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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)

ANNOUNCEMENT

- (1) PROPOSED CHANGE OF LISTING VENUE OF THE DOMESTIC LISTED FOREIGN SHARES (B SHARES) AND THEIR LISTING ON THE MAIN BOARD OF HONG KONG STOCK EXCHANGE BY CONVERSION; AND**
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

International Financial Advisor



Domestic Financial Advisor



This announcement is made pursuant to Rule 13.09 of the Listing Rules of the Stock Exchange and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that the Company's Proposal on Changing the Listing Venue of B Shares was considered and approved at the seventeenth meeting of the ninth session of the Board held on 29 January 2021. The Proposal on Changing the Listing Venue of B Shares is subject to, among other things, the approval by (1) votes representing more than two-thirds of the voting rights held by all Shareholders attending the EGM; (2) votes representing more than two-thirds of the voting rights held by all Shareholders and the holders of B Shares attending the Class meetings for holders of domestic-listed Shares; and (3) votes representing more than two-thirds of the voting rights held by the H Shareholders attending the Class Meeting for holders of foreign-listed Shares. The notice of EGM and the notice of H Share Class Meeting will be despatched to the Shareholders of the Company in accordance with the Listing Rules and the Articles of Association. The Company may be required by the PRC and/or Hong Kong regulatory authorities to amend the Proposal on Changing the Listing Venue of B Shares prior to the convening of the EGM and the Class Meetings for approving the Proposal on Changing the Listing Venue of B Shares.

PROPOSED CHANGE OF LISTING VENUE OF THE DOMESTIC LISTED FOREIGN SHARES (B SHARES) AND THEIR LISTING ON THE MAIN BOARD OF HONG KONG STOCK EXCHANGE BY CONVERSION

I. Introduction of the Proposal on Changing the Listing Venue of B Shares

As at the date of this announcement, the number of total issued B Shares is 706,385,266. In accordance with the Proposal on Changing the Listing Venue of B Shares, the Company plans to apply for the change of the listing venue of its foreign shares (B Shares, which are listed on the Shenzhen Stock Exchange) and their listing and trading on the Main Board of the Stock Exchange by means of conversion into overseas listed foreign shares (H shares, to be listed on the Stock Exchange).

In order to fully protect the legitimate rights and interests of the holders of B Shares and implement the Proposal on Changing the Listing Venue of B Shares, the Company will arrange for a third party(ies) to provide Cash Options to all holders of B Shares. Shareholders who originally held the B Shares may choose to declare their exercise of the Cash Option(s) within a specified time to transfer part or all of their B Shares to the third party(ies) providing the Cash Option(s); or choose to continue to hold and keep their B Shares which will be listed on the Stock Exchange, and such B Shares will be converted into H Shares.

Upon the completion of the implementation of the Cash Options, on behalf of all holders of B Shares, a nominee holder authorized by the Board will open an account at the designated qualified securities company in Hong Kong for the B Shares held by all holders of B Shares as and when appropriate, (such account would be used only for agency transactions, and for registration of and settlement by investors), to assume custody of H Shares and handle related procedures (the Company will make separate announcement(s) on the specific terms as well as the rights and obligations arrangement of the relevant parties).

Overseas investors with complete documentation may transfer their H Shares into their existing accounts after completing the registration of the H Shares, or apply for opening independent accounts at qualified securities management companies in Hong Kong or other overseas securities companies and transfer their H Shares into such new accounts.

Upon successful implementation of the Proposal on Changing the Listing Venue of B Shares, the original holders of B Shares may choose to conduct transactions through domestic or overseas securities company trading systems in accordance with their own circumstances and on the basis of voluntariness, and in compliance with laws, regulations and trading rules.

B Shares that are held in inactive accounts, and B Shares whose Cash Options' exercise are not declared or invalidly declared, will have their listing venue changed and will be listed and traded on the Main Board of the Stock Exchange by conversion upon completion of all approval procedures and implementation of the Proposal on Changing the Listing Venue of B Shares.

II. Cash Option

The holders of the B Shares must declare their exercise of Cash Options within the time limit for declaration. The holders of B Shares who validly declared the relevant Cash Option are entitled to the cash consideration to be paid by the Cash Option provider(s) at the price agreed in the Proposal on Changing the Listing Venue of B Shares. The Cash Options with no declaration made within the specified period will be rendered void. The detailed arrangements of the Company's Cash Options proposal (including but not limited to the time limit for registration and declaration, the method of declaration and settlement of the Cash Options, etc.) will be disclosed in a timely manner in accordance with applicable laws and regulations. If a holder of B Shares does not participate in the declaration of his/her Cash Option(s) or his/her declaration is invalid, the B Shares held by him/her will have their listing venue changed and will be listed and traded on the Main Board of the Stock Exchange by conversion upon completion of all approval procedures and implementation of the Proposal on Changing the Listing Venue of B Shares.

