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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 in respect of Resolutions of the Eighth Meeting of the Ninth Session of the Board of Directors” dated 25 March 2021 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, the PRC
25 March 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*

Stock code:	Stock abbreviation:	Announcement No.:
000488 200488	Chenming Paper Chenming B	2021-024

Shandong Chenming Paper Holdings Limited

Announcement in respect of Resolutions of the Eighth Meeting of the Ninth Session of the Board of Directors

The Company and all members of the board of directors (the “Directors”) (the “Board”) hereby warrant the truthfulness, accuracy and completeness of the contents of information disclosure which do not contain any false information, misleading statements or material omissions.

The notice of the eighth meeting of the ninth session of the Board of Shandong Chenming Paper Holdings Limited (the “Company”) was dispatched to all Directors in writing and by post on 12 March 2021, and the said meeting was held by way of communication on 25 March 2021. 9 Directors were entitled to be present at the meeting and 9 Directors attended the meeting. The meeting was convened in compliance with the relevant PRC laws and regulations and the Articles of Association of the Company.

The following resolutions of this Board meeting were considered and passed unanimously by the Directors present at the meeting:

I. The report of the Board of the Company for the year 2020 was considered and approved

The report shall be submitted to the 2020 annual general meeting (the “2020 AGM”) of the Company for consideration and approval.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn) and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

II. The report of the general manager of the Company for the year 2020 was considered and approved

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn) and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

III. The report of independent Directors of the Company for the year 2020 was considered and approved

The report shall be submitted to the 2020 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn) and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

IV. The Company's internal control self-assessment report for 2020 was considered and approved

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn) and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

V. The full text of the 2020 annual report and its summary was considered and approved

The report shall be submitted to the 2020 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn) and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

VI. The 2020 financial report of the Company was considered and approved

For details on the 2020 financial report of the Company, please refer to relevant text of the 2020 annual report of the Company.

The report shall be submitted to the 2020 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

VII. The profit appropriation proposal of the Company for the year 2020 was considered and approved

The audited consolidated net profit attributable to shareholders of the Company for 2020 prepared in accordance with Accounting Standards for Business Enterprises by the Company amounted to RMB1,712,029,078.52. When deducting the interest for perpetual bonds of RMB171,776,438.36 and the fixed dividend of preference shares of RMB214,425,000.00 for 2020, the remaining distributable profit realised for 2020 amounted to RMB1,325,827,640.16.

Based on the operating condition of the Company in 2020, it will proactively reward shareholders and share the operating results of the Company development with all shareholders. The profit appropriation proposal of the Company for 2020 is as follows:

According to the requirements under the Articles of Association and the Prospectus for Non-public Issuance of Preference Shares, based on the total ordinary share capital of 2,984,208,200 shares as at the end of 2020 and the 589,005,236 simulated ordinary shares

converted from the second and third tranche of preference shares using a conversion ratio of 1 share valued at RMB3.82 as at the end of 2020, a cash dividend of RMB1.85 (tax inclusive) per ten shares will be distributed to ordinary shareholders, a cash dividend of RMB1.85 (tax inclusive) per ten simulated ordinary shares converted from the preference shares will be distributed to holders of the second and third tranche of preference shares. No bonus share will be issued and no capitalisation issue will be made out of the capital reserves. A cash dividend of RMB552,078,517.00 will be distributed to ordinary shareholders and a variable cash dividend of RMB108,965,968.66 will be distributed to holders of the second and third tranche of preference shares. In other words, a cash dividend of RMB4.84 (tax inclusive) per preference share with a nominal value of RMB100 each will be distributed to holders of the second and third tranche of preference shares. In case of any changes in total share capital of the Company before the record date for the implementation of equity distribution, the total appropriation amount will remain unchanged, with corresponding adjustments to be made in proportion.

