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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)

ANNOUNCEMENT ON ARBITRATION

This announcement is made by Shandong Chenming Paper Holdings Limited (the “**Company**”) on a voluntary basis.

Reference is made to the announcement of Shandong Chenming Paper Holdings Limited (the “**Company**”) dated 18 October 2018 (the “**Announcement**”) in relation to the delivery up of the accounting books and associated records of the Joint Venture by HKK2 (the “**Arbitration**”). Unless the context requires otherwise, all the terms defined in the Announcement shall have the same meanings when used herein.

On 5 August 2020, the Company received the final award (the “**Final Award**”) from the Hong Kong International Arbitration Centre (the “**HKIAC**”) regarding the Arbitration.

In the Final Award, the arbitral tribunal ordered that:

- (i) HKK2 shall within 21 days from the date of the Final Award i.e 5 August 2020, deliver the books and records of the Joint Venture to the compulsory liquidation group of the Joint Venture, which is the Shandong Branch of Yongtuo Accounting Firm (Special Partnership);
- (ii) the security of costs held by the HKIAC be returned to the Company;
- (iii) there be no order as to costs of legal representation and assistance; and
- (iv) costs of the Arbitration (other than costs of legal representation and assistance) shall be borne by both parties in the Arbitration in equal share.

The Directors are of the view that the Final Award does not have any negative effect on the financial, operation or any other aspect of the Company.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Shandong, the PRC
18 August 2020

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 purpose only*