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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: Announcement on Matters Relating to Adjustments to the 2020 Restricted A Share Incentive Scheme” dated 29 May 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
29 May 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*

Stock Code: 000488
200488

Stock Short Name:
Chenming Paper
Chenming B

Announcement No.:
2020-048

Shandong Chenming Paper Holdings Limited

Announcement on Matters Relating to Adjustments to the 2020 Restricted A Share Incentive Scheme

The Company and all members of its board of directors (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 omissions.

The Resolution on the Matters Relating to Adjustments to the 2020 Restricted A Share Incentive Scheme of Shandong Chenming Paper Holdings Limited (the “Company”) was considered and approved at the tenth extraordinary meeting of ninth session of the Board and the fifth extraordinary meeting of the ninth session of the Supervisory Committee of the Company held on 29 May 2020. Relevant adjustments are as follows:

I. Relevant Approval Procedures Performed Under the Incentive Scheme

1. On 30 March 2020, the Resolution in Relation to the 2020 Restricted Share Incentive Scheme of Shandong Chenming Paper Holdings Limited (Draft) and Its Summary, the Resolution in Relation to the Assessment Management Measures for the Implementation of the 2020 Restricted Share Incentive Scheme of Shandong Chenming Paper Holdings Limited and the Resolution in Relation to the Authorisation Granted by the General Meeting to the Board to Deal with Matters Relating to the Share Incentive Scheme of the Company were considered and approved at the ninth extraordinary meeting of ninth session of the Board of the Company; On the same date, the aforementioned resolutions were considered and approved at the fourth extraordinary meeting of the ninth session of the Supervisory Committee of the Company, and the

proposed list of the participants of the Incentive Scheme was verified, Independent directors of the Company have issued independent opinions on the Incentive Scheme.

2. On 3 April 2020, the Company announced the list of the participants of the Incentive Scheme through the Company's intranet. The announcement was posted from 3 April 2020 to 12 April 2020. During the announcement period, the Supervisory Committee of the Company and relevant departments did not receive any objection against the proposed participants of the Incentive Scheme. The Supervisory Committee verified the proposed list of the participants of the Incentive Scheme.

For details, please refer to the Explanation of the Supervisory Committee Regarding the Announcement of the List of Participants under the 2020 Restricted A Share Incentive Scheme and its Verification Opinions disclosed by the Company on 8 May 2020 on CNINFO (www.cninfo.com.cn).

3. On 15 May 2020, the Resolution in Relation to the 2020 Restricted Share Incentive Scheme (Draft) of Shandong Chenming Paper Holdings Limited (Draft) and Its Summary, the Resolution in Relation to the Assessment Management Measures for the Implementation of the 2020 Restricted Share Incentive Scheme of Shandong Chenming Paper Holdings Limited and the Resolution in Relation to the Authorisation Granted by the General Meeting to the Board to Deal with Matters Relating to the Share Incentive Scheme of the Company were considered and approved at the 2020 second extraordinary general meeting, the 2020 first class meeting for holders of domestic-listed shares and the 2020 first class meeting for holders of overseas-listed shares of the Company considered and approved. On 16 May 2020, the Company disclosed the Self-Examination Report for the Trading of Shares of the Company by Insiders and Participants of the 2020 Restricted A Share Incentive Scheme.

4. On 29 May 2020, the Resolution on the Matters Relating to Adjustments to the 2020 Restricted A Share Incentive Scheme of the Company and the Resolution in Relation to the Grant of Restricted Shares to the Participants were considered and approved at the tenth extraordinary meeting of ninth session of the Board and the fifth extraordinary meeting of the ninth session of the Supervisory Committee of the Company. The independent directors of the Company have issued independent opinions thereon,

agreed that the Board shall make adjustments to the proposed list of participants and the number of shares to be granted, and considered that the participants are legally and validly qualified and that the grant date determined is in compliance with relevant requirements.

II. Explanation on the Adjustments

Resolutions relating to the 2020 Restricted A Share Incentive Scheme of the Company were considered and approved at the 2020 second extraordinary general meeting, the 2020 first class meeting for holders of domestic-listed shares and the 2020 first class meeting for holders of overseas-listed shares of the Company. Given that, among the proposed participants involved in the Incentive Scheme (Draft) of the Company, 1 participant has left the Company and 8 participants voluntarily abandoned the restricted shares proposed to be granted by the Company due to personal reasons, the Board will make adjustments to the list of the participants and the number of shares to be granted under the 2020 Restricted A share Incentive Scheme according to the authorisation granted by the general meeting of the Company.

After the adjustments, the number of participants to be granted restricted shares under the Incentive Scheme of the Company will be adjusted to 111 from 120 and the total number of shares to be granted will be adjusted to 79,600,000 shares from 80,000,000 shares. The above adjustments were considered and approved at the tenth extraordinary meeting of ninth session of the Board and the fifth extraordinary meeting of the ninth session of the Supervisory Committee of the Company. Apart from the above adjustments, there is no difference between the shares to be granted to the participants by the Company this time and the resolutions relating to the share incentive scheme considered and passed at the 2020 second extraordinary general meeting, the 2020 first class meeting for holders of domestic-listed shares and the 2020 first class meeting for holders of overseas-listed shares of the Company.

