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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: Special Statement of the Board on Securities Investment in 2020” 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

Shandong Chenming Paper Holdings Limited

Special Statement of the Board on Securities Investment in 2020

The Company and all members of its board (the “Board”) of directors (the “Directors”) 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.

According to the Guidelines of the Shenzhen Stock Exchange on the Regulated Operation of Listed Companies, the Guidelines of the Shenzhen Stock Exchange on Handling of the Business by Listed Companies No.2 - Matters Related to the Disclosure of Periodic Report and other relevant requirements, the Board of Shandong Chenming Paper Holdings Limited (the “Company”) has inspected the securities investment in 2020. The explanation of relevant circumstances is as follows:

I. Consideration and approval of securities investment

In order to improve the Company’s efficiency in using its own funds and realise capital preservation and appreciation, on 19 June 2020, the Company convened the eleventh extraordinary meeting of the ninth session of the Board. At the meeting, the Resolution in Relation to the Estimated Securities Investment Limit of the Company for 2020 was considered and approved to authorise the Company (including its controlling subsidiaries and wholly-owned subsidiaries) to use funds in an aggregate amount of no more than RMB200 million for securities investment. The scope of investment includes securities investment with non-fixed income, such as subscription of new shares, repurchase of securities, stock investment, bond investment, funds, asset-backed securities and entrusted wealth management (including bank wealth management products and trust products) etc., or securities investment without guarantee for capital preservation. The term of investment is 12 months from the date on which such resolution was considered and approved by the Board.

II. The Company's securities investment in 2020

In 2020, the Company's securities investment was as follows:

Unit: RMB

Type of securities	Securities code	Securities abbreviation	Initial investment cost	Accounting measurement mode	Book value at the beginning of the period	Profit or loss arising from fair value change during the period	Cumulative fair value change charged to equity	Purchase amount during the period	Sales amount during the period	Profit or loss during the period	Book value at the end of the period
Domestic and overseas stock	09668	CBHB	195,684,817.15	Measured at fair value	0.00	-2,777,016.53	-2,777,016.53	195,684,817.15	0.00	-2,777,016.53	192,907,800.62
Total			195,684,817.15	--	0.00	-2,777,016.53	-2,777,016.53	195,684,817.15	0.00	-2,777,016.53	192,907,800.62

III. Implementation of internal control of securities investment

The Company has formulated the Securities Investment Management System to provide corresponding detailed regulations on the approval authority and decision-making procedures, business supervision and risk control, capital management, information disclosure and other aspects of securities investment, which can effectively prevent investment risks. In 2020, the Company strengthened market analysis and research, carried out securities investment business in strict accordance with relevant laws and regulations, the Articles of Association and the requirements of relevant constitutional systems, and did not find any violations of relevant laws, regulations and constitutional systems.

IV. Opinion of independent Directors

Upon inspection, the Company carried out securities investment with its own funds strictly in accordance with relevant laws and regulations and the requirements of the Articles of Association and other relevant constitutional systems. The decision-making procedures were legal and compliant. In addition, the Company has formulated a practical and effective external investment management system and other internal control measures to effectively control investment risks and guarantee the safety of funds, and there was no violation of relevant laws, regulations and constitutional systems. The securities investment of the Company was conducive to improving the efficiency in using the funds of the Company, which was in the

interest of the Company, and was not detrimental to the interests of the Company or shareholders as a whole, particularly the minority shareholders.

Explanation is hereby given.

The Board of Shandong Chenming Paper Holdings Limited

25 March 2021