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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)**

**PAYMENT OF FINAL DIVIDEND AND WITHHOLDING AND  
PAYMENT OF ENTERPRISE INCOME TAX FOR  
NON-RESIDENT ENTERPRISE SHAREHOLDERS**

Reference is made to the 2018 annual report summary announcement and the 2018 annual report for the year ended 31 December 2018 of Shandong Chenming Paper Holdings Limited (the “Company”) both dated 31 March 2019 in relation to, among other things, the board of directors (the “Board”) of the Company recommended a final dividend of RMB2.4 per 10 shares (tax inclusive) to be paid to all ordinary shareholders of the Company and the total final dividend in this distribution is RMB697,105,968 (tax inclusive) for the year ended 31 December 2018 (the “2018 Final Dividend”). The 2018 Final Dividend has been approved by the shareholders of the Company at the annual general meeting dated 11 June 2019 (the “AGM”).

According to the article of association of the Company, dividends will be denominated and declared in RMB. Dividends in domestic shares will be paid in RMB and dividends in H shares will be paid in Hong Kong dollars. The relevant exchange rate will be the average of the medium rate of RMB to Hong Kong dollars as announced by the People’s Bank of China for five working days prior to and including 11 June 2019, the date on which the 2018 Final Dividend was declared at the AGM (i.e. RMB0.87874 equivalent to HK\$1.00). Therefore the Final Dividend of RMB2.4 per 10 H Shares is equivalent to HK\$2.7312.

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China and the Implementation Rules of the Enterprise Income Tax Law of the People’s Republic of China implemented in 2008, the Company shall withhold and pay 10% enterprise income tax when it distributes the 2018 Final Dividend to its non-resident enterprise shareholders of overseas H shares (including HKSCC Nominees Limited, other corporate nominees or trustees, and other entities or organizations) whose names

appear on the Company's H shares register of members on 20 June 2019. The income tax will not be withheld from the 2018 Final Dividend payable to individual holders of H shares whose name appear on the Company's H shares register of members on 20 June 2019.

The Company will strictly comply with the relevant tax laws and regulations of the People's Republic of China to withhold for payment the 10% enterprise income tax and the 2018 Final Dividend will only be payable to the holders whose names appear on the Company's H share register of members on 20 June 2019. The Company assumes no responsibility or liability whatsoever for confirming the identity of the shareholders of the Company and for any claims arising from any delay in or inaccurate determination of the identity of shareholders of the Company or any disputes over the withholding mechanism.

The Company has appointed Bank of Communications Trustee Limited as the receiving agent in Hong Kong (the "Receiving Agent") and will pay to such Receiving Agent the 2018 Final Dividend declared for payment to holders of H shares. The Receiving Agent will pay the 2018 Final Dividend net of the applicable tax on or before 9 August 2019. Relevant cheques will be dispatched to holders of H shares entitled to receive such dividend by ordinary post and at their own risk.

Shareholders are recommended to consult their tax advisers regarding the tax implications arising from their holding and disposal of H shares of the Company.

By Order of the Board  
**Shandong Chenming Paper Holdings Limited**  
**Chen Hongguo**  
*Chairman*

Shandong, the PRC  
5 August 2019

*\* For identification purpose only*

*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.*