beverage package, disposable paper cups, milk tea cups, and noodle bowls.
	2. Food package board of "LIYA" and "LIZZY" series		
Copy paper series	3. Coated cattle card and LIYA book card	Shouguang Head-quarters Shouguang Meilun Zhanjiang Chenming	Anti-stick base paper is mainly used for producing the paper base of stripping paper or anti-sticking base paper.
	4. Playcard paper board		
Industrial paper series	5. Chenming cigarette cardboard	Shouguang Head-quarters Shouguang Meilun Zhanjiang Chenming	High-grade adhesive backing paper for electronics, medicine, food, washing supplies, supermarket labels, double-sided labels.
	6. Golden MINGYANG and "GOLDEN CHENMING" copy paper, "BOYA" and "BI-YUNTIAN" copy paper, "MINGYANG", "LUCKY CLOUDS", "BOYANG" and "SHANYIN" copy paper, and "GONGHAO" and "TIANJIAN" copy paper		
Special paper series	High-grade yellow anti-sticking base paper, ordinary yellow/white anti-sticking base paper and PE paper	Shouguang Head-quarters Jiangxi Chenming Zhanjiang Chenming	Daily toilet supplies; used in restaurants and other catering industries, and used in public toilets in hotels, guesthouses, and office buildings, and also suitable for home and other environment.
	Thermal paper and glassine paper		
Household paper series	Toilet paper, facial tissue, pocket tissue, napkin, paper towels and "XINGZHILIAN"	Shouguang Meilun	

(3) Operation model of the Company ① Purchase model The Company has established a supply chain management centre which adopts a supply chain management mode of "centralised procurement by the Group, source as the first priority, hierarchical separation and one-vote veto". Through continuous improvement of the procurement information system, the Company has fully realised machine control management, and optimised the authorisation approval process, effectively standardising the procurement management system. Based on the needs of production bases, the Group integrates the resources of related parties and implements centralised procurement. The Company seeks sources and high-quality suppliers through industry exhibitions, on-site inspections and competitive factory tour to strengthen procurement at source and reduce procurement costs; and introduces a supplier competition mechanism by establishing a three-level joint review mechanism for suppliers and implementing a system of eliminating substandard suppliers, so as to improve supply quality. Meanwhile, the Company actively cooperates with financial institutions and third parties in the supply chain financial business, and fully utilises the funds from contributing parties to lower procurement costs, deepen strategic cooperation and enhance supply chain competitiveness. ② Production model The Company has committed itself to implementing a pulp and paper integration strategy. Adhering to the concept of "planning green development and environmental protection as its priority", the Company has actively promoted clean production and vigorously carried out energy conservation and emission reduction, aiming to be a resource-saving and environmentally friendly model enterprise. It is innovating an integrated use of resources and a circular industrial development mode, and an "ecological chain" featuring resources, products and recycled resources has been established. As for production process, the Company takes planned management as the focus and implements a hierarchical planned management model for the Group, the Company, factories and workshops. Its production volume is determined based on the sales, its production is arranged scientifically, and its inventories are under strict control. The Group has set up a production scheduling centre to monitor the operation of the production lines of each subsidiary around the clock on a real-time basis, so as to ensure normal production. It has actively built and promoted the MES management system, and realised the timely information transfer between the management and the production control unit through bridging the gap between the ERP and DCS systems. ③ Marketing model The Company has always adhered to the marketing concept of "Good faith, Win-Win and Sharing" while wholeheartedly serving its customers. The Company has a relatively mature sales network, and has set up specialised sales companies responsible for the development of domestic and overseas markets, and formulation of sales policies. The sales companies' management systems are divided into product lines, product companies, management areas and branches to achieve matrix management. The sales companies are divided into product companies of culture paper series, coated paper series, white cardboard series, electrostatic paper series, special paper series and household paper series according to product line. Each product company has its administrative district. A regional general manager is responsible for his/her administrative district, under which branch companies are set up. The chief representatives of the branch companies have full authority to deal with branch business. The Company has implemented a three-level scheduling mechanism. Branch companies, administrative districts, and sales companies schedule task indicators daily to ensure the effective implementation of the plans. It sticks to a "four-level visit mechanism" to gain deep market insights and meet customer needs. Meanwhile, by leveraging its comprehensive information systems, the Company has realised IT-based management. It has also established and improved the complaint handling system and customer satisfaction system to enhance the Company's marketing management level. ④ R&D model The Company is market-oriented, and innovation is its driving force. It highly values technological R&D, and has formed a variety of R&D modes such as independent R&D, technology introduction, and industry university research cooperation. At present, the Company has a number of domestically leading innovative R&D platforms, including a national enterprise technology centre, a post-doctoral working station, a collaborative innovation center for cleaner production and refinery of light industry bio-based products, Shandong Pulp and Paper Making Engineering Lab and the Guangdong Pulp and Paper Production Technology Research Centre, which have enhanced its independent innovation capabilities. Meanwhile, on the basis of introducing internationally advanced pulp and paper production lines and advanced technologies, the Company has made technological improvements and re-innovations, and established new standards for processes and product quality, forming distinctive core technologies. The Company also works hard on the following aspects: carrying out academic research with colleges and universities and R&D institutions such as Qilu University of Technology, Qingdao University of Science and Technology, Tianjin University of Science and Technology, and Institute of Chemical Industry of Forest Products of the Chinese Academy of Forestry, introducing, digesting and absorbing scientific research and innovation achievements, accelerating the industrialisation of new and high technologies, optimising product mix, and improving the competitiveness of its products in the market. (4) Analysis of Core Competitiveness After innovation and development for more than 60 years, the Company has created a strong brand influence and cultivated a solid comprehensive competitiveness. It promotes product upgrades, enhances R&D strength and improves core competitiveness by creating competitive advantages in industry chain featured with pulp and paper integration. The core competitiveness of the Company did not undergo major changes during the reporting period. The details of the core competitiveness of the Company are as follows: ① Advantages of pulp and paper integration The Company has unwaveringly implemented a pulp and paper integration strategy. At present, its major production bases located in Shouguang, Zhanjiang, and Huanggang are equipped with chemical pulp production lines, with total production capacity of wood pulp self-sufficiency 4.30 million tonnes. It is the first modern large-scale paper making company that basically realises wood pulp self-sufficiency in China. A complete supply chain not only creates cost advantage for

