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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)**

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

References are made to the (i) announcements dated 21 November 2022, 19 January 2023 and 27 February 2023; (ii) overseas regulatory announcements dated 19 January 2023, 15 February 2023, 15 March 2023, 31 March 2023, 24 April 2023, 25 April 2023 and 27 April 2023; and (iii) circular dated 9 February 2023 (the “**Circular**”) of Shandong Chenming Paper Holdings Limited (the “**Company**”) in relation to, among other things, the share transaction involving the asset purchase through the issuance of consideration shares and cash payments. Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

**1. The Company's work related to the Reorganization period**

**Main work**

During the course of advancing the Reorganisation, the Company organised relevant parties to actively proceed with the Reorganisation in strict compliance with the relevant regulations of the CSRC and the Shenzhen Stock Exchange, engaged independent financial advisors, auditors, appraisal institutions, law firms and other intermediaries to conduct due diligence, audit and valuation of the Target Company, and fully communicated, negotiated and discussed with other parties thereof in relation to various matters involved in the proposal for Reorganisation.

**Related information disclosure and risk warning**

In the course of the work related to the assets Reorganisation, the Company has fulfilled its information disclosure obligations in a timely, accurate and conscientious manner in strict compliance with relevant laws and regulations, and has fully disclosed the relevant risks and uncertainties of the Reorganisation in the Reorganisation report and other relevant announcements.

## **2. Termination of the Reorganisation**

At the 8th extraordinary meeting of the tenth session of the Board and the 4th extraordinary meeting of the tenth session of the Supervisory Committee held on 29 June 2023, the Company considered and approved the Resolution in relation to the Termination of Asset Purchase through the Issuance of Shares and Cash Payments and Connected Transactions and Withdrawal of the Application Documents, agreeing that the Company should terminate the Issuance of Shares and Cash Payments for the Purchase of Assets and Connected Transactions, sign the relevant termination agreements with the parties to the Asset Purchase Agreements as necessary and apply to the Shenzhen Stock Exchange for the withdrawal of the relevant application documents. The independent opinion of independent Directors of the Company concurred with the resolution.

In accordance with the Resolution in relation to the Proposal of Authorising the Board at the 2023 First Extraordinary General Meeting to Deal with Matters in connection with the Reorganisation, the Resolution in relation to the Proposal of Authorizing the Board at the 2023 First Class Meeting for Shareholders of Domestic Listed Shares to Deal with Matters relating to the Reorganisation and the Resolution in relation to the Proposal of Authorising the Board at the 2023 First Class Meeting for Shareholders of H Shares to Deal with Matters in connection with the Reorganisation considered and approved at the 2023 First Extraordinary General Meeting, the 2023 First Class Meeting for Shareholders of Domestic Listed Shares and the 2023 First Class Meeting for Shareholders of H Shares of the Company (collectively, the “**EGMs**”), the Board was authorised at the EGMs to deal with matters relating to the Reorganisation and such authorisation is still in force. The Board decided to terminate the Reorganisation and sign the relevant written documents (the “**Termination of the Reorganisation**”) pursuant to the authority granted by the EGMs and the termination of the Reorganisation is not required to be submitted to the general meeting for consideration.

The Company will enter into termination agreements with the parties to the Asset Purchase Agreements to terminate the Asset Purchase Agreements and the Supplemental Agreements.

## **3. Reasons for the termination of the Reorganisation**

Since the Company planned and announced the Reorganisation for the first time, the Company has been actively organizing all parties involved in the Reorganisation to proceed with the Reorganisation in strict accordance with the requirements of relevant laws and regulations and normative documents. However, in view of the significant changes in the capital market regulatory policies and environment as compared with the initial planning of the Reorganisation and the current actual situation of the Company, after careful study and amicable consultation with the parties to the Reorganisation, the Board agreed that the Company terminates the Reorganisation and applies to the Shenzhen Stock Exchange for withdrawal of the relevant application documents for the Reorganisation.

## **4. Self-inspection of insiders with relevant insider information**

According to the requirements of laws and regulations such as the Self-regulatory Guidelines for Listed Companies No. 8 of Shenzhen Stock Exchange – Major Asset Reorganisation (2023 Revision), the self-inspection period of stock trading is from the disclosure of the Reorganisation report to the disclosure of the major adjustment of the proposal for Reorganisation or the termination of transactions, that is, from 20 January 2023, being the date of disclosure of the Reorganisation report on [www.cninfo.com.cn](http://www.cninfo.com.cn) to 30 June 2023, the date of disclosure of termination of the Reorganisation. The Company intends to submit an inquiry application to the China Securities Depository and Clearing Corporation Limited, Shenzhen Branch for the self-inspection matter, and after obtaining relevant transaction data and completing the self-inspection, the Company will promptly disclose relevant insider information on insiders’ stock trading transactions.

## **5. The impact of the termination of the Reorganisation on the Company**

The Company's termination of the Reorganisation and withdrawal of the application documents is a prudent decision made by comprehensively considering the changes in the current capital market regulatory policies and environment, combined with the Company's capital operation and strategic planning, and there is no situation in which the Company and the relevant parties to the Reorganisation shall be liable for the relevant liability for default. At present, the Company's business operations are normal, and the termination of this Reorganisation will not have any significant adverse impact on the Company's existing production and operation activities and strategic development, and there is no harm to the interests of the Company and its minority shareholders.

## **6. Commitments of listed companies**

In accordance with the Administrative Measures for the Reorganization of Major Assets of Listed Companies, the Self-regulatory Guidelines for Listed Companies No. 8 of Shenzhen Stock Exchange – Major Asset Reorganization (2023 Revision) and other laws, regulations and normative documents, the Company undertakes not to plan for major asset reorganisation matters for at least one month from the date of disclosure of this announcement.

The Board apologises for the inconvenience caused to investors by terminating the Reorganisation and expresses its sincere gratitude to investors who have long followed and supported the development of the Company.

**Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

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

Shandong, the PRC  
29 June 2023

*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*