In case of any of the following circumstances, the Proposal on Changing the Listing Venue of B Shares will be terminated and the Cash Options under the Proposal on Changing the Listing Venue of B Shares will not be implemented, and B Shares will continue to be traded on the Shenzhen Stock Exchange:

1. the declared exercise of the Cash Options will result in the public float of H shares failing to meet the requirements of the Stock Exchange for the minimum public float of the H shares of listed companies;
2. the declared exercise of the Cash Options will result in the total number of shares held by the three largest public holders of H shares exceeding 50% of the public float of H shares, or the number of public shareholders in Hong Kong being less than 300;
3. the Proposal on Changing the Listing Venue of B Shares fails to obtain the necessary approvals at the EGM or the Class Meetings or permits or approvals from the CSRC and other domestic and overseas government departments and authorities (if necessary);
4. the Company is unable to arrange for any third party(ies) to provide the Cash Option; or
5. the occurrence of any other circumstances stipulated under the Proposal on Changing the Listing Venue of B Shares leading to its invalidity and termination.

If none of the aforementioned circumstances occurs beyond the time limit for declaration, the Cash Options will be cleared and settled. The holders of B Shares who validly made declaration within the time limit will be entitled to the cash consideration to be paid by the Cash Option provider(s) at the price agreed in the Proposal on Changing the Listing Venue of B Shares. The specific price shall represent a premium of 5% to the closing price of HK\$3.17 per share on the date of passing of the Board resolution in respect of the Proposal on Changing the Listing Venue of B Shares (29 January 2021), i.e. HK\$3.33 per share. Chenming Holdings (Hong Kong) Limited, an overseas wholly-owned subsidiary of Chenming Holdings Co., Ltd (the controlling Shareholder of the Company), has undertaken to withdraw its rights to exercise its Cash Options.

III. Authorisation and Approval

The Proposal on Changing the Listing Venue of B Shares is subject to the following authorisations and approvals:

1. The Proposal on Changing the Listing Venue of B Shares being considered at the EGM and the Class Meetings, and is respectively: (1) approved by votes representing more than two-thirds of the voting rights held by all Shareholders attending the EGM; (2) approved by votes representing more than two-thirds of the voting rights held by all Shareholders and the holders of B Shares attending the Class Meeting for holders of domestic-listed Shares; and (3) approved by votes representing more than two-thirds of the voting rights held by the Shareholders attending the Class Meeting for holders of foreign-listed Shares;
2. The Company submits relevant documents to the CSRC and obtains approval for the Proposal on Changing the Listing Venue of B Shares;
3. The Company obtains approval from the Stock Exchange for the listing of the H Shares to be converted pursuant to the Proposal on Changing the Listing Venue of B Shares; and
4. Review or approval (if necessary) by other government departments and authorities.

The Proposal on Changing the Listing Venue of B Shares will be terminated if it fails to obtain any of the above approvals.

IV. Schedule

The milestones of the Proposal on Changing the Listing Venue of B Shares is stated as follows, and the detailed timing arrangements and operating procedures of the Cash Options will be announced separately:

1. The announcement of the Board resolutions and relevant documents in relation to the Proposal on Changing the Listing Venue of B Shares;
2. The issuance of the notice of convening the EGM and the Class Meetings;
3. The announcement of the record date for holders of A Shares and H Shares to attend the EGM and the last trading day for holders of B Shares to attend the EGM;
4. The convention of the EGM and the Class Meetings to approve the Proposal on Changing the Listing Venue of B Shares and related proposals, and announce the resolutions of the EGM and the Class Meetings;
5. Obtaining the approval from the CSRC;
6. The implementation of the Cash Options and the announcement on the results of the implementation of the Cash Options;
7. Obtaining the approval from the Stock Exchange on the listing of the H Shares to be converted pursuant to the Proposal on Changing the Listing Venue of B Shares; and

8. The change of the listing venue of B Shares and their listing and trading on the Stock Exchange by conversion.

V. Public Float

Shares listed and traded on the Stock Exchange must meet the percentage of public float required from time to time under the Listing Rules. If the proportion of exercise of the Cash Options is too high, resulting in low liquidity and insufficient public float, the Proposal on Changing the Listing Venue of B Shares may not be able to fulfil the requirements under the Listing Rules.

VI. Information of the Company and the Reasons and Benefits of the Proposal on Changing the Listing Venue of B Shares

The principal activities of the Group are manufacture and sales of paper products.

