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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)

PROGRESS OF MAJOR TRANSACTION
(I) SUBSCRIPTION OF SHARES IN
GUANGDONG NANYUE BANK CO., LTD.; AND
(II) SHARE TRANSFER OF GUANGDONG NANYUE BANK CO., LTD.

Reference is made to the announcement dated 28 May 2018, the circular dated 29 June 2018 and the announcement dated 20 July 2018 of Shandong Chenming Paper Holdings Limited (the "Company") in relation to the subscription of shares in Guangdong Nanyue Bank Co., Ltd. and the share transfer of Guangdong Nanyue Bank Co., Ltd. (the "Documents"). Unless otherwise defined in this announcement, terms used in this announcement shall have the same meanings as those defined in the Documents.

The industrial and commercial registration of 356,000,000 shares in Nanyue Bank subscribed by Zhanjiang Chenming under private placement has completed. Recently, Nanyue Bank has received the Reply on Shareholder Qualification of Zhanjiang Chenming Pulp & Paper Co., Ltd. (Yue Yin Bao Jian Fu [2019] No. 1002) (《關於湛江晨鳴漿紙有限公司股東資格的批覆》(粵銀保監覆[2019]1002號)) issued by China Banking and Insurance Regulatory Commission, Guangdong Bureau. The transfer of 953,405,634 shares in Nanyue Bank held by certain shareholders, including China Delixi Holding Group Co., Ltd., to Zhanjiang Chenming has been approved. Upon the completion of the transfer, Zhanjiang Chenming holds a total of 1,309,405,634 shares in Nanyue Bank, representing 16.62% of total share capital of Nanyue Bank. The settlement of the aforesaid transferred shares is in progress. The Company will fulfil its information disclosure obligations in a timely manner based on the progress. Investors should be cautious about potential risks.

By Order of the Board
SHANDONG CHENMING PAPER HOLDINGS LIMITED*
Chen Hongguo
Chairman

Shandong, China
18 December 2019

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