The adjusted list of Participants and the allocation are as follows:

Name	Position	Number of shares to be granted (*0,000 shares)	Proportion in the total shares granted (%)	Proportion in the Total Share Capital (%)
Chen Hongguo	Chairman	2,000	25.13	0.69
Hu Changqing	Vice Chairman	500	6.28	0.17
Li Xingchun	Vice Chairman	500	6.28	0.17
Li Feng	General Manager	300	3.77	0.10
Li Xueqin	Vice General Manager	300	3.77	0.10
Geng Guanglin	Vice General Manager	200	2.51	0.07
Li Weixian	Vice General Manager	200	2.51	0.07
Li Zhenzhong	Vice General Manager	200	2.51	0.07
Dong Lianming	Chief Financial Officer	100	1.26	0.03
Yuan Xikun	Secretary of the Board	30	0.38	0.01
Key technical (business) employees (101)		3,630	45.60	1.25
Total (111)		7,960	100	2.74

According to the authorisation of the 2020 second extraordinary general meeting, the 2020 first class meeting for holders of domestic-listed shares and the 2020 first class meeting for holders of overseas listed shares of the Company, the adjustments are within the scope of approval of the Board of the Company and does not need to be submitted to the general meeting for consideration.

III. Impact of the Adjustments on the Company

The adjustments to the list of Participants granted to the 2020 Restricted A Share Incentive Scheme and the amount of equity granted will not have a material impact on the financial condition and operating results of the Company, nor will it affect the diligence and due diligence of the management team. The management team will continue to earnestly perform its duties and try its best to create value for shareholders.

IV. Opinions of the Supervisory Committee

The adjustments to the list of Participants granted to the 2020 Restricted A Share Incentive Scheme and the amount of equity granted are in compliance with relevant laws and regulations, normative documents and relevant provisions of the Incentive Scheme (Draft) of the Administrative Measures on Share Incentives of Listed Companies (the

"Administrative Measures"), the adjustment program is legal and compliant, the Participants granted after the adjustment complies with the incentives stipulated in the Administrative Measures, Incentive Scheme (Draft) and other relevant laws and regulations. The qualifications of the participants as the Incentive Scheme are legal and valid, and there is no situation that harms the interests of the Company and all shareholders. The Supervisory Committee agreed to adjust the Incentive Scheme.

V. Opinions of Independent Directors

The adjustments to the list of Participants under the Incentive Scheme and the number of equity granted are in compliance with the Articles of Association, Management Measures and other relevant laws and regulations, normative documents, as well as relevant rules under the Incentive Scheme (Draft) of the Company. The adjustments have obtained authorisation at the general meeting, and the adjustment procedure is legal and compliant. There is no situation that harms the Company and all shareholders. Therefore, we unanimously agree that the Company will adjust the list of Participants granted to the Incentive Scheme and the number of equity granted accordingly.

VI. Professional Opinions of the Independent Financial Adviser

Shanghai Realize Investment Consulting Co., Ltd., the Independent Financial Adviser of the Company, confirmed that the adjustments to the Incentive Scheme of the Company have obtained necessary approvals and authorisation. The adjustments to the participants and number of the Restricted Shares granted are in compliance with the Company Law, the Securities Law, the Administrative Measures and other laws and regulations and normative documents.

VII. Conclusion of Legal Opinions

Beijing YongXing Law Firm, the legal adviser of the Company, confirmed that the adjustments made by the Company have obtained necessary approvals and authorisation. The reasons for the adjustments and the determination of the number of shares granted are in compliance with the Administrative Measures and other laws, regulations, normative documents and the relevant provisions of the Incentive Scheme (Draft), and the Company and the Participants granted has satisfied the conditions for the granting of

Restricted Shares as required in the Administrative Measures and other laws, regulations, normative documents and the relevant provisions of the Incentive Scheme (Draft).

VIII. Documents Available for Inspection

1. Resolutions of the tenth extraordinary meeting of the ninth session of the Board;
2. Resolutions of the fifth extraordinary meeting of the ninth session of the Supervisory Committee;
3. Independent opinions of independent directors on the resolutions of the tenth extraordinary meeting of the ninth session of the Board related matters;
4. List of Participants under the 2020 Restricted A Share Incentive Scheme (adjusted);
5. Independent financial adviser report on the adjustments to the 2020 Restricted A Share Incentive Scheme of Shandong Chenming Paper Holdings Limited and matters related to the grant issued by Shanghai Realize Investment Consulting Co., Ltd.;
6. Legal opinion on the adjustments to 2020 Restricted A Share Incentive Scheme of Shandong Chenming Paper Holdings Limited and the matters related to the grant of Restricted Shares issued by Beijing YongXing Law Firm.

Notice is hereby given.

The Board of Shandong Chenming Paper Holdings Limited

29 May 2020