The Board is of the view that the Proposal on Changing the Listing Venue of B Shares is made on the basis of full consideration of the circumstance of the trading and circulation of B Shares and the necessity of listing and circulation of the Company's shares on the Main Board of the Stock Exchange. After the implementation of the Proposal on Changing the Listing Venue of B Shares, it will completely solve the problem of the trading inactivity of B Shares. The change of listing venue and the listing and trading on the Main Board of the Stock Exchange help to further deepen the Company's market image, improve its market competitiveness, and promote the development of its industrial structure in the direction of advanced development.

The Board is of the view that the terms of the Proposal on Changing the Listing Venue of B Shares are fair and reasonable, in line with the Company's development strategies, and in the interests of the Company and the Shareholders as a whole.

VII. Listing Rules Implications

Pursuant to the Proposal on Changing the Listing Venue of B Shares, the Company will apply for the listing and trading on the Main Board of the Stock Exchange of the H Shares to be converted in accordance with the Proposal on Changing the Listing Venue of B Shares.

In accordance with the Listing Rules, none of the Shareholders are required to abstain from voting at the EGM and the Class Meetings, and none of the Shareholders indicated in the announcement of any intentions to abstain from voting on any resolutions to be considered at the EGM and the Class Meetings.

Proposed Amendment to the Articles of Association

Pursuant to the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Letter of Opinions on Supplementary Amendments to Articles of Association of Companies Listed in Hong Kong (“**Zheng Jian Hai Han [1995] No. 1**”) and the Opinions on Further Promoting the Regular Operation of Companies Listed Abroad and Deepening the Reform, and with reference to the relevant requirements under the Guidance for the Articles of Association of Listed Companies (Revised in 2019) and the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange, the Company will amend the Articles of Association and submit the same to the EGM and the Class Meetings for approval. The existing Articles of Association of the Company shall remain valid until the completion of the Proposal on Changing the Listing Venue of B Shares.

The amendments to the Articles of Association are subject to the approval by the Shareholders at the EGM and the Class Meetings. The special resolution for the consideration and approval of the amendments to the Articles of Association shall be considered at the EGM and the Class Meetings. The proposed amendments to the Articles of Association shall be subject to the approvals or permits required by, or registration with, the relevant regulatory authorities, and shall come into effect upon the approval by the relevant regulatory authorities and the change of the listing venue of B Shares and their listing on the Main Board of the Stock Exchange by conversion.

The proposed amendments to the Articles of Association are set out in the appendix to this announcement.

The EGM and the Class Meetings

The Proposal on Changing the Listing Venue of B Shares shall be subject to, among others, the Shareholders’ approval at the EGM and the Class Meetings to be held by the Company on 9 March 2021 by way of special resolution, as well as the approval by other regulatory authorities and the CSRC. A circular containing, among other things, (1) further details of the Proposal on Changing the Listing Venue of B Shares; (2) further details of the amendments to the Articles of Association; and (3) notice of EGM and the Class Meetings shall be despatched to the holders of H Shares on or before 23 February 2021.

The Proposal on Changing the Listing Venue of B Shares is subject to, among others, the performance of other relevant procedures required by the CSRC, the Stock Exchange and other relevant domestic and overseas regulatory authorities. Shareholders and potential investors of the Company are advised to exercise caution when dealing with the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“A Share(s)”	the domestic share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB (stock code: 000488);
“Articles of Association”	the articles of association of the Company, i.e. the Articles of Association of Shandong Chenming Paper Holdings Limited;
“B Share(s)”	the domestic listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of Shenzhen Stock Exchange and traded in Hong Kong dollars;
“Board”	the board of directors of the Company;
“Cash Option(s)”	the option(s) provided by third party(ies), whereby holders of B Shares may choose to declare their exercise within a specified time to transfer part or all of their B Shares to such third party(ies);
“Class Meetings”	the 2021 first class meeting for holders of domestic listed shares (A Shares and B Shares) and the H Share Class Meeting to be held by the Company on 9 March 2021;
“Company”	Shangdong Chenming Paper Holdings Limited, a joint stock limited liability company incorporated in the PRC whose H Shares are listed on the Main Board of the Stock Exchange;
“CSRC”	China Securities Regulatory Commission;
“Director(s)”	director(s) of the Company
“domestic”	within the PRC;
“EGM”	the 2021 first extraordinary general meeting to be held by the Company on 9 March 2021;
“Group”	the Company and its subsidiaries;
“H Share Class Meeting”	the 2021 first class meeting for holders of overseas listed shares to be held by the Company on 9 March 2021;
“H Shares”	the overseas listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars;

