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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)

**COMPLETION OF REPURCHASE AND CANCELLATION OF CERTAIN
RESTRICTED SHARES**

Reference is made to (i) the announcement dated 30 March 2020 of Shandong Chenming Paper Holdings Limited (the “**Company**”); the circular dated 29 April 2020; the poll results announcement of the general meeting dated 15 May 2020; the overseas regulatory announcement dated 29 May 2020 in relation to, among other things, the adoption of the 2020 Restricted A Share Incentive Scheme (the “**Incentive Scheme**”) of the Company and the grant of Restricted Shares under the Incentive Scheme; (ii) the announcement dated 18 July 2022 in relation to, among other things, fulfilment of the unlocking conditions for the first unlocking period under the Incentive Scheme, and adjustment to the repurchase price of the Incentive Scheme and the repurchase and cancellation of certain Restricted Shares; (iii) the announcement dated 17 July 2023 in relation to, among other things, failing to fulfil the unlocking conditions for the second unlocking period under the Incentive Scheme and the repurchase and cancellation of certain Restricted Shares; and (iv) the announcement dated 31 July 2024 in relation to, among other things, failing to fulfil the unlocking conditions for the third unlocking period under the Incentive Scheme and the repurchase and cancellation of certain Restricted Shares. Unless otherwise defined in this announcement, capitalized terms used in this announcement shall have the same meanings as those defined in the aforesaid announcements and circular.

1. REPURCHASE AND CANCELLATION OF RESTRICTED SHARES

As stated in the Company’s announcement dated 31 July 2024, failing to fulfil the unlocking conditions for the third unlocking period, the Company shall repurchase and cancel the Restricted Shares that have been granted to 93 Participants but not yet unlocked for the third unlocking period and the number of shares to be repurchased is 22,257,000.

As an aggregate of 6,900,000 Restricted Shares held by 2 Participants were judicially frozen, the repurchase and cancellation of such 6,900,000 Restricted Shares had not yet been completed by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited. The total number of shares repurchased and cancelled in this repurchase exercise amounted to 15,357,000 shares, which accounted for 19.29% of the total number of shares granted under the Incentive Scheme and 0.52% of the total share capital of the Company prior to the repurchase.

2. CAPITAL VERIFICATION AND COMPLETION OF THE REPURCHASE AND CANCELLATION

On 15 November 2024, Grant Thornton (Special General Partnership) issued a Capital Verification Report (Zhi Tong Yan Zi (2024) No. 371C000421), in which they verified the change in the registered capital and paid-in capital (share capital) of the Company as of 6 November 2024. Verification result: As of 6 November 2024, the registered capital and paid-in capital of the Company upon the change amounted to RMB2,934,556,200.00 and RMB2,934,556,200.00, respectively.

As of the date of this announcement, as reviewed and confirmed by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company has completed the repurchase and cancellation of 15,357,000 Restricted Shares. The repurchase and cancellation by the Company is in compliance with the relevant provisions of laws, administrative regulations, departmental rules, regulatory documents, the Articles of Association and the Incentive Scheme.

3. CHANGE IN THE SHARE CAPITAL STRUCTURE OF THE COMPANY UPON THE REPURCHASE AND CANCELLATION

Upon completion of the repurchase and cancellation, the total number of shares of the Company has been changed from 2,956,813,200 shares to 2,941,456,200 shares, details of which were as follows:

Nature of shares	Before change		Change Number (share)	After change	
	Number (share)	Percentage		Number (share)	Percentage
I. Restricted shares	46,298,154	1.56%	-15,357,000	30,941,154	1.05%
1. Locked shares held by the senior management	24,041,154	0.81%	-	24,041,154	0.82%
2. Restricted shares under the share incentive scheme	22,257,000	0.75%	-15,357,000	6,900,000	0.23%
II. Unrestricted shares	2,910,515,046	98.44%	-	2,910,515,046	98.95%
III. Total number of shares	2,956,813,200	100.00%	-15,357,000	2,941,456,200	100.00%

4. IMPACT ON THE COMPANY

The repurchase and cancellation of certain Restricted Shares by the Company will not adversely affect the financial position and operating results of the Company, and will not lead to any change in the controlling shareholder and the de facto controller of the Company. The shareholding distribution of the Company is still eligible for listing. The management team of the Company will continue to work diligently and responsibly, and strive to create value for shareholders.

By order of the Board
Shandong Chenming Paper Holdings Limited
Hu Changqing
Chairman

As at the date of this announcement, the executive Directors are 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*