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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)

**FURTHER INFORMATION
IN RELATION TO THE 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**

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

References are made to the Company's (i) announcements dated 29 January 2021, 3 February 2021, 17 February 2021 and 30 June 2021 and circular dated 22 February 2021 (the "**Circular**") in relation to, among other things, the proposed change of listing venue of the domestic listed foreign shares (B Shares) of the Company and their listing on the Main Board of Stock Exchange by conversion; and (ii) overseas regulatory announcement dated 5 August 2021 (the "**Overseas Regulatory Announcement**") in relation to, among other things, the Company's 2020 profit distribution plan in relation to its A Shares and B Shares. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Circular.

ADJUSTMENT OF CASH CONSIDERATION UNDER THE CASH OPTIONS

As disclosed in the section headed "Cash Options" in the Circular, if the Cash Options under the Proposal of Change of B Share Listing Venue will be implemented, the B Shareholders 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.

As disclosed in the Overseas Regulatory Announcement, the Company will, on the basis of the total share capital of A Shares and B Shares of 2,455,902,950 Shares at the end of 2020, distribute to A Shareholders and B Shareholders cash dividends of RMB1.85 (tax inclusive) for every 10 Shares, not to issue bonus shares, and do not increase share capital through capitalisation of the capital reserves. For cash dividends distributed to B Shareholders, the exchange rate for the conversion of B Share dividends shall be determined in accordance with the Articles of Association or the resolutions of the general meeting (if no provisions are made in the Articles of Association or the resolutions of the general meeting, it will be based on the first working day following the resolution date of the general meeting), and will be converted to Hong Kong dollars

at the central parity rate of Renminbi against Hong Kong dollars announced by the People's Bank of China on 21 June 2021 (Hong Kong dollar: Renminbi = 1:0.8315), that is, dividend to be distributed of approximately HK\$0.222 per Share. According to the relevant authorisation granted at the 2021 First Extraordinary General Meeting, 2021 First Class Meeting for Holdings of Domestic-Listed Shares and 2021 First Class Meeting for Holdings of H Shares of the Company, the cash consideration under the abovementioned Cash Options shall be adjusted to HK\$3.11 per Share after ex-dividend. Should there be any other adjustment to the cash consideration under the Cash Options during the implementation of the Proposal of Change of B Share Listing Venue, the Company will make relevant announcement in a timely manner.

The Proposal of Change of B Share Listing Venue is subject to, among others, the performance of other relevant procedures required by CSRC, the Stock Exchange and other relevant domestic and foreign regulatory authorities. The Company will subsequently perform the obligation of information disclosure in a timely manner based on the progress of relevant matters and pursuant to the requirements of relevant laws and regulations. The detailed arrangements of the Company's Cash Options proposal (including but not limited to the period for registration and declaration, the method of declaration and settlement of the Cash Options, etc.) will be disclosed in a timely manner, following the approval for the Proposal of Change of B Share Listing Venue from the CSRC, in accordance with applicable laws and regulations.

Shareholders and potential investors of the Company are advised to exercise caution in dealings in the Shares of the Company.

By order of the Board
Shandong Chenming Paper Holdings Limited
CHEN HONGGUO
Chairman

Shandong, the PRC
18 August 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*