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	the person(s) or company(ies) independent from the Group’s directors, supervisors, substantial shareholders and Chief Executive Officer (as defined in the Listing Rules);
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“overseas”	outside the PRC;
“Proposal of Change of B Share Listing Venue”	the proposal involving the proposed change of listing venue of the Company’s B Shares, application for their listing on the Main Board of the Stock Exchange by conversion and conversion of B Shares into H Shares;
“PRC”	the People’s Republic of China, but for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of shares of the Company;
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

Shandong, the PRC, 29 January 2021

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Hu Changqing, Mr. Li Xingchun and Mr. Li Feng; 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*

APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Original Article	Amended Article
<p>(The Articles of Association is formulated in accordance with the currently effective law, regulation and constitutional system of The Company Law of the People’s Republic of China (the “Company Law”), Mandatory Provisions for the Articles of Association of Companies Listed Overseas (the “Mandatory Provisions”), Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong (“Zheng Jian Hai Han [1995] No.1”), Opinions on Further Standardising Operations and Intensifying Reforms of Companies Listed Overseas (“Opinions”), Notice on further implementation of Cash Dividends Distribution of Listed Companies (Lu Zheng Jian Fa [2012] No.18), Notice on amendment to Articles of Association governing the Cash Dividends Distribution ([2012] No.18), State Council Guiding Opinions on The Experimental Development of Preference Shares (Guo Fa [2013] No.46), Experimental Administrative Measures on Preference Shares (CSRC Order No.97), Guidelines for the Articles of Association for Listed Companies (as amended in 2019) (the “Guidelines for the Articles of Association”), Code of Corporate Governance for Listed Companies (the “CG Code” or “CSRC Announcement [2018] No. 29”), Procedural Rules for General Meeting of Listed Companies (the “Procedural Rules for General Meeting” or “Zheng Jian Fa [2016] No. 22”), Guiding Opinions on the Establishment of Independent Director System of Listed Companies (the “Guiding Opinions” or “Zheng Jian Fa [2001] No. 102”), Regulatory Guidance for Listed Companies No. 3-Distribution of Cash Dividends by Listed Companies (“Distribution of Cash Dividends by Listed Companies” or “[2013] No. 43”), Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies (“Reply of the State Council”) and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Rules Governing the Listing of Securities of Shenzhen Stock Exchange (the “SZSE Listing Rules”))</p>	<p>(The Articles of Association is formulated in accordance with the currently effective law, regulation and constitutional system of The Company Law of the People’s Republic of China (the “Company Law”), Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies (State Council Order No. 160) (the “Special Provisions”), Mandatory Provisions for the Articles of Association of Companies Listed Overseas (the “Mandatory Provisions”), Circular Regarding Comments on the Amendments to Articles of Association of Companies Listed in Hong Kong (“Zheng Jian Hai Han [1995] No.1”), Opinions on Further Standardising Operations and Intensifying Reforms of Companies Listed Overseas (“Opinions”), Notice on further implementation of Cash Dividends Distribution of Listed Companies (Lu Zheng Jian Fa [2012] No.18), Notice on amendment to Articles of Association governing the Cash Dividends Distribution ([2012] No.18), State Council Guiding Opinions on The Experimental Development of Preference Shares (Guo Fa [2013] No.46), Experimental Administrative Measures on Preference Shares (CSRC Order No.97), Guidelines for the Articles of Association for Listed Companies (as amended in 2019) (the “Guidelines for the Articles of Association”), Code of Corporate Governance for Listed Companies (the “CG Code” or “CSRC Announcement [2018] No. 29”), Procedural Rules for General Meeting of Listed Companies (the “Procedural Rules for General Meeting” or “Zheng Jian Fa [2016] No. 22”), Guiding Opinions on the Establishment of Independent Director System of Listed Companies (the “Guiding Opinions” or “Zheng Jian Fa [2001] No. 102”), Regulatory Guidance for Listed Companies No. 3-Distribution of Cash Dividends by Listed Companies (“Distribution of Cash Dividends by Listed Companies” or “[2013] No. 43”), Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies (“Reply of the State Council”) and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Rules Governing the Listing of Securities of Shenzhen Stock Exchange (the “SZSE Listing Rules”))</p>

