

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



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)

SHARE TRANSACTION
INVOLVING THE ASSET PURCHASE THROUGH THE ISSUANCE OF
CONSIDERATION SHARES AND CASH PAYMENTS

The Board is pleased to announce that, on 21 November 2022, the Company and Dongxing Investment entered into the Asset Purchase Agreement 1, pursuant to which Dongxing Investment has conditionally agreed to sell and the Company has conditionally agreed to purchase Subject Assets 1, which shall be settled by the Company's issuance of Consideration Shares to Dongxing Investment.

On the same date, the Company, Chenming Investment, Chongqing Trust and Chenming Asset Management entered into the Asset Purchase Agreement 2, pursuant to which Chongqing Trust has conditionally agreed to sell and the Company has conditionally agreed to purchase Subject Assets 2, which shall be settled by the Company's issuance of Consideration Shares to Chongqing Trust; and Chenming Asset Management has conditionally agreed to sell and Chenming Investment has conditionally agreed to purchase Subject Assets 3, which shall be settled in cash by Chenming Investment.

Prior to the Reorganisation, the Company held 62.49% equity interests in the Target Company. Immediately after the Reorganisation, the Company will directly hold 63.68% equity interests in the Target Company, and indirectly hold 5.44% equity interests in the Target Company through the 0.22% general partnership share in the Target Fund held by Chenming Investment, increasing total share holdings to 69.12%.

LISTING RULES IMPLICATION

The Company expects that all applicable percentage ratios in relation to the Reorganisation are less than 5%, but the consideration for the transactions will be partly financed by the issuance of Consideration Shares, the transactions contemplated under the Asset Purchase Agreements constitute a share transaction and are therefore subject to relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

As disclosed in the terms of “Consideration and pricing basis” and “Number of the Consideration Shares to be issued” under the section headed “ASSET PURCHASE AGREEMENTS” of this announcement, the Company subsequently will fulfill the obligation of information disclosure in a timely manner in accordance with the requirements of relevant laws and regulations after the consideration of the Subject Assets, the final issue price of the Consideration Shares and the number of Consideration Shares to be issued are determined. The Reorganisation is subject to the satisfaction of certain conditions and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

1. INTRODUCTION

The Board is pleased to announce that, on 21 November 2022, the Company and Dongxing Investment entered into the Asset Purchase Agreement 1, pursuant to which Dongxing Investment has conditionally agreed to sell and the Company has conditionally agreed to purchase Subject Assets 1, which shall be settled by the Company’s issuance of Consideration Shares 1 to Dongxing Investment.

On the same date, the Company, Chenming Investment, Chongqing Trust and Chenming Asset Management entered into the Asset Purchase Agreement 2, pursuant to which Chongqing Trust has conditionally agreed to sell and the Company has conditionally agreed to purchase Subject Assets 2, which shall be settled by the Company’s issuance of Consideration Shares 2 to Chongqing Trust; and Chenming Asset Management has conditionally agreed to sell and Chenming Investment has conditionally agreed to purchase Subject Assets 3, which shall be settled in cash by Chenming Investment.

Prior to the Reorganisation, the Company held 62.49% equity interests in the Target Company. Immediately after the Reorganisation, the Company will directly hold 63.68% equity interests in the Target Company and 44.44% limited partnership share in the Target Fund, and will control the Target Fund by holding 0.22% general partnership share in the Target Fund through Chenming Investment and indirectly hold 5.44% equity interests in the Target Company through the Target Fund, increasing its total share holdings in the Target Company to 69.12%.

2. ASSET PURCHASE AGREEMENTS

The principal terms of the Asset Purchase Agreements are summarised as follows:

Date	:	21 November 2022
Parties	:	<u>Asset Purchase Agreement 1</u> The Company (as transferee); and Dongxing Investment (as transferor). <u>Asset Purchase Agreement 2</u> The Company and Chenming Investment (each as transferee); and Chongqing Trust and Chenming Asset Management (each as transferor).
Subject	:	Pursuant to the Asset Purchase Agreement 1, the Company will conditionally purchase the Subject Assets 1, and issue the Consideration Shares 1 to Dongxing Investment as the consideration. Pursuant to the Asset Purchase Agreement 2, the Company will conditionally purchase the Subject Assets 2, and issue the Consideration Shares 2 to Chongqing Trust as the consideration; and Chenming Investment will conditionally purchase the Subject Assets 3, and satisfy the consideration in cash.
Consideration and pricing basis	:	The parties agreed that the consideration of the Subject Assets under the Reorganisation payable by the Group shall be determined by the parties through fair negotiation based on the valuation results of the valuation report in respect of the Subject Assets issued by the valuation agency engaged by the Company that meets the requirements of the Securities Law and other laws and regulations and the CSRC for securities service business and filed by the state-owned assets supervision and administration institution or its authorized unit, and shall be agreed by the parties through entering into a supplementary agreement. The Valuation Benchmark Date of the Subject Assets to be audited under the Reorganisation is 30 September 2022.

As of the date of this announcement, the audit and valuation of the Subject Assets have not been completed by the Group. According to the latest unaudited financial information of the Target Company and the Target Fund and the information currently available to the Board, the Company estimates that the consideration of the Subject Assets 1 will be no more than RMB108,000,000; the consideration of the Subject Assets 2 will be no more than RMB218,000,000; the consideration of the Subject Assets 3 will be no more than RMB1,080,000. Therefore, the Company expects that the total consideration of the Reorganisations will be no more than RMB326,000,000. The Company subsequently will fulfill the obligation of information disclosure in a timely manner in accordance with the requirements of relevant laws and regulations after the consideration of the Subject Assets is determined.

Price of the Consideration Shares : The shares of the Issuance are A Shares listed and traded in Shenzhen Stock Exchange, with a par value of RMB1.00 per share. The Administrative Measures for Reorganisation issued by the CSRC stipulates that the price of shares issued by a listed company shall not be lower than 90% of the market reference price. The market reference price is one of the average trading prices of A Shares in 20 trading days, 60 trading days or 120 trading days before the Pricing Benchmark Date. The details are shown in the following table:

Calculation range of A Shares average trading price	Average trading price	90% of average trading price
Last 20 trading days	4.90	4.41
Last 60 trading days	5.02	4.52
Last 120 trading days	5.30	4.77

Upon amicable negotiations among the parties, the issue price of the Consideration Shares is RMB4.42/share, which is not less than 90% of the average trading price of A Shares in 20 trading days before the Pricing Benchmark Date and fulfill the requirements of the Administrative Measures for Reorganisation. Should there be any distribution of dividend, issue of bonus shares, conversion of capital reserve into share capital from the Pricing Benchmark Date to the issue date of the Consideration Shares, the issue price of the Issuance will be adjusted accordingly in accordance with the relevant rules of the CSRC and Shenzhen Stock Exchange. The final issue price of the Consideration Shares is subject to the approval of the Company's extraordinary general meeting and the CSRC.

Number of the Consideration Shares to be issued : Pursuant to the Asset Purchase Agreements, the Company will issue the Consideration Shares (Number of shares formula: the trading price of the Subject Assets divided by the issue price of the Issuance). If the total number of shares calculated by the above formula is not a round number, Dongxing Investment and Chongqing Trust agree to voluntarily waive the part of less than one share.

The Company subsequently will fulfill the obligation of information disclosure in a timely manner in accordance with the requirements of relevant laws and regulations after the final issue price the Consideration Shares and the number of Consideration Shares to be issued are determined.

The final number of shares issued to purchase assets under the Issuance shall be subject to the number approved by the CSRC. Should there be any distribution of dividend, issue of bonus shares, conversion of capital reserve into share capital from the Pricing Benchmark Date to the issue date of the Consideration Shares, the issue price of the Issuance and the number of the Consideration Shares issued will be adjusted accordingly in accordance with the relevant rules of the CSRC and Shenzhen Stock Exchange.

Cash consideration : Pursuant to the Asset Purchase Agreement 2, Chenming Investment will pay the relevant consideration of the Subject Assets 3 to Chenming Asset Management in cash, and the payment will be made upon the fulfillment of conditions to effectiveness under the Asset Purchase Agreement 2 and the CSRC approves the reorganisation proposal and the Subject Assets 3 completes the delivery. The source of funds for Chenming Investment to pay relevant consideration to Chenming Asset Management is its own funds.

