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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 Grant of Restricted Shares to the Participants" 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:	Stock abbreviation:	Announcement No.:
000488 200488	Chenming Paper Chenming B	2020-049

## **Shandong Chenming Paper Holdings Limited**

### **Announcement on Grant of Restricted Shares to Participants**

The Company and all members of the board of directors (the “Board”) hereby warrant the truthfulness, accuracy and completeness of the contents of information disclosed which do not contain any false information, misleading statements or material omissions. As the conditions for the grant stipulated under the 2020 Restricted A Shares Incentive Scheme (Draft) (the “Scheme” or the “Incentive Scheme”) of Shandong Chenming Paper Holdings Limited (the “Company”) have fulfilled, based on the authorisation granted 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, the Resolution on the Grant of Restricted Shares to Participants 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. It is agreed to grant 79,600,000 Restricted Shares to 111 Participants. The date of grant of Restricted Shares is 29 May 2020. Relevant matters are as follow:

#### **I. Overview of the Incentive Scheme and Relevant Approval Procedures Performed**

##### **(I) Overview of the Incentive Scheme**

The Scheme was 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. Details are as follow:

1. Type of underlying shares: Restricted shares.
2. Source of underlying shares: Ordinary A shares of the Company issued by the Company to the Participants.

3. Participants: There are a total of 111 Participants under the Scheme, including the current directors (excluding independent non-executive Directors and external Directors), senior management, key technical (business) employees of the Company and other persons who, in the opinion of the Board, are qualified.

4. Unlocking arrangement

The Lock-up Periods of the Restricted Shares granted under the Incentive Scheme shall be 24 months, 36 months and 48 months from the date of registration of the Restricted Shares under the grant. The Restricted Shares granted to the Participants under the Incentive Scheme subject to selling restrictions, but shall not be transferred, pledged or used for repayment of debt during the Lock-up Period. The shares and dividends obtained by the Participants due to the grant of the Restricted Shares not yet unlocked to them arising from capitalization issue, bonus issue, share sub-division, etc. shall be subject to locking in accordance with the Incentive Scheme, and shall not be sold in the secondary market or otherwise transferred. The Unlocking Period of such shares is the same as that of the Restricted Shares. If the Company repurchases the Restricted Shares not yet unlocked, such shares shall be repurchased at the same time.

After 24 months from the date of completion of the registration of the grant of Restricted Shares granted by the Scheme, the Participants will unlock in three phases within the next 36 months. The table below sets out the Unlocking Period and unlocking schedule for the Restricted Shares under each grant:

Unlocking arrangement	Description of the Unlocking Period	Percentage of the Restricted Shares to be unlocked of total number of the Restricted Shares granted
First Unlocking Period	Commencing from the first trading day after expiry of the 24-month period from the date on which the registration of the grant of the Restricted Shares is completed and ending on the last trading day of the 36-month period from the date on which the registration of the grant of the Restricted Shares is completed	40%
Second Unlocking Period	Commencing from the first trading day after expiry of the 36-month period from the date on which the registration of the grant of the Restricted Shares is completed and ending on the last trading day of the 48-month period from the date on which the	30%

	registration of the grant of the Restricted Shares is completed	
Third Unlocking Period	Commencing from the first trading day after expiry of the 48-month period from the date on which the registration of the grant of the Restricted Shares is completed and ending on the last trading day of the 60-month period from the date on which the registration of the grant of the Restricted Shares is completed	30%

5. Grant Price: The Grant Price of the Restricted Shares granted under the Scheme shall be RMB2.85 per share.

#### 6. Unlocking conditions

6.1 There is no occurrence of any of the following events on the part of the Company:

6.1.1. issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;

6.1.2. issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;

6.1.3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing;

6.1.4. prohibition from implementation of a share incentive scheme by laws and regulations;

6.1.5. other circumstances as determined by the CSRC.

6.2 There is no occurrence of any of the following events on the part of the Participants:

6.2.1. having been determined to be an inappropriate candidate by the stock exchange in the past 12 months;

6.2.2. having been determined to be an inappropriate candidate by the CSRC or its local counterparts in the past 12 months;

6.2.3. having been imposed with administrative penalties or prohibited from market entry by the CSRC or its local counterparts in the past 12 months due to material violation of laws and regulations;

6.2.4. being prohibited from acting as a director or senior management member of the Company by the Company Law;

6.2.5. being prohibited from participating in any share incentive scheme of listed companies by laws and regulations;

6.2.6. other circumstances as determined by the CSRC.