The proposal shall be submitted to the 2020 AGM for consideration and approval. The cash bonus will be paid to shareholders of the Company within 2 months after the distribution is considered and approved by the general meeting.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

XIII. Resolution in relation to the 2020 annual remuneration scheme of the Directors, Supervisors and the senior management was considered and approved

For the details of the remunerations of the Directors, supervisors and the senior management of the Company in 2020, please refer to the full text of the 2020 annual report of the Company.

The resolution shall be submitted to the 2020 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

IX. Appointment of the auditor for 2021 was considered and approved

As recommended by the Audit Committee of the Board of the Company, the Board agreed to appoint Grant Thornton Certified Public Accountants (Special General Partnership) as the auditor for the financial audit and internal control audit of the Company for 2021. The fees of the two audits amounted to RMB3.30 million in aggregate, of which fees for financial audit and internal control audit amounted to RMB2.50 million and RMB0.80 million, respectively.

The resolution shall be submitted to the 2020 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn) and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

X. The application for annual general facilities from financial institutions by the Company was considered and approved

In order to ensure the needs for normal production and operations and the smooth project construction, strengthen in-depth cooperation with banks, and enhance its financing capability, the Company intends to apply for general credit facilities of RMB100.0 billion from institutions including banks. The banking facilities will be valid until the date on which the next annual general meeting considers and approves the proposal for application for general banking facilities.

During the above period of credit facilities and within such credit limit, the Company no longer issues Board resolutions and resolutions of general meetings on the single transactions handled by the above banks. The Board authorised the management of the Company to undertake the specific procedures of application for the general banking facilities and execution of the agreement.

The resolution shall be submitted to the 2020 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

XI. The adjustment to the guarantee amount for certain subsidiaries was considered and approved

In order to strengthen the guarantee management on its subsidiaries, with reference to the capital needs and financing guarantee arrangements of its certain subsidiaries, the Company intends to reduce the previously approved at the general meeting but unused guarantee amount of RMB8,500 million. Meanwhile, in order to ensure the project construction and the needs for normal production and operation of its relevant subsidiaries, the Company intends to provide guarantee for the general facilities applied by relevant subsidiaries, with an addition of the total guarantee amount not exceeding RMB7,850 million. The guarantees will be made in warranties, mortgages and pledges. Guarantees for companies with a gearing ratio exceeding 70% totaled RMB250 million, and guarantees for companies with a gearing ratio less than 70% totaled RMB7,600 million. Upon adjustment, the Company's guarantee amount to its subsidiaries will be reduced by a total of RMB650 million.

Specific guarantees occurred within the above amount shall be decided by the Company's chairman or the person in charge of relevant business as authorised without convening further Board meeting or shareholders' general meeting. Subject to the Listing Rules and the relevant requirements, the amount of guarantees can be adjusted among the subsidiaries. When the aforementioned guarantees or adjustments actually occur, the Company will perform the procedures in accordance with the authorisation of the general meeting and disclose them in a timely manner. The balance of guarantees at any point in time shall not exceed the guarantee

amount approved at the general meeting.

Where a subsidiary of the Company provides a guarantee to a subsidiary within the scope of the consolidated financial statements of the Company, the guarantee shall be determined in accordance with the consideration procedures of the subsidiary, and the subsidiary shall notify the Company to perform the relevant information disclosure obligations on the date when the subsidiary performs the consideration procedures.

The resolution shall be submitted to the 2020 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn) and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

XII. The resolution in relation to the commencement of factoring operation for accounts receivable was considered and approved

In order to fulfil the needs for business development of the Company and enhance capital utilisation efficiency, the Company and its controlling subsidiaries within the scope of the consolidated financial statements intend to commence factoring operation for accounts receivable with domestic commercial banks, commercial factoring companies and other institutions with relevant business qualification. The credit line of financial factoring shall not exceed RMB2.0 billion. Specific amount and term of each factoring operation shall subject to the agreed term under separate factoring agreement. The Board of the Company has authorised the management of the Company or responsible personnel of relevant departments to make decisions on specific operation and execute relevant contracts and documents within the scope of the aforementioned credit line.