Lock-up Period : Pursuant to the Asset Purchase Agreements, unless otherwise required by the CSRC and Shenzhen Stock Exchange, Dongxing Investment and Chongqing Trust undertake not to transfer the Consideration Shares within 12 months from the date of the Issuance.

Upon the expiration of the Lock-up Period, Dongxing Investment and Chongqing Trust must also comply with the Company Law of the People's Republic of China, the Securities Law, the Shenzhen Stock Exchange Listing Rules and other laws, rules and the relevant provisions of the Company's Articles of Association.

Arrangement of accumulated undistributed profits : The accumulated undistributed profits of the Company before the completion of the Issuance shall be shared by the existing and new shareholders upon the completion of the Issuance.

Effective : The Asset Purchase Agreements will take effect when all the following conditions have been satisfied:

1. the approval from the Board for the reorganisation proposal has been obtained;
2. the approval from the competent state owned assets management organization for this transaction has been obtained;
3. the approval from the extraordinary general meeting for the Reorganisation and the issuance of the Consideration Shares has been obtained; and

4. the approval from the CSRC for the Reorganisation has been obtained.

If any of the above conditions are not fulfilled, the Asset Purchase Agreements will not come into force, and the Company will not proceed the Reorganisation.

Completion : Pursuant to the Asset Purchase Agreement 1, the parties agree that the delivery date shall be the date when the industrial and commercial change registration of the transfer of the Subject Assets 1 to the Company is completed.

Pursuant to the Asset Purchase Agreement 2, the parties agree that the delivery dates shall be the dates when the industrial and commercial change registration of the transfer of the Subject Assets 2 and Subject Assets 3 to the Company and Chenming Investment are completed, respectively.

After the completion of the Reorganisation, the Company shall register the Consideration Shares in the name of Dongxing Investment and Chongqing Trust with Shenzhen Stock Exchange and relevant registration and clearing agencies.

Termination : Pursuant to the Asset Purchase Agreements, the Asset Purchase Agreements will be terminated or dissolved in any of the following circumstances:

1. the parties agree to terminate the Asset Purchase Agreements in writing;
2. the Asset Purchase Agreements cannot be performed due to force majeure;
3. If one party seriously breaches the Asset Purchase Agreements, which makes the other party unable to achieve the fundamental purpose of signing the Asset Purchase Agreements, the other party shall have the right to terminate the transactions contemplated under the Asset Purchase Agreements and dissolve the Asset Purchase Agreements in writing;
4. If one party breaches the agreement or commitment under the Asset Purchase Agreements and still fails to correct within 20 working days after the other party's written notice, the other party shall have the right to propose in writing to terminate the transactions contemplated under the Asset Purchase Agreements and dissolve the Asset Purchase Agreements; and

5. If a major adverse event occurs and the rectification cannot be completed within a reasonable period (or the rectification measures are insufficient to eliminate the adverse effects), the Company and Chenming Investment shall have the right to propose in writing to terminate the transactions contemplated under the Asset Purchase Agreements and dissolve the Asset Purchase Agreements.

If the Asset Purchase Agreements are terminated or dissolved, the Reorganisation will not be proceeded.

3. INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a limited liability company incorporated in the PRC, mainly engaged in the production and sales of machine-made paper, pulp and papermaking chemical products, and its products cover coated paper, double offset paper, electrostatic copy paper and living paper.

The financial data of the Target Company for the two financial years ended 31 December 2021 are as follows:

	For the year ended 31 December 2021 RMB (audited)	For the year ended 31 December 2020 RMB (audited)
Profit before tax	239,255,883.25	226,438,303.59
Profit after tax	245,313,174.65	219,893,721.83

The unaudited net assets of the Target Company as at 30 September 2022 was RMB8,354,544,091.15.

4. INFORMATION ABOUT THE TARGET FUND

The Target Fund is a limited partnership incorporated in the PRC, primarily for the purpose of investing in the Target Company, and does not hold any other major assets or conduct other external businesses, other than holding 5.44% equity of the Target Company.

The financial data of the Target Fund for the two financial years ended 31 December 2021 are as follows:

	For the year ended 31 December 2021 RMB (audited)	For the year ended 31 December 2020 RMB (audited)
Profit before tax	34,360,037.60	(14,968.05)
Profit after tax	34,360,037.60	(14,968.05)

The unaudited net assets of the Target Fund as at 30 September 2022 was RMB446,270,696.02.