6.3 When a Participant leaves the Company due to retirement, and the Restricted Shares granted to him/her have, in the year of retirement, reached the exercisable conditions subject to time restriction and performance assessment, the qualified portion of the shares may be exercised within half a year from the date of retirement while the unqualified portion will no longer be exercised. Restricted Shares that have not been unlocked shall be repurchased by the Company at the Grant Price bearing interest at bank's loan rate for the same period.

6.4 Performance appraisal at company level

The Restricted Shares granted under the Incentive Scheme shall be subject to annual performance appraisal for the three accounting years from 2021 to 2023 for unlocking, to fulfil the Company's performance indicators as the unlocking conditions for the Participants. The annual performance targets are shown in the following table:

<b>Unlocking Period</b>	<b>Performance target</b>
First Unlocking Period	① Return on net assets for 2021 shall not be less than 5.5% and shall not be less than the industry average level or 75 fractiles of benchmark enterprise; ② Gross profit margin of sales for 2021 shall not be less than 22% and shall not be less than the industry average level or 75 fractiles of benchmark enterprise; ③ Revenue from principal businesses as a percentage of total revenue for 2021 shall not be less than 90%.
Second Unlocking Period	① Return on net assets for 2022 shall not be less than 6.0% and shall not be less than the industry average level or 75 fractiles of benchmark enterprise; ② Gross profit margin of sales for 2022 shall not be less than 23% and shall not be less than the industry average level or 75 fractiles of benchmark enterprise; ③ Revenue from principal businesses as a percentage of total revenue for 2022 shall not be less than 90%.
Third Unlocking Period	① Return on net assets for 2023 shall not be less than 6.5% and shall not be less than the industry average level or 75 fractiles of benchmark enterprise; ② Gross profit margin of sales for 2023 shall not be less than 24% and shall not be less than the industry average level or 75 fractiles of benchmark enterprise; ③ Revenue from principal businesses as a percentage of total revenue for 2023 shall not be less than 90%.

Notes: (1) The above “return on net assets” refers to the return on weighted average net assets.

(2) During the Validity Period of the Share Incentive Scheme, if the listed company purchases assets through issuing shares as a means of payment or utilizing raised funds in the future, the increased net assets and the net profit generated from such net assets shall not be included in the calculation of appraisal for future years.

(3) If there are significant changes in the business structure of or extreme values with excessive performance variation in the benchmark enterprise samples during the annual appraisal process for granting and unlocking, the Board of the Company will remove or adjust the samples.

### 6.5 Performance appraisal at individual level

The Participants shall be subject to annual performance appraisal in accordance with the Assessment Management Measures for the 2020 Restricted A Shares Incentive Scheme formulated by the Company, and the assessment results and unlocking ratio for the year shall be determined according to the annual average performance indicators of relevant departments where such Participant belongs to. The assessment results shall be categorised into two grades, namely up to standard and below standard. The reference for assessment is shown in the following table:

<b>Performance results</b>	<b>A≥80 scores</b>	<b>A&lt;80 scores</b>
Standard coefficient	1.0	0

Actually unlocked individual quota in current year = standard coefficient × individual quota planned to unlock in current year. The Participants are eligible to unlock the Restricted Shares for the current year only after they are up to standard in the assessment for the previous year. If the unlocking conditions in current period are not satisfied due to the failure to pass the performance appraisal at company level or individual level, no corresponding Restricted Shares shall be unlocked or deferred to the next period and will be repurchased and cancelled by the Company as stipulated.

#### (II) 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](http://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. Relevant Explanation of the Board on Whether the Grant Satisfies the Grant Conditions**

According to the requirements regarding the grant conditions stipulated in the Incentive Scheme, the conditions for the Participants to be granted are as follows:

1. There is no occurrence of any of the following events on the part of the Company:

(1) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;

(2) issue of an auditors' report with adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;

(3) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the 36 months after listing;

(4) prohibition from implementation of a share incentive scheme by laws and regulations;

(5) other circumstances as determined by the CSRC.

2. There is no occurrence of any of the following events on the part of the Participants:

(1) having been determined to be an inappropriate candidate by the stock exchange in the past 12 months;

(2) having been determined to be an inappropriate candidate by the CSRC or its local counterparts in the past 12 months;



(3) having been imposed with administrative penalties or prohibited from market entry by the CSRC or its local counterparts in the past 12 months due to material violation of laws and regulations;

(4) being prohibited from acting as a director or senior management member of the Company by the Company Law;

(5) being prohibited from participating in any share incentive scheme of listed companies by laws and regulations;

(6) other circumstances as determined by the CSRC.

