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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)

**INDICATIVE ANNOUNCEMENT OF
2016 SECOND EXTRAORDINARY GENERAL MEETING**

The board (“**Board**”) of directors (“**Directors**”) of Shandong Chenming Paper Holdings Limited (the “**Company**”) and all Directors hereby warrant that there are no false representations, misleading statements or material omissions contained in this announcement, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of its contents.

This announcement is made in accordance with Article 101 of the Articles of Association of the Company.

As required by Article 101 of the Articles of Association: The Company shall, based on the written replies received twenty (20) days before the date of the shareholders’ general meeting, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one half of the Company’s total voting shares, the Company may hold the general meeting. If not, the Company shall within five (5) days notify the shareholders again by notice of the matters to be considered, the place and the date of the meeting. The Company then may hold the meeting after the publication of such notice.

According to the requirement of Article 101 of the Articles of Association, the Company hereby informs the shareholders once again in an announcement of the matters in respect of the 2016 second extraordinary general meeting (the “**EGM**”) as follows:

** For identification purposes only*

NOTICE IS HEREBY GIVEN THAT the EGM will be held at 2:00 p.m. on Thursday, 2 June 2016, at the conference room of the research and development centre of the Company, No. 2199 Nongsheng Road East, Shouguang City, Shandong Province, the People's Republic of China (the "PRC") for the purpose of passing the following resolutions:

AS ORDINARY RESOLUTIONS:

1. To consider and approve the report on use of proceeds of the previous proceeds of the Company;
2. To consider and approve the formulation of the Administrative Measures of Proceeds of Shandong Chenming Paper Holdings Limited;
3. To consider and approve the setting up of an account for the proceeds from the non-public issue of A shares;
4. To consider and approve the formulation on the Dividend Distribution Plan for Shareholders of Shandong Chenming Paper Holdings Limited in the Coming Three Years (2016-2018);
5. To consider and approve the resolution in relation to the capital increase of RMB3,300 million, to Chenming (Qingdao) Financial Leasing Co., Ltd., a wholly-owned subsidiary of the Company;

AS SPECIAL RESOLUTIONS:

6. To consider and approve the amendments to the Articles of Association of Shandong Chenming Paper Holdings Limited;
7. To consider and approve the proposing of the authorisation be granted to the board of directors by the general meeting to deal with matters relating to the non-public issue of A shares with absolute discretion;

AS ORDINARY RESOLUTIONS:

8. To consider and approve the fulfilment of conditions in respect of the non-public issue of A shares of the Company;
9. To consider and approve the feasibility analysis report on the use of proceeds of the non-public issue of shares of the Company;

10. To consider and approve the dilution of current returns and remedial measures upon the non-public offering of A shares of the Company;
11. To consider and approve the undertakings made by all directors and senior management on dilution of current returns and adoption of remedial measures upon the non-public offering of the Company;

AS SPECIAL RESOLUTIONS:

12. To consider and approve each item of the proposal on the non-public issue of A shares of the Company;
 - 12.1 Class and par value of shares to be issued;
 - 12.2 Method and timing of the issuance of shares;
 - 12.3 Issue price and the principle for pricing;
 - 12.4 Issue size;
 - 12.5 Target investors and method of subscription;
 - 12.6 Lock-up period;
 - 12.7 Place of listing of shares;
 - 12.8 Amount of proceeds and their use;
 - 12.9 The arrangement for accumulated undistributed profit before the completion of the issue;
 - 12.10 The validity of the resolution in respect of the issue;
13. To consider and approve the proposal on the non-public issue of A shares of the Company;
14. To consider and approve the entering into of conditional share subscription agreement and the non-public issue of shares of the Company involving related party transactions; and

15. To consider and approve the resolution in relation to the change of proposal of the non-public issue of A shares by the Company.

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

Shandong, the PRC
25 May 2016

Notes:

1. Each shareholder having the rights to attend and vote at the EGM is entitled to appoint one or more proxies (whether a shareholder or not) to attend and vote on his behalf. Should more than one proxy be appointed by one shareholder, such proxy shall only exercise his voting rights on a poll.
2. Shareholders can appoint a proxy by an instrument in writing (i.e. by using the form of proxy and supplemental form of proxy (the “**Proxy Forms**”) by the Company. The Proxy Forms shall be signed by the person appointing the proxy or an attorney authorised by such person in writing. If the Proxy Forms is signed by an attorney, the power of attorney or other documents of authorization shall be notarially certified. To be valid, the Proxy Forms and the notarially certified power of attorney or other documents of authorisation must be delivered to the Company’s H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 24 hours before the time scheduled for the holding of the EGM or any adjournment thereof.
3. Shareholders or their proxies shall present proofs of their identities upon attending the EGM. Should a proxy be appointed, the proxy shall also present the Proxy Forms.
4. The EGM is expected to last for half day. The shareholders and proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.
5. The Company’s registered address:
No. 595 Shengcheng Road, Shouguang City, Shandong Province, the PRC
Postal code: 262705
Telephone: (86)-536-2158008
Facsimile: (86)-536-2158977

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Yin Tongyuan, Mr. Li Feng, Mr. Geng Guanglin and Mr. Wang Chunfang, 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.