5. REASONS AND BENEFITS FOR ENTERING INTO THE ASSET PURCHASE AGREEMENTS

In recent years, China has issued a series of policy documents and outlines, including those for promoting the optimisation and upgrading of the manufacturing industry and for accelerating the transformation and upgrading of enterprises in key industries such as the chemical industry and the papermaking industry, so as to improve the green manufacturing system. Relevant policy documents also encourage listed enterprises to carry out restructuring and supporting financing through the capital market to facilitate resources consolidation and optimisation.

The Board is of the view that this reorganisation proposal will further increase the Company's shareholding (direct and indirect) in the Target Company, and then the financial indicators of the Company such as total equity attributable to owners of the parent company and net profit attributable to shareholders of the parent company will be improved, which will be conducive to the protection of the benefits of the listed company and its all shareholders. Furthermore, upon the completion of the Issuance, Dongxing Investment and Chongqing Trust will become one of the shareholders of the Company, which will bring the Company a more diversified shareholder structure, contribute to increase in the number of shares held by institutional shareholders, and is in the interests of the Company as a whole.

Given the reasons and benefits above, the Directors (including all independent non-executive Directors) believe that the terms of the Asset Purchase Agreements are fair and reasonable and on normal or better commercial terms, and the Asset Purchase Agreements and the Reorganisation are in the interests of the Company and shareholders as a whole.

6. FINANCIAL IMPACT OF THE TRANSACTIONS

As at the date of this announcement, the Target Company is a subsidiary of the Company. Upon the completion of the Reorganisation, the Target Company will continue to be a subsidiary of the Company, and the Company still has control over the Target Company. Therefore, the financial results of the Target Company remain to be consolidated into the Company's financial statements.

As at the date of this announcement, the Target Fund still hasn't become a subsidiary of the Company. Upon the completion of the Reorganisation, the Target Fund will be directly held as to 44.44% limited partnership share by the Company and be held as to 0.22% general partnership share by the Company through Chenming Investment. Therefore, the Target Fund will become a subsidiary of the Company, and the Company has control over the Target Fund. Accordingly, the financial results of the Target Fund will be consolidated into the Company's financial statements.

7. LISTING RULES IMPLICATION

The Company expects that all applicable percentage ratios in relation to the Reorganisation are less than 5%, but the consideration for the transactions will be partly financed by the issuance of Consideration Shares, the transactions contemplated under the Asset Purchase Agreements constitute a share transaction and are therefore subject to relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

As disclosed in the term of “Effective” under the section headed “ASSET PURCHASE AGREEMENTS” of this announcement, the matters in respect of the Reorganisation and the issuance of the Consideration Shares are subject to the consideration and approval of the shareholders at the Company’s extraordinary general meeting.

8. INFORMATION ON THE GROUP AND PARTIES TO THE ASSET PURCHASE AGREEMENTS

The Group is mainly engaged in the manufacturing and sales of paper products. Chenming Investment is a wholly-owned subsidiary of the Company and is mainly engaged in external investment.

Dongxing Investment is a limited liability company incorporated in the PRC and is mainly engaged in financial products investment, project investment and equity investment. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement: (i) Dongxing Investment is a wholly-owned subsidiary of Dongxing Securities Co., Ltd., the shares of which are listed on the Shanghai Stock Exchange (stock code: 601198); and (ii) Dongxing Investment, Dongxing Securities Co., Ltd. and their ultimate beneficial owners are all Independent Third Parties.