3. The Company is deemed to have achieved the performance target if all of the following conditions are satisfied:

(1) Return on net assets for 2018 shall not be less than 5.0% and shall not be less than the industry average level or 50 fractiles of benchmark enterprise;

(2) Gross profit margin of sales for 2018 shall not be less than 20% and shall not be less than the industry average level or 50 fractiles of benchmark enterprise;

(3) Revenue from principal businesses as a percentage of total revenue for 2018 shall not be less than 90%.

After careful verification, the Board considered that neither the Company nor the Participants has occurred or belong to any of the above two circumstances and the performance evaluation conditions of the grant of the Restricted Shares by the Company have been fulfilled. Taking into account all of the above, the conditions of the grant required under the Incentive Scheme of the Company have been satisfied, and it is agreed to grant the Restricted Shares to the Participants who fulfill the conditions of the grant.

### **III. Grant Under the Incentive Scheme**

1. Grant date of the Restricted Shares: 29 May 2020

2. Grant price: RMB2.85 per share

3. Source of shares: Ordinary A Shares of the Company issued by the Company to the Participants.

4. Participants and number of Restricted Shares granted under the Incentive Scheme:

A total of 111 Participants are granted and the number of Restricted Share granted is 79,600,000 shares in aggregate. Details of allocation are as follow:

Name	Position	Number of shares to be granted ('0,000 shares)	Proportion in the total shares granted (%)	Proportion in the total issued 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

Notes: 1. The above calculation of the percentages shall be rounded to two decimal places.

2. The number of the shares to be granted during the validity period to any one of the above Participants will not exceed 1% of the Company's total issued share capital. The total number of shares to be granted under the Incentive Scheme during the validity period shall not exceed 10% of the total issued share capital of the Company at the time of submitting to the general meeting for approval.

5. The implementation of the Incentive Scheme will not lead to non-compliance of listing requirements in terms of shareholding distribution.

#### **IV. Explanation on Whether There is Any Difference Between the Incentive Scheme Implemented and the Disclosed Equity Incentive Scheme**

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.

#### **V. Impact of the Grant of Restricted Shares on the Operating Results and Financial Position of the Company**

Pursuant to the Enterprise Accounting Standard No.11 - Share-based Payments and the relevant requirements regarding the recognition of fair value under the Enterprise Accounting Standard No.22 - Financial Instruments: Recognition and Measurement, the grant of the Restricted Shares of the Company under the Incentive Scheme will have a certain impact on the financial position and operating results of the Company during the relevant years. The Board has decided 29 May 2020 as the Grant Date, and will recognise incentive costs based on the fair value of the Restricted Shares on Grant Date.

As estimated, it is expected that the incentive costs of the Restricted Shares in the future will be RMB156,016,000, and the impact of the Restricted Shares granted by the Scheme on the accounting costs of each period is shown in the following table:

Number of Restricted Shares ('0,000)	Total Share-based Payment (RMB '0,000)	2020 (RMB '0,000)	2021 (RMB '0,000)	2022 (RMB '0,000)	2023 (RMB '0,000)	2024 (RMB '0,000)
7,960	15,601.60	3,444.30	5,850.60	4,013.64	1,811.80	481.26

The costs incurred by the Incentive Scheme will be presented in recurring gains and losses. Based on current conditions, the Company estimates that, without considering the stimulus effects of the Incentive Scheme on the performance of the Company, the amortization of the costs of the Incentive Scheme has an impact on the net profit of each year during the validity period but the impact is not significant. Taking into consideration the positive impact of the Incentive Scheme on the development of the Company, it will stimulate the enthusiasm of the management team, improve the operating efficiency, the performance improvement of the Company brought by the Incentive Scheme shall far exceed the increase in costs incurred by the Incentive Plan.

#### **VI. TRADING From Directors and the Senior Management Participating in the Incentive Scheme in the Company's Shares for 6 Months Before the Grant Date**

After the Company's self-examination, Directors and the senior management who participated in the Incentive Scheme did not have any trading in shares of the Company for 6 months before the grant date.

#### **VII. Fund Arrangement for Participants**

Participants are all self-financed for the subscription of Restricted Shares and payment of personal income tax. The Company has committed not to provide loans and other forms of financial assistance to the Participants to obtain the underlying shares according to the Incentive Scheme, including guarantees for loans.