The resolution shall be submitted to the 2020 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn) and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

XIII. The provision for asset impairment in 2020 was considered and approved

In order to more truthfully and fairly reflect its financial conditions and operating results, improve asset quality, enhance its risk resistance, and ensure its continuous and stable operation, according to the Accounting Standards for Business Enterprises and the relevant provisions of the Company's accounting policies and accounting estimates, the Company and its subsidiaries made impairment provisions on assets such as accounts receivable, fixed assets and intangible assets as at 31 December 2020 in accordance with the principle of prudence as follows:

Unit: RMB10 thousand

Name of asset	Provision for impairment in 2020
Credit impairment of accounts receivable	-6,302.25
Credit impairment of other receivables	4,795.59
Credit impairment of financial leasing business	66,679.14
Impairment of fixed assets	1,341.00
Impairment of construction in progress	16.37
Total	66,529.85

The Company's provision for asset impairment in 2020 has been audited by Grant Thornton Certified Public Accountants (Special General Partnership). For details, please refer to the financial report section of the 2020 annual report of the Company.

The provision for asset impairment made is expected to reduce the total profit of the Company in 2020 by RMB665.2985 million, and reduce the net profit attributable to shareholders of the listed company by RMB514.8704 million. Based on the principle of prudence, the provision for asset impairment can more truthfully and fairly reflect the Company's assets and financial position, which is conducive to further strengthening the Company's assets, further enhancing the Company's ability to prevent risks, and ensuring the Company's sustainable development. There was no acts that harm the interests of the Company and shareholders.

The Board of the Company believes that the matters in relation to the Company's provision of asset impairment in 2020 are in line with the actual situation of the Company's assets and relevant policies. After the Company makes provision for asset impairment, the Company's asset position can be reflected more fairly, making the Company's accounting information about the value of the asset more authentic, reliable, and reasonable. The independent Directors of the Company issued an independent opinion with agreement.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

XIV. The resolution in relation to the receipt of financial assistance and related party transaction was considered and approved

To support the main business development of the Company, Chenming Holdings Company Limited ("Chenming Holdings"), the Company's largest shareholder, proposes to provide the Company with financial assistance of not more than RMB1 billion (inclusive) with a term of not more than one year (inclusive), and the interest rate of which shall be determined with reference to the market rate, subject to the actual transaction amount incurred. Chenming Holdings may provide financial assistance in tranches according to actual circumstances. The Company is not required to provide any guarantee, security, pledge or other forms of guarantee over such financial assistance.

Mr. Chen Hongguo and Mr. Hu Changqing, as the related Directors, have abstained from voting on this resolution in accordance with relevant regulations.

The voting result of this resolution: votes for: 7; votes against: 0; votes abstained: 0.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn), and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

XV. The general mandate to issue new shares was considered and approved

In accordance with relevant laws and regulations of the PRC, the listing rules of the place where the shares of the Company are listed and the Articles of Association, it is proposed at the general meeting that the Board be authorised, and be approved to delegate the authority to the Chairman to allot, issue and/or deal in additional A shares and/or B shares and/or H shares and/or preference shares and to make, grant or enter into offers, agreements, options, and other rights (including but not limited to restoration of voting rights of preference shares) for such A shares, B shares, H shares and/or preference shares under the general mandate and in accordance with its terms upon the approval of this resolution at the general meeting. The number of A shares, B shares and H shares involved shall not exceed 20% of the aggregate number of each of the A shares, B shares and H shares as at the date of approval of this general mandate of the Company.

The resolution shall be submitted to the 2020 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

XVI. Convening of the 2020 AGM was considered and approved

The Board of the Company decided to convene the 2020 AGM of the Company at 14:30 on 18 June 2021.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn) and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

Notice is hereby given.

The Board of Shandong Chenming Paper Holdings Limited
25 March 2021