Chongqing Trust is a joint stock company incorporated in the PRC with limited liability. The principal activities of the company include trust business, investment fund business, and businesses such as the reorganisation, merger and acquisition of assets of enterprises, project financing, corporate finance and financial consultation, as well as other businesses approved by China Banking Regulatory Commission.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement: (i) the shareholders of Chongqing Trust are Tongfang Guoxin Investment Holding Co., Ltd.* (同方國信投資控股有限公司) (66.99% shareholding), Guoshou Investment Insurance Asset Management Co., Ltd.* (國壽投資保險資產管理有限公司) (26.04% shareholding), and other shareholders holding less than 5% of its shares (a total of 6.97% shareholding); (ii) the shareholders of Tongfang Guoxin Investment Holding Co., Ltd. are Tongfang Financial Holdings (Shenzhen) Co., Ltd.* (同方金融控股(深圳)有限公司) (26.32% shareholding), Shanghai Yufu Assets Management Co., Ltd.* (上海渝富資產管理有限公司) (15.87% shareholding), Shanghai Yinxin Industrial Development Co., Ltd.* (上海銀信實業發展有限公司) (10.54% shareholding), Chongqing New Era Equity Investment Co., Ltd.* (重慶新紀元股權投資有限公司) (10.49% shareholding), and other shareholders holding less than 10% of its shares (a total of 36.78% shareholding); (iii) Guoshou Investment Insurance Asset Management Co., Ltd. is a wholly-owned subsidiary of China Life Insurance (Group) Co., Ltd.; (iv) the shareholders of China Life Insurance (Group) Co., Ltd. are the Ministry of Finance of the PRC (90% shareholding) and the National Council for Social Security Fund of the People’s Republic of China (10% shareholding); (v) Tongfang Financial Holdings (Shenzhen) Co., Ltd. is a wholly-owned subsidiary of Tsinghua Tongfang Co., Ltd., the shares of which are listed on the Shanghai Stock Exchange (stock code: 600100); (vi) the shareholders of Shanghai Yufu Assets Management Co., Ltd. are Shanghai Anhuai Investment Management Co., Ltd.* (上海安淮投資管理有限公司) (84.58% shareholding), and other shareholders holding less than 10% of its shares (a total of 15.42% shareholding); (vii) the shareholders of Shanghai Anhuai Investment Management Co., Ltd. are Zhang Xin (張昕) (81.82% shareholding) and Weng Zhenjie (翁振杰) (18.18% shareholding); (viii) Shanghai Yinxin Industrial Development Co., Ltd. is indirectly wholly owned by Jia Yuxia (賈玉峽); (ix) the beneficial owners of

Chongqing New Era Equity Investment Co., Ltd. are Liu Qinqin (劉勤勤) (indirect 90% shareholding) and Gao Haiguo (高海國) (indirect 10% shareholding); and (x) Chongqing Trust, the parties abovementioned and their ultimate beneficial owners are Independent Third Parties.

Chenming Asset Management is a limited liability company incorporated in the PRC. The principal activities of the company include asset management, as well as external investment and management using self-owned funds. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement: (i) the shareholders of Chenming Asset Management are Hao Yun (郝筠) (30% shareholding), Zhang Tao (張濤) (25% shareholding), the Company (20% shareholding), Qingdao Zhili Enterprise Management Consulting Center (Limited Partnership)* (青島知利企業管理諮詢中心(有限合夥)) (15% shareholding), and other shareholders holding less than 5% of its shares (a total of 10% shareholding); (ii) the shareholders of Qingdao Zhili Enterprise Management Consulting Center are Liu Lianwei (劉連偉) (90% shareholding) and Shi Limei (石麗梅) (10% shareholding); and (iii) Chenming Asset Management, the parties abovementioned and their ultimate beneficial owners are Independent Third Parties.

9. EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting will be convened by the Company to consider and, if thought fit, approve, among others, the resolutions in respect of the Asset Purchase Agreements and the transactions contemplated thereunder. The voting in relation to the abovementioned resolutions will be conducted by way of poll. The Company will duly dispatch to the shareholders a circular containing, among others, the further information on the Asset Purchase Agreements and the transactions contemplated thereunder.

As disclosed in the terms of “Consideration and pricing basis” and “Number of the Consideration Shares to be issued” under the section headed “ASSET PURCHASE AGREEMENTS” of this announcement, the Company subsequently will fulfill the obligation of information disclosure in a timely manner in accordance with the requirements of relevant laws and regulations after the consideration of the Subject Assets, the final issue price of the Consideration Shares and the number of Consideration Shares to be issued are determined. The Reorganisation is subject to the satisfaction of certain conditions and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

10. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“A Shares”	domestic shares of the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB (stock code: 000488)
“Administrative Measures for Reorganisations”	the Administrative Measures for the Material Asset Reorganisations of Listed Companies
“Asset Purchase Agreement 1”	the agreement on asset purchase by issuance of shares entered into among the Company and Dongxing Investment on 21 November 2022, in relation to the proposed purchase of Subject Assets 1 by issuance of A Shares by the Company
“Asset Purchase Agreement 2”	the agreement on asset purchase by issuance of shares and cash payment entered into among the Company, Chenming Investment, Chongqing Trust and Chenming Asset Management on 21 November 2022, in relation to the proposed purchase of Subject Assets 2 by issuance of A Shares by the Company and the proposed purchase of Subject Assets 3 by cash payment by Chenming Investment
“Asset Purchase Agreements”	Asset Purchase Agreement 1 and Asset Purchase Agreement 2
“Board”	the board of Directors of the Company
“Chenming Asset Management”	Chenming (Qingdao) Asset Management Co., Ltd.* (晨鳴(青島)資產管理有限公司), a limited liability company incorporated in the PRC, holding 0.22% general partnership share in the Target Fund as at the date of this announcement
“Chenming Investment”	Shandong Chenming Investment Co., Ltd.* (山東晨鳴投資有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Chongqing Trust”	Chongqing International Trust Inc.* (重慶國際信託股份有限公司), a joint stock limited liability company incorporated in the PRC, holding 44.44% limited partnership share in the Target Fund as at the date of this announcement

“Company”	Shandong Chenming Paper Holdings Limited* (山東晨鳴紙業集團有限公司), a joint stock limited liability company incorporated in the PRC whose H shares are listed on the main board of the Stock Exchange
“Consideration Shares 1”	New A shares to be issued by the Company to Dongxing Investment under the Asset Purchase Agreement 1 to satisfy the consideration of Subject Assets 1
“Consideration Shares 2”	New A shares to be issued by the Company to Chongqing Trust under the Asset Purchase Agreement 2 to satisfy the consideration of Subject Assets 2
“Consideration Shares”	Consideration Shares 1 and Consideration Shares 2
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Dongxing Investment”	Dongxing Securities Investment Co., Ltd.* (東興證券投資有限公司), a limited liability company incorporated in the PRC, holding 3.57% equity interests in the Target Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the main board of the Stock Exchange and subscribed for and traded in Hong Kong Dollars
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
“Issuance”	the issuance of Consideration Shares 1 and Consideration Shares 2 by the Company to Dongxing Securities and Chongqing Trust in partial payment of the transaction consideration for the Reorganisation as consideration for Subject Assets 1 and Subject Assets 2, respectively
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lock-up Period”	a period of twelve months commencing from the date of completion of the Issuance, unless otherwise required by the CSRC and the Shenzhen Stock Exchange

“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Pricing Benchmark Date”	21 November 2022
“Reorganisation”	the transaction that the Group proposed to purchase Subject Assets 1, Subject Assets 2 and Subject Assets 3 under the Asset Purchase Agreement 1 and the Asset Purchase Agreement 2
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China, as amended from time to time
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Assets 1”	1.19% equity interests in the Target Company held by Dongxing Investment which are proposed to be purchased by the Company under the Asset Purchase Agreement 1
“Subject Assets 2”	44.44% limited partnership share in the Target Fund held by Chongqing Trust which are proposed to be purchased by the Company under the Asset Purchase Agreement 2
“Subject Assets 3”	0.22% general partnership share in the Target Fund held by Chenming Asset Management which are proposed to be purchased by Chenming Investment in connection with the Asset Purchase Agreement 2
“Subject Assets”	Subject Assets 1, Subject Assets 2 and Subject Assets 3
“Target Company”	Shouguang Meilun Paper Co., Ltd.* (壽光美倫紙業有限公司), a limited liability company incorporated in the PRC and a subsidiary of the Company
“Target Fund”	Weifang Chenrong Growth Driver Replacement Equity Investment Fund Partnership (Limited Partnership)* (濰坊晨融新舊動能轉換股權投資基金合夥企業(有限合夥)), a limited partnership incorporated in the PRC, holding 5.44% equity interests in the Target Company as at the date of this announcement

“Valuation Benchmark Date” 30 September 2022

“%” percentage

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

Shandong, the PRC
21 November 2022

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Hu Changqing, Mr. Li Xingchun, Mr. Li Feng and Mr. Li Weixian; 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, Mr. Yang Biao and Mr. Li Zhihui.

* *For identification purposes only*