the Company, but also safeguards the safety, stability and quality of upstream raw materials, and renders strong support for the Company to maintain its long-term competitiveness.

- ② Scale advantages The paper making industry is a typical capital-intensive and technology-intensive industry that follows the laws of economies of scale. The Company is a leading player in the paper making industry in China. Its large-scale production bases can be found in the major markets in Southern, Central, Northern, and Northeast China, with annual pulp and paper production capacity reaching 11 million tonnes, where reasonable production scale creates the marginal cost advantage. Meanwhile, by leveraging the scale advantages, the Company has built an international logistics centre and railway dedicated lines and docks, and constructed a comprehensive logistics service platform covering container shipping, bonded warehousing, transfer and storage at stations and terminals, realising the improvement of logistics efficiency and the stability of logistics costs.
- ③ Product advantages The Company is an enterprise that offers the widest and the most complete product range in the paper making industry in China. The product series include culture paper, white cardboard, coated paper, copy paper, household paper, thermal paper, etc., with each major product ranking among the best in terms of market share. The Company has attached great importance to technology research and development. By introducing the most advanced pulping and paper making technology and equipment in the world, it persists in technological innovation and work process optimisation, so as to help improve product quality and structure upgrade, continuously improve the brand value of Chenming, and enhance brand benefits.
- ④ Industry layout advantages

Closely centring on the pulp and paper integration strategy, the Company has integrated resources and established its production bases in the major markets to promote the coordinated development of all regions. Currently, the Company adopts the market-oriented approach and has production bases in Shandong, Guangdong, Hubei, Jiangxi, Jilin and other places. With all products sold at close distances, the Company substantially reduces transportation costs while improving service efficiency, achieving a "win-win" between the Company and its users.