Original Article	Amended Article
<p data-bbox="113 178 268 214">Article 27</p> <p data-bbox="113 251 794 325">The number of ordinary shares issued by the Company upon approval is 3,030,248,674.</p> <p data-bbox="113 361 794 661">The total number of ordinary shares issued in the initial public offering is 66,647,400. The number of shares issued to the promoter Shouguang State Owned Assets Administration Bureau at the time of its establishment is 46,497,400, accounting for 69.77% of the aggregate issued by the Company in the initial public offering.</p> <p data-bbox="113 697 794 853">On 24 December 2013, the Company cancelled the repurchased 86,573,974 domestic listed foreign shares. The total number of ordinary shares is changed to 1,975,471,967 shares.</p> <p data-bbox="113 889 794 1044">On 14 May 2014, the Company cancelled the repurchased 39,066,500 overseas listed foreign shares. The total number of ordinary shares is changed to 1,936,405,467 shares.</p> <p data-bbox="113 1081 794 1381">On 17 March 2016, the number of preference shares issued by the Company upon approval was 22,500,000, on 17 August 2016, the number of preference shares issued by the Company upon approval was 10,000,000, on 22 September 2016, the number of preference shares issued by the Company upon approval was 12,500,000.</p> <p data-bbox="113 1417 794 1974">As considered and approved by the 2017 shareholders' general meeting of the Company, the Company issued 5 bonus shares for every 10 shares to shareholders of the ordinary shares by way of conversion of capital reserve based on the total share capital of the Company of 1,936,405,467 shares as at 31 December 2017. For the issue by way of conversion, the Company issued an aggregate of 968,202,733 ordinary shares, including 556,639,228 A shares held by shareholders of domestic shares, 235,461,755 B shares held by shareholders of domestic listed foreign shares and 176,101,750 H shares held by shareholders of overseas listed foreign shares.</p>	<p data-bbox="799 178 954 214">Article 27</p> <p data-bbox="799 251 1479 325">The number of ordinary shares issued by the Company upon approval is 2,984,208,200.</p> <p data-bbox="799 361 1479 661">The total number of ordinary shares issued in the initial public offering is 66,647,400. The number of shares issued to the promoter Shouguang State Owned Assets Administration Bureau at the time of its establishment is 46,497,400, accounting for 69.77% of the aggregate issued by the Company in the initial public offering.</p> <p data-bbox="799 697 1479 853">On 24 December 2013, the Company cancelled the repurchased 86,573,974 domestic listed foreign shares. The total number of ordinary shares is changed to 1,975,471,967 shares.</p> <p data-bbox="799 889 1479 1044">On 14 May 2014, the Company cancelled the repurchased 39,066,500 overseas listed foreign shares. The total number of ordinary shares is changed to 1,936,405,467 shares.</p> <p data-bbox="799 1081 1479 1381">On 17 March 2016, the number of preference shares issued by the Company upon approval was 22,500,000, on 17 August 2016, the number of preference shares issued by the Company upon approval was 10,000,000, on 22 September 2016, the number of preference shares issued by the Company upon approval was 12,500,000.</p> <p data-bbox="799 1417 1479 1974">As considered and approved by the 2017 shareholders' general meeting of the Company, the Company issued 5 bonus shares for every 10 shares to shareholders of the ordinary shares by way of conversion of capital reserve based on the total share capital of the Company of 1,936,405,467 shares as at 31 December 2017. For the issue by way of conversion, the Company issued an aggregate of 968,202,733 ordinary shares, including 556,639,228 A shares held by shareholders of domestic shares, 235,461,755 B shares held by shareholders of domestic listed foreign shares and 176,101,750 H shares held by shareholders of overseas listed foreign shares.</p>

Original Article	Amended Article
	<p data-bbox="810 189 1469 559">As considered and approved by 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 foreign-listed shares held on 15 May 2020, an aggregate of 79.6 million restricted A shares were issued to 111 incentive participants. Upon the issuance, the total number of ordinary shares of the Company is 2,984,208,200.</p> <p data-bbox="810 604 1469 821">On [•] 2021, as approved by CSRC and Hong Kong Stock Exchange, the place of listing of domestic-listed foreign shares of the Company changed to the Main Board of Hong Kong Stock Exchange by way of share conversion.</p> <p data-bbox="810 866 1469 1123">Upon the completion of the above change of place of listing of listed foreign shares and the listing and trading on the Main Board of Hong Kong Stock Exchange, the total number of shares of the Company is: 2,984,208,200 ordinary shares and 45,000,000 preference shares.</p>

