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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 the Supervisory Committee” 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 the Supervisory Committee

During the reporting period, all the supervisors of Shandong Chenming Paper Holdings Limited (the "Company") strictly complied with the Company Law, Articles of Association, Rules of Procedure of the Supervisory Committee (《监事会议事规则》) and the division of personal duties and responsibilities, in the spirit of being responsible to all shareholders, conscientiously and diligently performed the supervision function and inspection function to the Company, and provided a strong guarantee for the Company's standardized operation and healthy development.

I. Convening of the Meeting of Supervisory Committee

In 2019, the Supervisory Committee of the Company successfully completed the re-election, and the eighth session of Supervisory Committee and the ninth session of Supervisory Committee held a total of 8 meetings to consider 16 resolutions. Details are as follows:

1. On 29 March 2019, the Company held the thirteenth meeting of the eighth session of Supervisory Committee. The meeting considered and approved 7 resolutions including the 2018 Work Report of the Supervisory Committee, Full Text and Summary of 2018 Annual Report of the Company, 2018 Financial Final Report of the Company, 2018 Profit Distribution Plan of the Company, 2018 Internal Control Self-assessment Report of the Company, Resolution on the Appointment of Auditor in 2019 and Resolution on Correction of Accounting Errors and Retrospective Adjustments.

2. On 29 April 2019, the Company held the fourteenth meeting of the eighth session of Supervisory Committee. The meeting considered and approved 1 resolution of the Full Text and Summary of 2019 First Quarter Report of the Company.

3. On 20 May 2019, the Company held the thirteenth extraordinary meeting of the eighth session of Supervisory Committee. The meeting considered and approved 2 resolutions of the Resolution on the Election of the Supervisory Committee and Resolution on the Amendment of the Rules of Procedure of the Supervisory Committee.

4. On 11 June 2019, the Company held the first meeting of the ninth session of Supervisory Committee. The meeting considered and approved 1 resolution of the Resolution on Electing the Chairman of the Supervisory Committee.

5. On 15 August 2019, the Company held the second meeting of the ninth session of Supervisory Committee. The meeting considered and approved 1 resolution of the Full Text and Summary of 2019 Interim Report of the Company.

6. On 6 September 2019, the Company held the first extraordinary meeting of the ninth session of Supervisory Committee. The meeting considered and approved 1 resolution of the Resolution on Extension of the Increase in

Shareholding by the Controlling Shareholders.

7. On 16 September 2019, the Company held the second extraordinary meeting of the ninth session of Supervisory Committee. The meeting considered and approved 1 resolution of the Resolution on Change of Auditor.

8. On 25 October 2019, the Company held the third meeting of the ninth session of Supervisory Committee. The meeting considered and approved 2 resolutions of the Full Text and Summary of 2019 Third Quarter Report of the Company and Resolution on Changes in Accounting Policies.

II. Opinions of the Supervisory Committee

1. Operation of the Company according to law

(1) During the reporting period, the Company was able to conscientiously operate in accordance with the Company Law, Securities Law, Articles of Association and relevant national laws and regulations, and earnestly implement the principles of “legal-restraining, supervision, self-discipline, and standardization”; disclose all kinds of information of the Company in a true, complete, accurate and timely manner, and there is no misleading or false information.

(2) The board of directors of the Company can fulfill the powers and obligations conferred by the Company Law, Securities Law and Articles of Association, and fully implement the resolutions of the general meeting and the board meeting, seriously demonstrate and consider the major issues such as the Company's production and operation objectives, sustainable development measures, operation in accordance with the law and standardized operation and the legal decision-making procedure, and establish a relatively complete internal control system to ensure the healthy and sustainable development of the Company. The management of the Company was able to earnestly perform all the functions and powers conferred by the Articles of Association, and effectively implement the resolutions of the board meeting. No violations of national laws, regulations, the Articles of Association, and damage to the Company's interests were found.

2. Review the Company's financial performance

Grant Thornton Certified Public Accountants (Special General Partnership) has audited the Company's financial report and issued a standard unqualified audit report. The Supervisory Committee believes that the audit report truly, objectively and fairly reflects the Company's financial performance and operating results.

3. The Company's major acquisitions and sale of assets

During the reporting period, the Supervisory Committee supervised and inspected the Company's major acquisition and sale of assets, and considered that the Company's acquisition and sale of assets had strictly fulfilled the decision-making procedures and information disclosure obligations in accordance with the relevant laws and regulations. No harm to the interests of the Company and its shareholders, especially those of the minority shareholders, has been found.

4. Use of proceeds

During the reporting period, the Company did not have any proceeds that were continued to use during the reporting period.

5. Related party transactions

The Supervisory Committee supervised and verified the related party transactions in the Company in 2019. The Supervisory Committee believes that: the related party transactions of the Company during the reporting period met the actual needs of the Company's operation. The transaction pricing was fair and reasonable and the decision-making procedure was legal in the transactions between the Company and related parties, which reflected the market principles of fairness, impartiality and openness, and no harm to the interests of the company has been found.

6. External guarantees of the Company

During the reporting period, the Company provided no external guarantees except for the controlling subsidiaries, shareholding companies and the guarantees provided between subsidiaries. The Company provided external guarantees in accordance with the External Guarantee Management System and completed the approval process and timely information disclosure.

7. Overseas investment of the Company

During the reporting period, all foreign investment projects of the Company fulfilled the approval process and timely information disclosure in accordance with the requirements of the "Overseas Investment Management System". There was no harm to the interests of the Company and shareholders as a whole, especially those of the minority shareholders.

8. Review opinions on the 2019 annual report

After review, the Supervisory Committee believed that the procedures for the Company's 2019 annual report prepared and reviewed by the board of directors complied with the requirements of laws, regulations and normative documents. The content of the report objectively, truthfully, accurately and completely reflected the actual situation of the Company, and there was no false records, misleading statements or major omissions.

9. Implementation of resolutions of general meetings

The Company's Supervisory Committee supervised the implementation of the resolutions of the general meeting. The Supervisory Committee believes that the board of directors of the Company can seriously implement the relevant resolutions of the general meeting in 2019 and has not found any behavior that harms shareholders' rights and interests.

10. Opinions on the internal control self-assessment report

The Supervisory Committee carefully reviewed the 2019 Internal Control Self-assessment Report, and believes that the Company's existing internal control system meets the requirements of national laws and

regulations, and meets the actual needs of the Company's production and operation, and it has played a good control and prevention role in each process and key link of the Company's operations and management. The 2019 Internal Control Self-assessment Report comprehensively, truthfully, accurately and objectively reflects the actual situation of the Company's internal control. The Supervisory Committee has no objection to the evaluation report.

11. Establishment and implementation of insider information management system of the Company

During the reporting period, the Supervisory Committee regularly inspected the insider files kept by the Company and supervised the disclosure of major issues. The Supervisory Committee believes that the Company has established and revised and improved the systems for managing insider information, such as the Insider Registration System, and it also disclosed and reported in a timely manner as required with good system implementation and no violations occurred.

III. Prospect of Work of the Supervisory Committee

In 2020, the Company's Supervisory Committee will continue to strictly abide by the Company Law, Securities Law and other laws and regulations, as well as the Articles of Association and the Rules of Procedure of the Supervisory Committee and other relevant systems, conscientiously perform the duties in order to earnestly safeguard and protect the rights and interests of the Company and shareholders, and faithfully and diligently perform its supervisory duties, do well in various tasks, and further promote the standardized operation of the Company.

Supervisory Committee of Shandong Chenming Paper Holdings Limited

27 March 2020