- ⑤ Advantages in technical equipment The Company highly values the introduction and upgrades of technical equipment, actively push equipment and technology upgrade forward and boasts the largest and most advanced pulping and paper making production line in the world. The Company's major production equipment has been imported from internationally renowned manufacturers, including Metso and Valmet of Finland, Voith of Germany, Andritz of Austria, etc. and reached the advanced international level, thus ensuring production efficiency and product quality.
- ⑥ Advantages in research and innovation The Company has scientific research institutions including a national enterprise technology centre, a post-doctoral working station, and a collaborative innovation center for cleaner production and refinery of light industry bio-based products. At the same time, the Company actively carries out in-depth industry-university-research cooperation with prestigious domestic universities and research institutes, continuously improves technical innovation capabilities and scientific research and development levels, and develops a series of new products with high technology contents and high added value as well as proprietary technologies. The Company and its subsidiaries Zhanjiang Chenming, Shouguang Meilun, Jiangxi Chenming, Jilin Chenming and Huanggang Chenming are high and new technology enterprises. As at the end of the reporting period, the Company had obtained over 400 national patents, including 41 invention patents, 7 national new products, 16 scientific and technological progress awards above the provincial level, 5 national scientific and technological projects and 75 provincial technological innovation projects. The Company took the lead in obtaining the ISO9001 quality system certification, the ISO14001 environmental protection system certification and the FSC-COC international forest system certification among domestic peers.
- ⑦ Team management advantages

The Company possesses a complete and reasonable talent structure consisting of experienced personnel, including high-end talents specialising in production, technology, sales, finance, laws, etc. In the course of business operations, the stable core team has developed a corporate culture that ties in with the Company's development, summarised management experience with industry characteristics, and formed a team advantage integrating management and culture, allowing it to accurately grasp the industry development trend. At the same time, the Company has paid attention to the construction of a talent reserve and cultivation mechanism. With advanced business concepts and enormous development space, the Company has attracted an array of high-calibre professionals and improved the level of human capital construction, providing solid guarantee for the Company's long-term sustainable development.

- ⑧ Advantages in environmental governance capacity The Company has actively upheld the concept of "lucid waters and lush mountains are invaluable assets", adhered to the development idea of "planning green development and environmental protection as its priority", always regarded environmental protection as the "life project", clung to the green development model of clean production and resource recycling, and earnestly shouldered the corporate responsibility for environmental protection. In recent years, the Company and its subsidiaries have invested more than RMB8 billion in total in environmental protection, and have constructed the pollution treatment facilities including the alkali recovery system, reclaimed water treatment system, reclaimed water reuse system, white water recovery system and black liquor comprehensive utilisation system. The environmental protection indicators rank high in China and in the world. At present, the Company adopts the world's most advanced "ultrafiltration membrane + reverse osmosis membrane" technology to complete the reclaimed water recycling membrane treatment project, which is the largest reclaimed water reuse project in the domestic paper industry. The reclaimed water recycle rate attains the industry-leading level. The reclaimed water quality meets drinking water standards, which can save hundreds of thousands cubic metres of fresh water every day. Meanwhile, in response to the "dual carbon" policy, the Company actively introduces photovoltaic power generation and biomass power generation, continuously optimises the energy structure and improves the level of low-carbon production.

- 3. Major accounting data and financial indicators (1) Major accounting data and financial indicators of the last three years Retrospective adjustment to or restatement of the accounting data for prior years by the Company □ Yes □ No

