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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 Rule 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 “Shandong Chenming Paper Holdings Limited: “2019 Work Report of Independent Directors” dated 27 March 2020 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
27 March 2020

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*

Shandong Chenming Paper Holdings Limited

2019 Work Report of Independent Directors

All shareholders of Shandong Chenming Paper Holdings Limited:

According to the relevant laws and regulations such as the Company Law, Guiding Opinions on the Establishment of Independent Directorship of Listed Companies (《关于在上市公司建立独立董事制度的指导意见》) and Provisions on Strengthening the Protection of the Rights and Interests of Public Shareholders (《关于加强社会公众股股东权益保护的若干规定》), and the Articles of Association, as independent directors of Shandong Chenming Paper Holdings Limited (the "Company"), we seriously and diligently performed our duties in 2019, and attended relevant meetings in 2019. We gave full play to the independent role of independent directors, safeguarded the overall interests of the Company, and safeguarded the rights and interests of shareholders as a whole, especially those of minority shareholders. Work report in 2019 is as follows:

I. Attendance of Board Meeting and General Meeting in 2019

In 2019, the Company successfully completed the general election. The eighth session of board of directors held 5 board meetings, the ninth session of board of directors held 9 board meetings; the Company held 4 general meetings. We have performed our duties diligently in strict accordance with the requirements of relevant laws and regulations, and the attendance of relevant meetings is as follows:

Name of Independent non-executive director	Number of Attendance at board meeting this year	Number of board meetings attended in person	Number of board meetings attended by proxy	Number of absences from board meeting	Whether he/she have not attended board meeting in person twice in a row	Number of Attendance at general meeting
Sun Jianfei	9	9	0	0	No	1
Yang Biao	9	9	0	0	No	1
Yin Meiqun	9	9	0	0	No	1
Pan Ailing	5	5	0	0	No	1
Huang Lei	5	5	0	0	No	0
Liang Fu	5	5	0	0	No	0
Wang Fengrong	5	5	0	0	No	0

We have carefully reviewed and checked the relevant materials and relevant issues considered at each board meeting, and have issued valid opinions on the relevant proposals that need to be voted on.

II. Independent Opinions Release

According to the Guiding Opinions on the Establishment of Independent Directorship of Listed Companies (《关于在上市公司建立独立董事制度的指导意见》), Rules Governing Listing of Stocks on Shenzhen Stock Exchange and Articles of Association, as the independent directors of the Company, we issued prior approval opinions on five issues including connected transactions, and issued independent

opinions on 21 issues including internal control, connected transactions, guarantee provisions, and appointing accounting firms. Details as follows:

(I) On 21 January 2019, at the thirty-fifth extraordinary meeting of the eighth session of board of directors of the Company, independent opinions were issued on Huanggang Chenming's application for bank loans and the provision of guarantees and asset mortgages.

(II) On 29 March 2019, at the twelfth meeting of the eighth session of board of directors of the Company:

- (1) independent opinions on the Company's internal control self-assessment report;
- (2) particulars and independent opinions on external guarantees of the Company;
- (3) independent opinions on determination of remuneration of directors, supervisors and senior management for 2018;
- (4) independent opinions on the use of proceeds by related parties and related party transactions;
- (5) independent opinions on provision of guarantee for comprehensive credit line of relevant subsidiaries;
- (6) prior approval opinions and independent opinions on appointment of the auditor for 2019;
- (7) independent opinions on corrections of accounting errors and retrospective restatement.

(III) On 20 May 2019, at the thirty-seventh extraordinary meeting of the eighth session of board of directors of the Company, independent opinions were issued on the election of the board of directors.

(IV) On 11 June 2019, at the first meeting of the ninth session of board of directors of the Company, independent opinions were issued on the appointment of senior management.

(V) On 19 July 2019, at the first extraordinary meeting of the ninth session of board of directors of the Company:

- (1) independent opinions on the remuneration of external directors and shareholder representative supervisor;
- (2) prior approval opinions and independent opinions on the acceptance of financial support and related party transactions;
- (3) prior approval opinions and independent opinions on daily business dealings with subsidiaries and related party transactions.

(VI) On 15 August 2019, at the second meeting of the ninth session of board of directors of the Company, independent opinions were issued on the use of proceeds by controlling shareholders and other related parties and on external guarantees.

(VII) On 6 September 2019, at the third extraordinary meeting of the ninth session of board of directors of the Company, independent opinions were issued on the increase in shareholding by the controlling shareholders.

(VIII) On 16 September 2019, at the fourth extraordinary meeting of the ninth session of board of

directors of the Company, prior approval opinions and independent opinions were issued on change of the auditor.

(IX) On 17 October 2019, at the fifth extraordinary meeting of the ninth session of board of directors of the Company, independent opinions were issued on the provision of guarantee to a controlling subsidiary.

(X) On 25 October 2019, at the third meeting of the ninth session of board of directors of the Company:

(1) independent opinions on the change of accounting policies;

(2) prior approval opinions and independent opinions on the acceptance of financial support and related party transactions.

(XI) On 6 November 2019, at the sixth extraordinary meeting of the ninth session of board of directors of the Company:

(1) independent opinions on change and rotation of the general manager;

(2) independent opinions on the appointment of senior management.

III. Work on Protecting the Legitimate Rights and Interests of Public Shareholders

(I) Strengthen supervision of information disclosure of the Company

During the reporting period, we continued to pay attention to the Company's information disclosure, enabling the Company to strictly comply with national laws and regulations, Rules Governing Listing of Stocks on Shenzhen Stock Exchange, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Administrative Measures for the Disclosure of Information (《信息披露管理办法》) and other relevant regulations of the Company, and disclose information truthfully, accurately, timely, completely and fairly.

(II) Strengthen supervision of the Company's governance structure and operation management

During the reporting period, we carefully examined the major issues that need to be considered and decided by the board of directors in advance, and conscientiously verified matters related to the appointment and removal of senior executives, the provision of guarantees, related party transactions, and the change of auditor. When necessary, we all expressed independent opinions and actively and effectively performed our duties.

(III) Strengthen the study of laws and regulations

During the reporting period, in order to effectively perform the duties of independent directors, we paid attention to studying the new laws and regulations issued by the CSRC and the Shenzhen Stock Exchange, and actively participated in the relevant training organized by the regulatory authorities and the stock exchange to deepen our understanding of relevant laws and regulations such as standardizing corporate governance and protecting the rights and interests of public shareholders, improving our ability to perform our duties, and promoting the standardized operation of the Company.

IV. Miscellaneous

(I) No proposal to convene a board meeting;

(II) No proposal to appoint or dismiss an accounting firm;

(III) No independent appointment of external auditors and consultants.

V. Actively Fulfill Duties and Protect the Interests of the Company and Shareholders

During the reporting period, we conscientiously fulfilled the obligations of independent directors. In 2020, we will continue to perform our duty diligently, strengthen communication with other directors, supervisors and management, improve the decision-making ability of the board of directors, actively and effectively perform the duties of independent directors to better safeguard the legitimate rights and interests of the Company and minority shareholders.

Independent directors: Sun Jianfei Yin Meiqun Yang Biao

Board of Directors of Shandong Chenming Paper Holdings Limited

27 March 2020