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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 published the “Independent Opinions from the Independent Directors of Shandong Chenming Paper Holdings Limited on the Matters Relating to the Domestic Listed Foreign Shares of the Company Changing Listing Venue to be Listed and Traded on the Main Board of The Stock Exchange of Hong Kong Limited by Way of Conversion” dated 29 January 2021 on the website of the 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, 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*

**Independent Opinions from the Independent Directors of  
Shandong Chenming Paper Holdings Limited**

**on the Matters Relating to the Domestic Listed Foreign  
Shares of the Company Changing Listing Venue to be Listed  
and Traded on the Main Board of The Stock Exchange of  
Hong Kong Limited by Way of Conversion**

In accordance with the relevant regulations of the Guiding Opinions on Establishing the Independent Director System in Listed Companies (《關於在上市公司建立獨立董事制度的指導意見》), the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》), and the Articles of Association, we, as the Independent Directors of Shandong Chenming Paper Holdings Limited (the “Company”), have reviewed and made independent judgments on the resolutions and relevant materials on the matters relating to the proposal on the domestic listed foreign shares of the Company changing listing venue to be listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited by way of conversion (the “Proposal”), which has been submitted at the 17th Extraordinary Meeting of the Ninth Session of the Board of Directors (the “Board”) of the Company for consideration, and hereby express our opinions below:

I. The conversion of B Shares into H Shares is in the better interests of shareholders

The Proposal is made on the basis of full consideration of the trading liquidity of B Shares of the Company as well as the necessity of listing and trading of the shares of the Company on the Main Board in Hong Kong. Upon implementation, the Proposal will completely solve the issue of low trading volume of B Shares of the Company. Through change of listing place for the listing and trading on the Main Board of The Stock Exchange of Hong Kong Limited, the Company will further deepen its market image, improve its market competitiveness, and facilitate elevating its industrial structure to a high-end one. The Proposal is in line with the development strategies of the Company, and is in the interests of the Company and shareholders as a whole.

II. The Proposal fully considers the protection of the shareholders' interests of the Company

In order to fully protect the Company shareholders' interests, the Proposal has made the following arrangements:

1. Cash options will be provided by a third party to all B Shareholders of the Company. B Shareholders declaring the exercise of the cash options, may receive consideration by cash paid by the cash options provider in respect of each B Share for which they validly declare the exercise of the cash options, at the exercise date of the cash options. Exercise price is HK\$3.33 per share, which represents a premium of 5% over the closing price of HK\$3.17 per share on the date when the conversion of B Shares into H Shares of the Company is approved by a Board resolution, namely 29 January 2021. If there are matters, such as ex-right and ex-dividend, relating to the Shares of the Company, during the period from the announcement date of the Board resolution to the date of exercise of the cash options by B Shareholders such cash option price will also be adjusted accordingly. The exercising currency of the cash options in the Proposal is HK dollar.

2. To ensure all public shareholders of the Company can fully exercise their voting rights, the general meetings will be convened by a combination of voting at physical meetings and online voting, and relevant resolutions shall be considered at the general meetings of shareholders including B Shareholders and H Shareholders, and shall be approved by more than two thirds of the voting rights held by all shareholders and B Shareholders and H Shareholders attending the general meetings, respectively.

3. To encourage the minority shareholders to take part in the voting, the general meetings will adopt a system of soliciting voting rights by the independent directors.

III. The voting procedures for the Proposal are legal and compliant, with sufficient information disclosure

The voting procedures of the Board Meeting of the Company are in compliance with the relevant provisions of the laws, regulations, regulatory documents, the Articles of Association and the Rules of Procedures for the Meetings of the Board. The Proposal of Shandong Chenming Paper Holdings Limited for the Listing and Trading of the Domestic-listed Foreign Invested Shares on the Main Board of The Stock Exchange of

Hong Kong Limited through Change of Listing Place and by way of Conversion as disclosed by the Board of the Company has comprehensively and accurately disclosed the matters relating to the Proposal.

#### IV. Conclusions

1. The Proposal is made on the basis of taking full account of the current status of B Shares of the Company as well as the necessity of listing and trading of the Shares of the Company on the Main Board of the The Stock Exchange of Hong Kong Limited. The Proposal is in line with the development strategies of the Company, in the interests of the Company and shareholders as a whole, and is conducive to the long-term development of the Company.

2. The Proposal has made relevant arrangements for fully protecting the Company shareholders' interests.

3. The voting procedures of the Board meeting of the Company are in compliance with the relevant provisions of the laws, regulations, regulatory documents, the Articles of Association and the Rules of Procedures for the Meetings of the Board.

4. The independent directors approve the general arrangements for the listing and trading of B Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited through change of listing place and by way of conversion.

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Independent directors: \_\_\_\_\_

Sun Jianfei

Yin Meiqun

Yang Biao

29 January 2021