Unit: RMB				
	As at the end of 2023	As at the end of 2022	Increase/decrease as at the end of the year compared to the end of the prior year	As at the end of 2021
Total assets	79,487,052,953.58	84,301,017,409.62	-5.71%	82,869,661,681.08
Net assets attributable to shareholders of the Company	16,692,175,196.53	19,084,565,494.92	-12.54%	19,117,985,306.48
	2023	2022	Increase/decrease for the year as compared to the prior year	2021
Revenue	26,608,570,228.20	32,004,367,320.91	-16.86%	33,019,812,294.14
Net profit attributable to shareholders of the Company	-1,281,289,648.82	189,290,120.82	-776.89%	2,065,513,108.71
Net profit after extraordinary gains or losses attributable to shareholders of the Company	-1,942,120,184.70	-361,459,377.16	-437.30%	1,743,876,537.12
Net cash flows from operating activities	4,389,949,308.82	3,449,824,242.37	27.25%	8,581,888,192.64
Basic earnings per share (RMB per share)	-0.45	0.03	-1,600.00%	0.56
Diluted earnings per share (RMB per share)	-0.45	0.03	-1,600.00%	0.56
Rate of return on weighted average net assets	-7.65%	0.55%	Decreased by 8.2 percentage points	9.56%

Data specification: When calculating financial indicators such as earnings per share and rate of return on weighted average net assets, the interest on Perpetual Bonds of RMB47,430,410.96 during the reporting period is deducted. (2) Key Major Accounting Data by Quarter

Unit: RMB				
	Q1	Q2	Q3	Q4
Revenue	6,155,915,692.16	6,409,047,089.15	7,156,893,450.74	6,886,713,996.15
Net profit attributable to shareholders of the Company	-275,409,967.37	-412,670,196.73	-80,213,259.42	-512,996,226.30
Net profit after extraordinary gains or losses attributable to shareholders of the Company	-327,893,189.14	-483,946,028.35	-439,773,872.12	-690,507,095.09
Net cash flows from operating activities	916,852,965.06	866,234,782.53	1,858,270,213.08	748,591,348.15

Whether the above indicators or their aggregated amounts have any material difference with the respective amounts as disclosed in the quarterly report or interim report □ Yes □ No

- 4. Share capital and shareholders (1) Table of the number of shareholders of ordinary shares and shareholders of preference shares with voting rights reported and shareholding of top ten shareholders

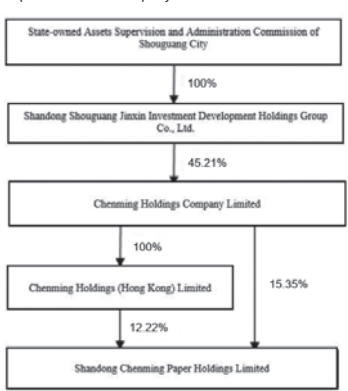
Unit: Shares					
Shareholdings of top 10 shareholders (excluding the shares lent under refinancing business)					
Name of shareholders	Nature of shareholders	Percentage of shareholding	Number of shares held	Number of restricted shares held	Shares pledged, tagged or locked-up
CHENMING HOLDINGS COMPANY LIMITED	State-owned legal person	15.47%	457,322,919	0	Pledged 268,994,000
HKSCC NOMINEES LIMITED	Overseas legal person	12.63%	373,461,275	0	
CHENMING HOLDINGS (HONG KONG) LIMITED (Note 1)	Overseas legal person	12.32%	364,131,563	0	
Hong Zejun	Domestic natural person	1.19%	35,300,000	0	
Chen Hongguo	Domestic natural person	0.85%	25,080,044	17,310,033	
SHANDONG SUN HOLDINGS GROUP CO., LTD.	Domestic non-state-owned legal person	0.85%	24,987,117	0	
China Merchants Securities (HK) Co., Limited	Overseas legal person	0.71%	20,972,258	0	
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.50%	14,852,146	0	
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas legal person	0.50%	14,771,945	0	
HONG KONG SECURITIES CLEARING COMPANY LIMITED	Overseas legal person	0.38%	11,251,780	0	
Related party relationship or acting in concert among the above shareholders	A shareholder, Chenming Holdings (Hong Kong) Limited, which is an overseas legal person, is a wholly-owned subsidiary of a shareholder, Chenming Holdings Company Limited, which is a state-owned legal person; A shareholder, Chen Hongguo, is the legal representative and chairman of Chenming Holdings Company Limited. Save for the above, it is not aware that any other shareholders of tradable shares are persons acting in concert. It is also not aware that any other shareholders of tradable shares are related to each other. Chenming Holdings Company Limited held 457,322,919 RMB ordinary shares, of which 326,322,919 shares were held through ordinary account and 131,000,000 shares were held through credit guarantee security account; Hong Zejun held 35,300,000 RMB ordinary shares, of which no share was held through ordinary account and 35,300,000 shares were held through credit guarantee security account; Shandong Sun Holdings Group Co., Ltd. held 24,987,117 RMB ordinary shares, of which no share was held through ordinary account and 24,987,117 shares were held through credit guarantee security account.				
Securities margin trading of shareholders					

