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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)

NOTICE OF 2019 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2019 first extraordinary general meeting (the “EGM”) of Shandong Chenming Paper Holdings Limited (the “Company”) will be held at 2:30 p.m. on Tuesday, 3 September 2019, at the conference room of the research and development centre of the Company, No. 2199 Nongsheng Road East, Shouguang City, Shandong Province, the People’s Republic of China (the “PRC”) for the purpose of passing the following resolution:

ORDINARY RESOLUTIONS

1. Resolution in relation to the amendments to the Procedural Rules for the General Meeting (for details, please refer to Annex)
2. Resolution in relation to the determination of remuneration of independent non-executive Directors and shareholders’ representative supervisors (for details, please refer to Annex)
3. Resolution in relation to the acceptance of financial subsidy and connected transaction (for details, please refer to the overseas regulatory announcement of the Company dated 19 July 2019)

By order of the Board
Shandong Chenming Paper Holdings Limited
Chen Hongguo
Chairman

Shandong, PRC
19 July 2019

* *For identification purpose only*

Notes:

1. The register of members of the Company will be temporarily closed from 2 August 2019 to 3 September 2019 (both days inclusive) during which no transfer of H shares of the Company will be registered in order to determine the list of holders of H shares of the Company for attending the EGM. The last lodgment for the transfer of the H shares of the Company should be made on 1 August 2019 at Computershare Hong Kong Investor Services Limited by or before 4:30 p.m. The holders of H shares of the Company or their proxies being registered at the close of business on 1 August 2019 are entitled to attend the EGM by presenting their identity documents. The address of Computershare Hong Kong Investor Services Limited, the H share registrar of the Company, is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
2. Each shareholder having the rights to attend and vote at the EGM is entitled to appoint one or more proxies (whether a shareholder or not) to attend and vote on his behalf. Should more than one proxy be appointed by one shareholder, such proxy shall only exercise his voting rights on a poll.
3. Shareholders can appoint a proxy by an instrument in writing (i.e. by using the proxy form enclosed). The proxy form shall be signed by the person appointing the proxy or an attorney authorised by such person in writing. If the proxy form is signed by an attorney, the power of attorney or other documents of authorisation shall be notarially certified. To be valid, the proxy form and the notarially certified power of attorney or other documents of authorisation must be delivered to in the case of H shares, the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; not later than 24 hours before the time scheduled for the holding of the EGM or any adjournment thereof.
4. Shareholders or their proxies shall present proofs of their identities upon attending the EGM. Should a proxy be appointed, the proxy shall also present the proxy form.
5. The EGM is expected to last for half day. The shareholders and proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.
6. The Company's registered address:
No. 595 Shengcheng Road, Shouguang City, Shandong Province, the PRC
Postal code: 262705
Telephone: (86)-536-2158008
Facsimile: (86)-536-2158977

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Hu Changqing, Mr. Li Xingchun and Mr. Chen Gang; 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 and Mr. Yang Biao.

Annex

Resolution 1 is in relation to the amendments to the Procedural Rules of the General Meeting:

Original Article	Amended Article
<p>Article 3 The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law:</p> <p style="text-align: center;">.....</p> <p>(19) other matters required by laws, administrative regulations and the Articles of Association to be resolved by the general meeting.</p>	<p>Article 3 The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law:</p> <p style="text-align: center;">.....</p> <p>(19) to determine or authorise the Board to determine on matters relating to the issued preference shares of the Company, including, without limitation, repurchase and dividend payment; and</p> <p>(20) other matters required by laws, administrative regulations and the Articles of Association to be resolved by the shareholders' general meeting.</p>
<p>Article 4 The following provisions of guarantees to third parties by the Company are subject to the review and approval of the general meeting:</p> <p>(1) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets;</p> <p>(2) any guarantee provided after the total amount of guarantee to third parties provided by the Company has reached or exceeded 30% of the Company's latest audited total assets;</p> <p>(3) a guarantee provided to a party with an asset-liability ratio of over 70%;</p> <p>(4) a single guarantee that exceeds 10% of the Company's latest audited net assets; and</p>	<p>Article 4 The following provisions of guarantees to third parties by the Company are subject to the review and approval of the general meeting upon the review and approval of the Board:</p> <p>(1) a single guarantee that exceeds 10% of the Company's latest audited net assets;</p> <p>(2) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;</p> <p>(3) a guarantee provided to a party with an asset-liability ratio of over 70%;</p> <p>(4) a guarantee amount within 12 consecutive months has exceeded 30% of the Company's latest audited total assets;</p>