Original Article	Amended Article
<p data-bbox="113 178 268 214">Article 28</p> <p data-bbox="113 251 794 519">Approved by Document [1997] No.63 issued by the People’s Government of Shandong Province on February 28, 1997 and by Securities Commission of the State Council on May 4, 1997, the Company issued 115,000,000 domestic listed foreign shares for the first time to overseas investors. The shares became listed in Shenzhen Stock Exchange on May 26, 1997.</p> <p data-bbox="113 555 794 783">Approved by Zheng Jian Gong Si Zi [2000] No.151 issued by China Securities Regulatory Commission on September 30, 2000, the Company issued 70,000,000 Renminbi-denominated ordinary shares, which became listed in Shenzhen Stock Exchange on November 20, 2000.</p> <p data-bbox="113 819 794 987">Approved by The Stock Exchange of Hong Kong Limited, the Company initially issued 355,700,000 H shares, which became listed on the SEHK on June 18, 2008, in a global offering.</p> <p data-bbox="113 1023 794 1455">Approved by Zheung Jian Xu Ke [2015] No. 2130 issued by China Securities Regulatory Commission on 17 September 2015, to issue not more than 45,000,000 preference shares. Among which, 22,500,000 preference shares were issued for the first time, and listed on Shenzhen Stock Exchange on 8 April 2016; 10,000,000 preference shares were issued for the second time, and listed on Shenzhen Stock Exchange on 12 September 2016; 12,500,000 preference shares were issued for the third time, and listed on Shenzhen Stock Exchange on 24 October 2016.</p> <p data-bbox="113 1491 794 1989">As considered and approved by the 2017 shareholders’ general meeting of the Company, the Company issued 5 bonus shares for every 10 shares to shareholders of the ordinary shares by way of conversion of capital reserve based on the total share capital of the Company of 1,936,405,467 shares as at 31 December 2017. For the issue by way of conversion, the Company issued an aggregate of 968,202,733 ordinary shares, including 556,639,228 A shares held by shareholders of domestic shares, 235,461,755 B shares held by shareholders of domestic listed foreign shares and 176,101,750 H shares held by shareholders of overseas listed foreign shares.</p>	<p data-bbox="799 178 954 214">Article 28</p> <p data-bbox="799 251 1481 519">Approved by Document [1997] No.63 issued by the People’s Government of Shandong Province on February 28, 1997 and by Securities Commission of the State Council on May 4, 1997, the Company issued 115,000,000 domestic listed foreign shares for the first time to overseas investors. The shares became listed in Shenzhen Stock Exchange on May 26, 1997.</p> <p data-bbox="799 555 1481 783">Approved by Zheng Jian Gong Si Zi [2000] No.151 issued by China Securities Regulatory Commission on September 30, 2000, the Company issued 70,000,000 Renminbi-denominated ordinary shares, which became listed in Shenzhen Stock Exchange on November 20, 2000.</p> <p data-bbox="799 819 1481 987">Approved by The Stock Exchange of Hong Kong Limited, the Company initially issued 355,700,000 H shares, which became listed on the SEHK on June 18, 2008, in a global offering.</p> <p data-bbox="799 1023 1481 1455">Approved by Zheung Jian Xu Ke [2015] No. 2130 issued by China Securities Regulatory Commission on 17 September 2015, to issue not more than 45,000,000 preference shares. Among which, 22,500,000 preference shares were issued for the first time, and listed on Shenzhen Stock Exchange on 8 April 2016; 10,000,000 preference shares were issued for the second time, and listed on Shenzhen Stock Exchange on 12 September 2016; 12,500,000 preference shares were issued for the third time, and listed on Shenzhen Stock Exchange on 24 October 2016.</p> <p data-bbox="799 1491 1481 1989">As considered and approved by the 2017 shareholders’ general meeting of the Company, the Company issued 5 bonus shares for every 10 shares to shareholders of the ordinary shares by way of conversion of capital reserve based on the total share capital of the Company of 1,936,405,467 shares as at 31 December 2017. For the issue by way of conversion, the Company issued an aggregate of 968,202,733 ordinary shares, including 556,639,228 A shares held by shareholders of domestic shares, 235,461,755 B shares held by shareholders of domestic listed foreign shares and 176,101,750 H shares held by shareholders of overseas listed foreign shares.</p>