Note 1: In order to meet its own capital needs, Chenming Holdings (Hong Kong) Limited conducted share financing business with overseas institutions, entrusting 210,717,563 B shares and 153,414,000 H shares of the Company held by it to the custody broker designated by overseas institutions. The aforesaid shares were subject to the risk of not to be recovered, which may lead to a reduction in the Company's shareholding, but does not affect Chenming Holdings' position as the largest shareholder, and does not affect the Company's control. For details, please refer to the announcement disclosed by the Company on CNINFO on 18 July 2023 (announcement no. 2023-058) and the insider information disclosed by the Company on the website of Hong Kong Stock Exchange on 18 July 2023.

- Share lending by top 10 shareholders under refinancing business □ Applicable □ Not applicable Changes in top 10 shareholders as compared to prior period □ Applicable □ Not applicable

Unit: share					
Changes in top 10 shareholders as compared to prior period					
Name of shareholder (full name)	Addition/exit during the reporting period	Number of shares lent out but not yet returned under refinancing arrangement as at the end of the period		Shareholding under ordinary account and credit account and the number of shares lent out but not yet returned under refinancing arrangement as at the end of the period	
		Total	Percentage of total share capital	Total	Percentage of total share capital
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Exit	0.00	0.00%	6,252,684	0.00%
China Merchants Securities (HK) Co., Limited	Addition	0.00	0.00%	20,972,258	0.00%

(3) Chart illustrating the relationship between the Company and the beneficial controller



- 5. Situation of bonds in existence on the date of approval of the annual report □ Applicable □ Not applicable III. Matters of significance 1. Payment of corporate bonds of RMB350 million On 3 April 2023, the Company entrusted the Shenzhen Branch of China Securities Depository & Clearing Co., Ltd. to complete the payment of principal and interest of "18 Chenming Bond 01" of RMB350 million in accordance with the "First Tranche of Corporate Bonds Publicly Issued to Qualified Investors in 2018". The bond was delisted from the Shenzhen Stock Exchange on the same day. For details, please refer to the relevant announcement disclosed by the Company on CNINFO on 30 March 2023 (announcement number: 2023-015) and the overseas regulatory announcement disclosed by the Company on the website of Hong Kong Stock Exchange on 30 March 2023.
- 2. Redemption of perpetual bonds of RMB1 billion On 11 July 2017, the Company issued the 2017 First Tranche of Medium-term Notes (bond abbreviation: 17 Lu Chenming MTN001, bond code: 101779001) amounting to RMB1 billion with a term of 3+N. According to the "Prospectus of the Company's 2017 First Tranche of Medium-term Notes", "17 Lu Chenming MTN001" is subject to the issuer's redemption option. On 11 May 2023, the Company disclosed the Announcement on Exercise of Redemption Option of Issuer of 2017 First Tranche of Medium-term Notes of Shandong Chenming Paper Holdings Limited on Shanghai Clearing House (www.shclearing.com) and China Money (www.chinamoney.com.cn), and redeemed the RMB1 billion perpetual bonds in full on 12 July 2023, with principal and interest payment amounted to RMB1,089.70 million. To date, all the bonds of the Company have been redeemed.

For details, please refer to the relevant announcement disclosed by the Company on CNINFO on 15 July 2023 (announcement number: 2023-048) and the overseas regulatory announcement disclosed by the Company on the website of Hong Kong Stock Exchange on 14 July 2023.

