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**山東晨鳴紙業集團股份有限公司**  
**SHANDONG CHENMING PAPER HOLDINGS LTD.\***  
*(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 Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company published the “Announcement on Delay in Increase of Shares of the Company by the Controlling Shareholder” dated 6 September 2019 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**  
**Chen Hongguo**  
*Chairman*

Shandong, PRC  
6 September 2019

*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.*

\* *For identification purposes only*

Security code:	Security abbreviation:	Announcement No.:
000488 200488	Chenming Paper, Chenming B	2019-098

**SHANDONG CHENMING PAPER HOLDINGS LTD.\***  
**ANNOUNCEMENT ON DELAY IN INCREASE OF SHARES**  
**OF THE COMPANY BY THE CONTROLLING**  
**SHAREHOLDER**

The Company and all members of the board (the “Board”) hereby warrant the truthfulness, accuracy and completeness of the contents of information disclosure which do not contain any false information, misleading statements or material omission.

Shandong Chenming Paper Holdings Limited (the “Company”) recently received a letter regarding the progress of the share increase plan and its postponement from Chenming Holdings Company Limited (“Chenming Holdings”), the controlling shareholder of the Company. On 6 September 2019, the Company held the third extraordinary meeting of the ninth session of the Board and the first extraordinary meeting of the ninth session of the Supervisory Committee, during which the resolution in relation to the delay in increase of shares by the controlling shareholder was considered and approved. The details are as follows:

**I. The share increase plan and its implementation**

Given its confidence over the Company’s future business growth and prospects, in order to maintain the stability of the capital market, raise confidence of investors, and better promote the continuous and stable development of the Company, Chenming Holdings intends to increase its shareholding in the Company within the 12-month period from 10 September 2018 to 9 September 2019, with an aggregate amount to be invested of no less than RMB100 million. For details, please refer to the Announcement on the Share Increase Plan by the Controlling Shareholder published on CNINFO on 10 September 2018 (Announcement No. 2018-128).

As at the date of this Announcement, Chenming Holdings has acquired a total of

5,890,643 A Shares of Chenming Paper, representing 0.2% of the total share capital of the Company through call auction via the trading system of the Shenzhen Stock Exchange in a consideration of RMB337.734 million. The share increase plan has yet not been completed.

## **II. Reasons for the delay in the implementation of the share increase plan and subsequent share increase plan**

When Chenming Holdings Company Limited (“Chenming Holdings”) is implementing the proposed increase of A shares of the Company, in order to eliminate factors that may shorten the validity of the proposed share increase during sensitive period in which periodic reports, result forecasts and major matters are about to be disclose, as well as being affected by change in market condition and capital arrangement, it is expected that the share increase plan cannot be completed within the agreed time frame. To express its confidence over the outlook of the Company and continue to implement the share increase plan, Chenming Holdings has decided to extend the validity period of the share increase plan for another six months, that is to say, the share increase plan will be postponed to 9 March 2020.

Apart from the above adjustments, other contents of the share increase plan will remain unchanged. The Company will keep contact with Chenming Holdings and supervise its strict implementation of the share increase plan.

## **III. The decision-making procedures and related opinions of the Company regarding the delay in increase of shares of the Company by the controlling shareholder**

### **I. Decision-making procedures of the Board**

The third extraordinary meeting of the ninth session of the Board of the Company was held by means of communication on 6 September 2019. 9 Directors were entitled to be present at the meeting and 9 Directors attended the meeting. Mr. Chen Hongguo and Mr. Hu Changqing, the related party Directors, had abstained from voting according to relevant regulations. A total of 7 non-related party Directors casted their votes. The

resolution in relation to the delay in increase of shares by the controlling shareholder has been considered and approved at the meeting with voting result of 7 votes for, 0 vote against and 0 vote abstained. The resolution will be submitted to the 2019 second extraordinary general meeting as an ordinary resolution for consideration and approval. Related parties who are interested in the related party matters shall abstain from voting.

## 2. Opinions of the Supervisory Committee

The first extraordinary meeting of the ninth session of the Board of the Company was held by means of communication on 6 September 2019. 5 supervisors were entitled to be present at the meeting and 5 supervisors attended the meeting. Mr. Li Dong, the related party supervisor, has abstained from voting according to relevant regulations. A total of 4 non-related party supervisors casted their votes. The resolution in relation to the delay in increase of shares by the controlling shareholder has been considered and approved at the meeting with voting result of 4 votes for, 0 vote against and 0 vote abstained.

Since Chenming Holdings intended to eliminate factors that may shorten the validity of the proposed share increase during sensitive period in which periodic reports, result forecasts and major matters are about to be disclose, as well as being affected by change in market condition and capital arrangement, it is expected that the share increase plan cannot be completed within the agreed timeframe. Chenming Holdings decided to postpone the increase of shares after caution consideration. There will not be any prejudice the interests of the Company and the investors, in particular, the legal rights of the minority shareholders. The decision-making procedures for the delay in increase of shares by Chenming Holdings are in compliance with relevant rules under the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Shenzhen Stock Exchange for the Standardised Operation of Companies Listed on the Main Boar and Articles of Association. Therefore, the Supervisory Committee agreed to the application for delay in increase of shares of the Company by Chenming Holdings. Such resolution

will be submitted to the 2019 second extraordinary general meeting as an ordinary resolution for consideration and approval.

### 3. Independent Directors' opinion

Since Chenming Holdings intended to eliminate factors that may shorten the validity of the proposed share increase during sensitive period in which periodic reports, result forecasts and major matters are about to be disclose, as well as being affected by change in market condition and capital arrangement, it is expected that the share increase plan cannot be completed within the agreed timeframe. To express its confidence over the outlook of the Company and continue to implement the share increase plan, Chenming Holdings has decided to extend the validity period of the share increase plan for another six months. The delay in increase of shares by Chenming Holdings will not prejudice the interests of the Company and the investors, in particular, the legal rights of the minority shareholders. The Board's approval procedures of the resolution are in compliance with the laws and regulations, and related party Directors had abstained from voting on the resolution. We approved that the delay in increase of shares of the Company by Chenming Holdings.

### **IV. Explanation on other matters**

1. The increase of Shares is in compliance with relevant requirements of Companies Law, Securities Law, and the Guidelines of the Shenzhen Stock Exchange for the Standardised Operation of Companies Listed on the Main Board and others.

2. The delay in increase of shares will not result in the distribution of shareholdings of the Company not meeting listing requirements

3. The Company will continue to pay attention to the development of the delay in share increase plan and fulfill the obligations of information disclosure in a timely manner in accordance with the relevant regulations. Investors are reminded of the investment risks.

### **V. Documents Available for Inspection**

1. Resolutions of the third extraordinary meeting of the ninth session of the Board of Directors;

2. Resolution of the First Extraordinary Meeting of the Ninth Session of the Supervisory Committee;

3. Independent Directors' opinion on the delay in increase of shares of the Company by the controlling shareholder;

4. Letter regarding the development of the share increase plan and the delay in share increase plan.

The Board of Shandong Chenming Paper Holdings Limited

6 September 2019