Original Article	Amended Article
<p>The total number of shares of the Company is: 2,904,608,200 ordinary shares and 45,000,000 preference shares, where included in the ordinary shares are:</p> <p>1,669,917,684 A shares held by shareholders of domestic listed domestic shares, accounting for 57.49% of the total shares; including 439,505,485 A shares (state-owned corporate shares) held by Shouguang Chenming Holdings Company Limited (壽光晨鳴控股有限公司), accounting for 15.13% of the total shares. 1,230,412,199 A shares held by shareholders of other domestic shares, accounting for 42.36% of the total shares;</p> <p>706,385,266 B shares held by shareholders of domestic listed foreign shares, accounting for 24.32% of the total shares; and</p> <p>528,305,250 H shares held by shareholders of overseas listed foreign shares, accounting for 18.19% of the total shares.</p>	<p>As considered and approved by 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 foreign-listed shares held on 15 May 2020, an aggregate of 79.6 million restricted A shares were issued to 111 incentive participants. Upon the issuance, the total number of ordinary shares of the Company is 2,984,208,200.</p> <p>On [•] 2021, as approved by CSRC and Hong Kong Stock Exchange, the place of listing of domestic-listed foreign shares of the Company changed to the Main Board of Hong Kong Stock Exchange by way of share conversion.</p> <p>Upon the completion of the above change of place of listing of listed foreign shares and the listing and trading on the Main Board of Hong Kong Stock Exchange, the total number of shares of the Company is: 2,984,208,200 ordinary shares and 45,000,000 preference shares, where included in the ordinary shares are:</p> <p>1,749,517,684 A shares held by shareholders of domestic listed domestic shares, accounting for 58.63% of the total shares; including 457,322,919 A shares (state-owned corporate shares) held by Chenming Holdings Company Limited (晨鳴控股有限公司), accounting for 15.32% of the total shares. 1,292,194,765 A shares held by shareholders of other domestic shares, accounting for 43.30% of the total shares; 1,234,690,516 H shares held by shareholders of overseas listed foreign shares, accounting for 41.37% of the total shares.</p>

Original Article	Amended Article
<p>Article 29</p> <p>The Board of Directors of the Company may separately implement plans approved by securities supervisory authorities of PRC to issue domestic shares,domestic and overseas listed foreign shares.</p> <p>The Company's plans for the separate issues of domestic shares,domestic and overseas listed foreign shares in accordance with the foregoing may be implemented separately within 15 months of the approval by securities supervisory authorities of PRC.</p>	<p>Article 29</p> <p>The Board of Directors of the Company may separately implement plans approved by securities supervisory authorities of PRC to issue domestic shares and overseas listed foreign shares.</p> <p>The Company's plans for the separate issues of domestic shares and overseas listed foreign shares in accordance with the foregoing may be implemented separately within 15 months of the approval by securities supervisory authorities of PRC.</p>
<p>Article 30</p> <p>Of the total number of shares specified in an issue plan of the Company, including domestic shares,domestic and overseas listed foreign shares, shares of each class must be fully subscribed for in each offering. Where it is impossible to fully subscribe for shares of any class, such shares can be issued through several times subject to the approval of securities supervisory authorities of PRC.</p>	<p>Article 30</p> <p>Of the total number of shares specified in an issue plan of the Company, including domestic shares and overseas listed foreign shares, shares of each class must be fully subscribed for in each offering. Where it is impossible to fully subscribe for shares of any class, such shares can be issued through several times subject to the approval of securities supervisory authorities of PRC.</p>
<p>Article 31</p> <p>The Company's registered capital is RMB2,904,608,200.</p>	<p>Article 31</p> <p>The Company's registered capital is RMB2,984,208,200.</p>
<p>Article 35</p> <p>Domestic shares,domestic and overseas listed foreign shares and preference shares must be traded, granted, inherited and mortgaged in accordance with provisions of laws of PRC and the Articles. Assignment and transfer of the Company's shares shall be registered with the share registrar appointed by the Company, and in accordance with the relevant requirements.</p>	<p>Article 35</p> <p>Domestic shares, overseas listed foreign shares and preference shares must be traded, granted, inherited and mortgaged in accordance with provisions of laws of PRC and the Articles. Assignment and transfer of the Company's shares shall be registered with the share registrar appointed by the Company, and in accordance with the relevant requirements.</p>