- 3. Termination of asset purchase through the issuance of shares and cash payments On 27 February 2023, the Company convened the 2023 first extraordinary general meeting, the 2023 first class meeting for holders of domestic-listed shares and the 2023 first class meeting for holders of overseas-listed shares, at which the Company considered and approved relevant resolutions including the Report on the Agreement on Asset Purchase through Issuance of Shares and Cash Payments and Connected Transactions (Draft) of the Company. The Company intended to acquire 1.19% equity interests in Shouguang Meilun held by Dongxing Securities Investment Co., Ltd., 44.44% limited partnership share in Chenrong Fund held by Chongqing International Trust Inc. through issuance of shares. The Company's wholly-owned subsidiary, Chenming Investment, intended to acquire 0.22% general partnership interest in Chenrong Fund held by Chenming (Qingdao) Asset Management Co., Ltd. through cash payment. The type of shares to be issued by the Company is A shares, the price of the shares to be issued is RMB4.42 per share, and the number of shares to be issued is 71,841,345 shares.
- On 14 March 2023, the Company received the Notice on the Acceptance of Application Documents for Asset Purchase through the Issuance of Shares of Shandong Chenming Paper Holdings Limited (Shen Zheng Shang Shen [2023] No. 259) (《關於受理山東晨鳴紙業集團股份有限公司發行股份購買資產申請文件的通知》(深證上審[2023]259號)) from the Shenzhen Stock Exchange.

On 29 June 2023, the Company convened the eighth extraordinary general meeting of the tenth session of the Board and the fourth extraordinary general meeting of the tenth session of the Supervisory Committee, at which the Company considered and approved the Resolution on the Termination of the Asset Purchase through Issuance of Shares and Cash Payments and Connected Transactions and Withdrawal of the Application Documents and agreed to terminate the transaction, sign the relevant termination agreement with the counterparty if needed and apply to the Shenzhen Stock Exchange for relevant application documents for the withdrawal of the transaction.

For details, please refer to the relevant announcements disclosed by the Company on CNINFO on 28 February 2023, 16 March 2023 and 30 June 2023 (announcement number: 2023-010, 2023-014, 2023-048) and the relevant announcements disclosed by the Company on the website of Hong Kong Stock Exchange on 27 February 2023, 15 March 2023 and 29 June 2023.

- 4. Introduction of strategic investors by Zhanjiang Chenming On 20 September 2023, the Company convened the eleventh extraordinary meeting of the tenth session of the Board, at which the Proposal on Capital Contribution and Introduction of Strategic Investors of a Controlling Subsidiary was considered and approved. Given the promising development prospects of Zhanjiang Chenming Pulp & Paper Co., Ltd. (Zhanjiang Chenming), a controlling subsidiary of the Company, and the high recognition of the pulp and paper integration strategic layout, Shandong Caixin Investment Co., Ltd., a wholly-owned subsidiary of Shandong key state-owned enterprise Shandong Caixin Asset Operation Co., Ltd., made capital contribution to Zhanjiang Chenming in the amount of RMB300 million.

For details, please refer to the relevant announcement disclosed by the Company published on CNINFO on 21 September 2023 (announcement no.: 2023-072) and the overseas regulatory announcement disclosed on the website of Hong Kong Stock Exchange on 20 September 2023.

- 5. Business status of Chenming Leasing At present, the Company focuses on the development of its principal activities, i.e. pulp production and paper making, and continues to reduce the size of the financial leasing business. As at the end of the reporting period, the balance of financial leases of Chenming Leasing decreased to RMB4.6 billion. Some financial lease receivables were overdue with the overdue principals amounting to RMB1,440 million, for which provisions of RMB430 million were made, and a provision coverage rate of 29.9%. Certain assets have been seized through litigation. The Company has resorted to, among other things, control of the underlying assets, litigation for seizure, recovery for guarantors and debt reconstruction with the overall risks under control.

6. Information disclosure index for 2023 Annual Report			
--	--	--	--