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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Shandong Chenming Paper Holdings Limited (the “**Company**”) published the “Shandong Chenming Paper Holdings Limited Announcement in respect of Resolutions of the Eleventh Meeting of the Eight Session of the Board of Directors” dated 25 October 2018 on the website of Shenzhen Stock Exchange. The following is a translation of the official announcement solely for the purpose of providing information.

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

Shandong, PRC
25 October 2018

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Li Feng, Mr. Geng Guanglin, Mr. Hu Changqing and Mr. Chen Gang; 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.

* *For identification purposes only*

Stock code:
000488 200488

Stock abbreviation:
Chenming Paper Chenming B

Announcement No.:
2018-146

Shandong Chenming Paper Holdings Limited
Announcement in respect of Resolutions of the Eleventh Meeting of
the Eighth Session of the Board of Directors

The Company and all members of the board of directors (the “Directors”) (the “Board”) hereby warrant the truthfulness, accuracy and completeness of the contents of information disclosure which do not contain any false information, misleading statements or material omissions.

The notice of the eleventh meeting of the eighth session of the Board of Shandong Chenming Paper Holdings Limited (the “Company”) was despatched to all Directors in writing and by post on 14 October 2018, and the said meeting was held by means of communication on 25 October 2018. 11 Directors were entitled to be present at the meeting and 11 Directors attended the meeting. The meeting was convened in compliance with the relevant PRC laws and regulations and the Articles of Association of the Company.

The following resolutions of this Board meeting were considered and passed unanimously by the Directors present at the meeting:

I. The full text and the main body of the third quarterly report of the Company for the year 2018 were considered and approved

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn) and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

The voting result of this resolution: votes for: 11; votes against: 0; votes abstained: 0.

II. The change of the accounting policies of the Company was considered and approved

On 31 March 2017, the Ministry of Finance amended three standards in relation to financial instruments, namely Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments, Accounting Standards for Enterprises No. 23 - Transfer of Financial Assets, and Accounting Standards for Enterprises No. 24 - Hedging (Cai Kuai (2017) No. 7, No. 8 and No. 9) (the “New Financial Instrument Standards”). On 5 July 2018, the Ministry of Finance issued the Notice on Revising and Issuing the Accounting Standards for Enterprises No. 14 -

Revenue (Cai Kuai (2017) No. 22) (the new revenue standard). On 15 June 2018, the Ministry of Finance issued the Notice on Revising and Issuing the Format of Financial Statements of General Enterprises for 2018 (Cai Kuai [2018] No. 15). The finance department of the Company carried out the corresponding accounting treatment in accordance to the implementation time and the changes as required by the above notices of the Ministry of Finance.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn), and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

The voting result of this resolution: votes for: 11; votes against: 0; votes abstained: 0

III. The pledge of assets in relation to the syndicated loan of Huanggang Chenming was considered and approved

In order to meet the capital requirement of the 300,000 tonne bleached sulfate softwood pulp project (the “Pulp Production Project”) under the integrated forestry and paper project of Huanggang Chenming Pulp & Paper Co., Ltd. (“Huanggang Chenming”, a subsidiary of the Company), Huanggang Chenming, the Huanggang branch of Bank of China Limited (the “Huanggang Branch of Bank of China”) and The Export-Import Bank of China entered into the RMB and Foreign Currency Syndicated Loan Agreement Regarding the Bleached Chemical Softwood Pulp Project under the Integrated Forestry and Paper Project of Huanggang Chenming Pulp & Paper in July 2015 (the “Loan Agreement”), pursuant to which medium-to-long-term project loans of RMB1,292,620,000 and US\$150,000,000 (or other foreign currency equivalent) were provided by the Huanggang Branch of Bank of China and The Export-Import Bank of China, respectively, for a term of seven years. As agreed in the Loan Agreement, after the completion and inspection of the project and when its assets may be pledged as collateral, the assets, including land, property and machinery, formed in the project shall be pledged as additional collateral.

The collateral was the assets, including land, property and machinery, formed in the Pulp Production Project. The carrying amount of the assets, including land, was approximately RMB3,600 million as at the end of September and the assets were pledged until July 2022. The list of the pledged assets and the pledge amount would be agreed in the mortgage agreement after the valuation made by an appraisal institution selected from the panel of syndicated facility appraisal institutions.

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn), and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

The Board agreed to authorise the management of the Company to deal with the matters related to the pledge of assets of the Pulp Production Project.

The voting result of this resolution: votes for: 11; votes against: 0; votes abstained: 0

IV. The resolution on the commencement of financing leasing business was considered and approved

In order to further broaden the financing channels, meet the capital requirement for production and operation, and optimise the liability structure, Shouguang Meilun Paper Co., Ltd., a wholly-owned subsidiary of the Company, proposed to commence the financing leasing business with CCB Financing Leasing Co. Ltd. The financing amount will not exceed RMB1,200 million (inclusive) for a term of not more than five years (inclusive).

For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn), and the Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

The Board agreed to authorise the management of the Company to deal with the matters related to the transaction under the above scope of the transaction.

The voting result of this resolution: votes for: 11; votes against: 0; votes abstained: 0

Notice is hereby given.

The Board of Shandong Chenming Paper Holdings Limited
25 October 2018