Original Article	Amended Article
<p data-bbox="240 129 785 236">(5) the guarantee to be provided in favour of shareholders, beneficial controllers and their related parties.</p> <p data-bbox="240 289 785 438">The controlling shareholder, beneficial controller and other affiliates shall not compel the Company to provide guarantees for others.</p>	<p data-bbox="809 129 1353 321">(5) a guarantee amount within 12 consecutive months has exceeded 50% of the Company's latest audited net assets and with an absolute amount exceeding RMB50 million;</p> <p data-bbox="809 374 1353 480">(6) the guarantee to be provided in favour of shareholders, beneficial controllers and their related parties; and</p> <p data-bbox="809 534 1353 640">(7) other guarantees stipulated in the relevant laws and regulations, and the Articles of Association.</p> <p data-bbox="809 693 1353 1044">When a guarantee is reviewed by the Board, it shall be reviewed and approved by more than two-thirds of the Directors present at the Board meeting. When a guarantee mentioned in clause (4) above is reviewed at the shareholders' general meeting, it shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.</p> <p data-bbox="809 1098 1353 1523">When a proposal on providing guarantee for any shareholder, beneficial controller and its related parties is being reviewed at the shareholders' general meeting, the said shareholder or the shareholders controlled by the said beneficial controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by a simple majority of the voting rights of the other shareholders attending the meeting.</p> <p data-bbox="809 1576 1353 1725">The controlling shareholder, beneficial controller and other affiliates shall not compel the Company to provide guarantees for others.</p>

Original Article	Amended Article
<p>Article 35 Minutes of shareholders' general meetings shall be compiled by the Secretary to the Board. The minutes shall contain:</p> <p>(1) numbers of shareholders and proxies present at the meeting, number of shares with voting rights held by them and its percentage in the aggregate shares of the Company;</p> <p>(2) the date and place of the meeting;</p> <p>(3) the name of the chairman of the meeting, and Directors, Supervisors, managers and other senior management of the Company present or in attendance at the meeting;</p> <p>(4) the agenda of the meeting;</p> <p>(5) the key points of every speaker to every matter examined;</p> <p>(6) the result of voting on each matter;</p> <p>(7) the inquiry opinions and suggestions of shareholders, the replies or explanations of the Board and Supervisory Committee;</p> <p>(8) the names of lawyers, counting officers and scrutinisers; and</p> <p>(9) other matters that the general meeting deems and the Articles of Association prescribes to be included in the minutes of meetings.</p>	<p>Article 35 Minutes of shareholders' general meetings shall be compiled by the Secretary to the Board. The minutes shall contain:</p> <p>(1) numbers of shareholders and proxies present at the meeting, number of shares with voting rights held by them and its percentage in the aggregate shares of the Company;</p> <p>(2) the date, place and agenda of the meeting, and the name of convener;</p> <p>(3) the name of the chairman of the meeting, and Directors, Supervisors, managers and other senior management of the Company present or in attendance at the meeting;</p> <p>(4) the review process, key points of the speech, voting results of each proposal;</p> <p>(5) the inquiry opinions and suggestions of shareholders, the replies or explanations of the Board and Supervisory Committee;</p> <p>(6) the names of lawyers, counting officers and scrutinisers; and</p> <p>(7) other matters that the general meeting deems and the Articles of Association prescribes to be included in the minutes of meetings.</p>

Original Article	Amended Article
<p>Article 40 The following matters shall be resolved by a special resolution at a general meeting:</p> <p>.....</p> <p>(9) any other matters considered by the general meeting, by way of an ordinary resolution, to have a substantial impact on the Company and to require approval by a special resolution.</p>	<p>Article 40 The following matters shall be resolved by a special resolution at a general meeting:</p> <p>.....</p> <p>(9) determine or authorise the Board to determine on matters relating to the issued preference shares of the Company, including, without limitation, repurchase and dividend payment; and</p> <p>(10) any other matters considered by the general meeting, by way of an ordinary resolution, to have a substantial impact on the Company and to require approval by a special resolution.</p>
<p>Article 44 The Company shall provide convenience for shareholders to attend general meeting by whatever—means including the use of modern information technology such as online voting platform, provided that the general meeting is held legally and effectively.</p>	<p>Article 44 The Company shall provide convenience for shareholders to attend general meeting by the use of modern information technology such as online voting platform, provided that the general meeting is held legally and effectively.</p>
<p>Article 53 Shareholders present at the general meeting shall present one of the following views during the voting of a resolution: consent, objection or abstention.</p> <p>A voting ticket that is incomplete, wrongly completed, illegible, or not yet cast, will be deemed waiver of voting rights. The votes represented by his shares will be treated as “abstention”.</p>	<p>Article 53 Shareholders present at the general meeting shall present one of the following views during the voting of a resolution: consent, objection or abstention, except for the declaration by securities registration and clearing institution as the nominal holder of stock connect mechanism between PRC and Hong Kong stock markets, based on the actual holders’ intentions.</p> <p>A voting ticket that is incomplete, wrongly completed, illegible, or not yet cast, will be deemed waiver of voting rights. The votes represented by his shares will be treated as “abstention”.</p>

Resolution 2 is in relation to the determination of remuneration of independent non-executive Directors and Shareholders’ representative Supervisors of the Company. Details are as follow:

In accordance with the business scale of the Company, and among other things, the job duties of independent non-executive Directors and shareholders’ representative supervisors, the remuneration of the independent non-executive Directors of the ninth session of the Board and shareholders’ representative supervisors have been set at an annual amount of RMB200,000 and RMB100,000 per person (taxes included), respectively, which will be distributed on a monthly basis. The amounts were arrived at after considering the general market rate and upon consideration by the Remuneration and Appraisal Committee of the Board.