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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) ADJUSTMENT TO THE PRICE DETERMINATION DATE FOR
NON-PUBLIC ISSUE OF A SHARES**
**(2) CONNECTED TRANSACTION — ENTERING INTO THE
SUPPLEMENTAL SHARE SUBSCRIPTION AGREEMENT WITH
SUBSTANTIAL SHAREHOLDER**

References are made to the circular of Shandong Chenming Paper Holdings Limited (the “Company”) dated 17 May 2018 (the “Circular”) in relation to, among other things, the Non-public Issue of A Shares; (ii) the announcements of the Company dated 1 June 2018 in relation to the poll results of the extraordinary general meeting, H shareholders’ class meeting and A shareholders’ class meeting held on 1 June 2018; and (iii) the overseas regulatory announcement of the Company dated 4 June 2018 in relation to the amendments to the dilution of current returns by the Non-public Issue of A Shares and remedial measures, the 2016 proposed Non-public Issue of A Shares and the entering into of conditional share subscription agreement and the Non-Public Issue of A Shares involving related party transaction as a result of the adjustment to the price determination date for Non-public Issue of A Shares. Unless otherwise specified, the terms used in this announcement shall have the same meaning as those defined under the Circular.

On 4 June 2018, the Company convened the twenty fifth extraordinary meeting of the eighth session of the Board (“Board Meeting”), and the Resolution on the Adjustment to the Price Determination Date for the Non-public Issue was considered and passed. The price determination date for the Issue will be adjusted to the announcement date of board resolutions at the Board Meeting (i.e. 4 June 2018). The issue price for the non-public issue of A Shares shall be not less than the higher of 90% of the average trading price of A shares of the Company for the 20 trading days prior to the price

determination date (average trading price of A shares of the Company for the 20 trading days prior to the price determination date = total transaction amount of A shares of the Company for the 20 trading days prior to the price determination date/total trading volume of A shares of the Company for the 20 trading days prior to the price determination date) (i.e. RMB13.46 per share) and the latest audited net asset per share attributable to ordinary shareholders of the Company prior to the Issue.

The number of new A Shares to be issued will be adjusted to 274,888,558 new A Shares from 360,272,638 new A Shares along with the adjustment to the price determination date of the Non-public Issue of A Shares. The issue price will be increased to RMB13.46 from RMB10.27. The maximum number of shares to be subscribed by the Substantial Shareholder will be decreased to 55,939,821 new A shares from 73,315,481 new A Shares. Dilution of current returns and remedial measures will be adjusted accordingly. Other terms under the Non-public Issue of A Shares remain unchanged, with total amount remain at not more than RMB3.7 billion.

Apart from the change of the price determination date, the issue price, the number of new A Shares to be issued, there are no other change to the non-public issue of A Shares. In light of the abovementioned adjustment, the subscription price and the number of the subscription shares under the Share Subscription Agreement between the Company and Chenming Holdings, the Substantial Shareholder will be amended accordingly and hence the parties have entered the supplemental share subscription agreement on 4 June 2018. Save as the aforesaid, all terms and conditions to the Share Subscription Agreement remains the same.

The Company will convene an extraordinary general meeting and class meetings on 20 July 2018 to approve the above amendments. The Company will dispatch a circular to shareholders of H Shares on or before 25 June 2018 in relation to, among other things:

- (i) the fifth amendments to the proposed Non-public Issue; (ii) the fifth amendments to the dilution of current returns by the Non-public Issue of Shares and remedial measures; (iii) the adjustment to the price determination date for the Non-public Issue of A Shares; (iv) details about the Non-Public Issue of A Shares involving related party transaction and the entering into of supplemental share subscription agreement with the Substantial Shareholder; (v) the letter of the Independent Board Committee to the Independent Shareholders on the recommendations on the A Share Subscription; (vi) the letter from Gram Capital to the Independent Board Committee and Independent Shareholders on the A Share Subscription; (vii) the notice of extraordinary general meeting; and (viii) the notice of class meeting for holders of H Shares.

Listing Rules Implication

As Chenming Holding holds 27.67% interest in the Company, it is the Substantial Shareholder and the connected person of the Company under the Listing Rules. The entering into the supplemental share subscription agreement between the Company and Chenming Holdings constitutes a connected transaction and the share subscription by a connected person will be subject to Independent Shareholders approval under the Listing Rules.

The executive Directors, Mr. Chen Hongguo and Mr. Geng Guanglin who are also directors of the Substantial Shareholder are interest in the Non-public Issue of A Shares, have abstained from voting for the resolution on the Non-Public Issue of A Shares, Related Party Transaction and the entering into the supplemental share subscription agreement with the Substantial Shareholder under the Issue at the board meeting.

As the Substantial Shareholder and its Associates have interests in the Non-public issue of A Shares and the supplemental share subscription agreement, they will abstain from voting in relevant resolutions proposed at the extraordinary general meeting and class meetings on 20 July 2018.

Pursuant to Chapter 14A of the Listing Rules, the Company has established the Independent Board Committee (comprising all independent non-executive Directors) to advise the Independent Shareholders in respect of the entering into the Supplemental Share Subscription Agreement. Gram Capital will be appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the entering into the supplemental share subscription agreement.

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

Shandong, the PRC
4 June 2018

** For identification purpose only*

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Li Feng and Mr. Geng Guanglin; the non-executive Directors are Ms. Yang Guihua and Ms. Zhang Hong and the independent non-executive Directors are Ms. Pan Ailing, Ms. Wang Fengrong, Mr. Huang Lei and Ms. Liang Fu.