The Company will withhold and pay the personal income tax payable by incentive targets according to the provisions of national tax regulations. Proceeds raised by the Company from issuance of Restricted Shares will be used to replenish the working capital.

### **VIII. Opinions of the Supervisory Committee**

Supervisory Committee of the Company has verified whether the Participants determined in the Incentive Scheme (Draft) met the conditions for granting. The Supervisory Committee believes that the 111 Participants who are granted Restricted Shares are incentive targets determined in the Incentive Scheme (Draft) 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, and they do not fall into the following categories which Article 8 of the Administrative Measures on Share Incentives of Listed Companies prohibits to become the Participant:

(1) has been identified as an inappropriate candidate by the stock exchange in the last 12 months;

(2) has been identified as an inappropriate candidate by CSRC and its dispatched agencies in the last 12 months;

(3) has been punished administratively or adopted market prohibition measures by CSRC and its dispatched agencies due to major violations of laws and regulations in the last 12 months;

(4) is not allowed to serve as director and senior management of the Company as stipulated in the Company Law;

(5) is not allowed to participate in the equity incentives of listed companies as stipulated in laws and regulations;

(6) other situations determined by CSRC.

The above 111 participants meet the conditions of incentive targets specified in the Management Measures and other relevant laws, regulations and normative documents, and are in line with the scope of incentive targets specified in the Incentive Scheme (Draft), and their subject qualification as incentive targets in the Incentive Scheme is legal and effective. At the same time, the granting conditions stipulated in the Incentive Scheme (Draft) have been met.

The Supervisory Committee of the Company agrees to treat 29 May 2020 as the Grant Date and to grant 79,600,000 Restricted Shares to 111 Participants. The above

matters have been 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, and has been authorised to the Board for handling.

#### **IV. Opinions of the Independent Directors**

1. 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 Board confirmed that grant date of the 2020 Restricted A Share Incentive Scheme will be 29 May 2020, which was in line with relevant provisions on grant date of the Administrative Measures on Share Incentives of Listed Companies and the Incentive Scheme (Draft).

2. The Participants who are granted the Restricted Shares are among the list of Participants considered and approved at the general meeting and they are in compliance with the conditions of incentive targets specified in the Management Measures and other relevant laws, regulations and normative documents, and are in line with the scope of Participants specified in the Incentive Scheme (Draft), and their subject qualification as Participants under the Incentive Scheme is legal and effective.

3. The Company and Participants have not been in the situations that cannot be granted restricted shares, and the conditions for first grant of the 2020 Restricted A Share Incentive Scheme of the Company have been met.

4. The Company does not have any plans or arrangements to provide loans, loan guarantees or any other financial assistance to Participants.

5. The implementation of the Restricted A Share Incentive Scheme will help the Company to further improve the corporate governance structure, establish the incentive and restraint mechanism, and enhance the sense of responsibility and mission of the Company's management team and business backbone to achieve sustainable and healthy development of the Company, which is beneficial to the continuous development of the Company, and also will not harm the interests of the Company and all shareholders.

6. When the Board of the Company considered the resolution, the procedures for granting Restricted Shares to Participants by the Company are in compliance with laws.

The related party directors have abstained the voting on those resolutions in accordance with the laws, regulations and normative documents such as the Company Law, the Securities Law and the Management Measures, as well as the relevant provisions of the Articles of Association, and those resolutions are voted by non-related party directors.

Taking into account all of the above, we agreed that the Grant Date of the 2020 Restricted A Share Incentive Scheme will be 29 May 2020, and to grant 79,600,000 Restricted Shares to 111 qualified Participants at the Grant Price of RMB2.85 per share.

#### **X. 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 determination of the number of shares granted and date of grant is 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).

#### **XI. Professional Opinions of the Independent Financial Adviser**

Shanghai Realize Investment Consulting Co., Ltd., the independent financial adviser of the Company, believes that: the 2020 Restricted A Share Incentive Scheme of the Company have obtained necessary approval and authorisation, and the determination and adjustment regarding grant date, grant price, grantees are in compliance with the laws, regulations and normative documents such as the Company Law, the Securities Law and the Administrative Measures. The Company has not been in the situations that the conditions for first grant of the 2020 Restricted A Share Incentive Scheme of the Company have not been met.

#### **XII. 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. 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;

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.

Notice is hereby given.

The Board of Shandong Chenming Paper Holdings Limited

29 May 2020