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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 Adjustment to Simulated Conversion Price of Preference Shares” dated 24 July 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  
24 July 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	2020-070
Code for preference share:	Abbreviation of preference share:	
140003	Chenming You 01	
Code for preference share:	Abbreviation of preference share:	
140004	Chenming You 02	
Code for preference share:	Abbreviation of preference share:	
140005	Chenming You 03	

## **Shandong Chenming Paper Holdings Limited**

### **Announcement on Adjustment to Simulated Conversion Price of Preference Shares**

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.

The resolution on the non-public issuance of preference shares of Shandong Chenming Paper Holdings Limited (the “Company”) was considered and approved at the fifth extraordinary meeting of the seventh session of the Board of the Company held on 29 December 2014, and passed at the 2015 first extraordinary general meeting of the Company held on 13 February 2015. On 22 September 2015, the Company received the Reply on Approval of the Non-Public Issuance of Preference Shares by Shandong Chenming Paper Holdings Limited (Zheng Jian Xu Ke [2015] No. 2130) issued by China Securities Regulatory Commission on 17 September 2015, which approved the domestic non-public issuance of not more than 45 million preference shares by the Company.

The Company has issued the first tranche of preference shares of 22.5 million shares (“Chenming You 01”, code for preference share: 140003), the second tranche of preference shares of 10 million shares (“Chenming You 02”, code for preference share: 140004) and the third tranche of preference shares of 12.5 million shares (“Chenming You 03”, code for preference share: 140005) on 16 March 2016, 16 August 2016 and 21 September 2016,

respectively.

Pursuant to relevant provisions under the Prospectus on Non-Public Issuance of Preference Shares of the Company, from the date on which the Board of the Company passed the resolution on the non-public issuance of preference shares, in the event of any distribution of bonus shares, recapitalisation, issuance of new shares (excluding any increase of share capital due to conversion of financing instruments convertible to ordinary shares issued by the Company) or rights issue resulting in the change in the number of ordinary shares of the Company, the number and the ratio of the preference shares entitling the right to the distribution of the remaining profit simulated as ordinary shares which participate in the distribution of the remaining profit will be adjusted accordingly. The adjustment method of the simulated conversion price is set out below:

In the event of any distribution of bonus shares or recapitalisation:  $P1=P0/(1+n)$

In the event of any new issuance of shares or rights issue:  $P1=P0 \times (N+Q \times (A/M)) / (N+Q)$

Wherein, P0 means the simulated conversion price effective before the adjustment; n means the number of shares distributed as bonus shares or recapitalised accounting for the total number of shares before such distribution of bonus shares or recapitalisation; Q means the number of shares issued as new shares or subject to a rights issue; N means the total share capital of ordinary shares before such issuance of new shares or rights issue; A means the price of the new shares issued under such new issuance or rights issue; M means the closing price of the ordinary A shares on the trading day prior to the listing of such new issuance or rights issue; P1 means the simulated conversion price effective after the adjustment.

As approved at the 2020 second extraordinary general meeting of the Company, the 2020 first class meeting for holders of domestic-listed shares and the 2020 first class meeting for holders of overseas-listed shares, the Company implemented the 2020 Restricted A Share Incentive Scheme. Pursuant to which, the Company issued 79.60 million restricted A shares to a total of 111 participants through private placing. The shares granted were listed on 15 July 2020.

Based on the above formula, the simulated conversion price of preference shares in issue of the Company has been adjusted to RMB3.82 from RMB3.87.

Notice is hereby given.

Board of Shandong Chenming Paper Holdings Limited

24 July 2020