Original Article	Amended Article
<p>Article 114</p> <p>Notice of shareholders’ general meetings for shareholders of domestic listed domestic shares [A shares] and domestic listed foreign shares [B shares] shall be published on newspapers, periodicals specified and websites specified by securities supervisory authorities of PRC twenty (20) clear working days (both days exclusive) prior to the meeting. Notice of extraordinary general meetings shall be published on newspapers, periodicals specified and websites specified by securities supervisory authorities of PRC fifteen (15) days prior to the meeting. The notice will be deemed received by the abovementioned shareholders once being published.</p>	<p>Article 114</p> <p>Notice of shareholders’ general meetings for shareholders of domestic listed domestic shares [A shares] shall be published on newspapers, periodicals specified and websites specified by securities supervisory authorities of PRC twenty (20) clear working days (both days exclusive) prior to the meeting. Notice of extraordinary general meetings shall be published on newspapers, periodicals specified and websites specified by securities supervisory authorities of PRC fifteen (15) days prior to the meeting. The notice will be deemed received by all shareholders of domestic listed domestic shares [A shares] once being published.</p>
<p>Article 165</p> <p>The resolutions of the General Meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total number of voting shares and its proportion to the total share capital carrying voting rights of the Company, and the voting method, voting results of each resolution and details of each resolution passed. The attendance and voting of the holders of domestic shares (A shares), domestic listed foreign shares (B shares) and overseas listed foreign shares (H shares) and preference shares shall be analyzed statistically and announced respectively.</p> <p>Where a motion has not been adopted or the resolution of any previous shareholders’ general meeting has been modified in the current shareholders’ general meeting, a special explanation shall be made in the announcement on the resolutions of the shareholders’ general meeting.</p>	<p>Article 165</p> <p>The resolutions of the General Meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total number of voting shares and its proportion to the total share capital carrying voting rights of the Company, and the voting method, voting results of each resolution and details of each resolution passed. The attendance and voting of the holders of domestic shares (A shares), overseas listed foreign shares (H shares) and preference shares shall be analyzed statistically and announced respectively.</p> <p>Where a motion has not been adopted or the resolution of any previous shareholders’ general meeting has been modified in the current shareholders’ general meeting, a special explanation shall be made in the announcement on the resolutions of the shareholders’ general meeting.</p>

Original Article	Amended Article
<p data-bbox="124 187 284 219">Article 174</p> <p data-bbox="124 263 785 368">The following circumstances shall be deemed to be a variation or abrogation of the rights of holders of certain class shares:</p> <p data-bbox="124 412 785 932">(1) the increase or decrease in the number of shares of such class (including without limitation additional offer (or repurchase) of H shares or additional offer (repurchase) of A shares and/or H shares), or the increase or decrease in the number of shares of a class having equal or additional voting rights, distribution rights or other privileges, except for transfer of shares held by domestic share shareholders of the Company to overseas investors and trade of such shares in overseas markets as stated in Article 26 herein;</p> <p data-bbox="124 987 181 1008">.....</p>	<p data-bbox="809 187 968 219">Article 174</p> <p data-bbox="809 263 1469 368">The following circumstances shall be deemed to be a variation or abrogation of the rights of holders of certain class shares:</p> <p data-bbox="809 412 1469 895">(1) the increase or decrease in the number of shares of such class (including without limitation additional offer (or repurchase) of H shares or additional offer (repurchase) of A shares), or the increase or decrease in the number of shares of a class having equal or additional voting rights, distribution rights or other privileges, except for transfer of shares held by domestic share shareholders of the Company to overseas investors and trade of such shares in overseas markets as stated in Article 26 herein;</p> <p data-bbox="809 951 866 972">.....</p>
<p data-bbox="124 1036 284 1068">Article 359</p> <p data-bbox="124 1112 759 1144">The Company shall settle disputes as follows:</p> <p data-bbox="124 1189 785 1853">(1) Whenever any disputes or claims arise between holders of the overseas listed foreign shares and the Company, holders of the overseas listed foreign shares and the Company's Directors, supervisors, managers or other senior management members, or holders of the overseas listed foreign shares and holders of domestic shares, holders of overseas listed foreign shares and holders of domestic listed foreign shares, based on the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.</p>	<p data-bbox="809 1036 968 1068">Article 359</p> <p data-bbox="809 1112 1444 1144">The Company shall settle disputes as follows:</p> <p data-bbox="809 1189 1469 1783">(1) Whenever any disputes or claims arise between holders of the overseas listed foreign shares and the Company, holders of the overseas listed foreign shares and the Company's Directors, supervisors, managers or other senior management members, or holders of the overseas listed foreign shares and holders of domestic shares, based on the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.</p>

Original Article	Amended Article
<p data-bbox="124 187 284 221">Article 367</p> <p data-bbox="124 263 785 670">As to the notices to be issued by the Company to the holder of domestic shares (including holders of domestic shares (A share)—and holders of domestic listed foreign shares (B share)) and holders of preference shares, the Company shall publish an announcement on one or more newspaper designated by the securities regulatory authorities of the PRC; once the announcement is published, the holders of domestic shares shall be deemed to have received the relevant notice.</p>	<p data-bbox="809 187 968 221">Article 367</p> <p data-bbox="809 263 1469 634">As to the notices to be issued by the Company to the holder of domestic shares (including holders of domestic shares (A share)) and holders of preference shares, the Company shall publish an announcement on one or more newspaper designated by the securities regulatory authorities of the PRC; once the announcement is published, the holders of domestic shares shall be deemed to have received the relevant notice.</p>