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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

THE PROPOSED ISSUE

- 1. IN AGGREGATE OF NOT MORE THAN RMB10.0 BILLION
SUPER AND SHORT-TERM COMMERCIAL PAPERS**
- 2. IN AGGREGATE OF NOT MORE THAN RMB6.0 BILLION
MEDIUM-TERM NOTES**
- 3. IN AGGREGATE OF NOT MORE THAN RMB3.0 BILLION
SHORT-TERM COMMERCIAL PAPERS**

This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)

The board of directors (the “**Board**”) is pleased to announce that, at the twelfth meeting of the eighth session of the Board held on 29 March 2019, it was resolved to approve the proposed issue of i) super and short-term commercial papers in aggregate of not more than RMB10.0 billion; ii) medium-term notes in aggregate of not more than RMB 6.0 billion; and iii) short-term commercial papers in aggregate of not more than RMB 3.0 billion by the Company (the “**Issue**”).

The Issue is subject to shareholders’ approval by special resolution at the annual general meeting of the Company for 2018 to be held on 11 June 2019 (the “**AGM**”). Notice of the AGM will be despatched to the shareholders in accordance with the Articles of Association of the Company.

1. Particulars of the issue of the Super & Short-term Commercial Paper, if proceeds, are as follows:

1. Size

The Super & Short-term Commercial Paper will be at par value of not more than RMB10.0 billion (inclusive) in aggregate.

2. Issue target

Super & Short-term Commercial Paper will be issued publicly in the inter-bank market in China.

3. Maturity

It is proposed at the general meeting that the Board be authorised to determine the specific maturity of Super & Short-term Commercial Paper and the offer size of each maturity type by reference to the prevailing market conditions and the Company's demand for capital before the issue. Details will be disclosed in the prospectus of Super & Short-term Commercial Paper.

4. Interest rate

The coupon rate of the Super & Short-term Commercial Paper will be determined by reference to the prevailing market conditions by the Company and the lead underwriter.

5. Use of proceeds

The proceeds from the issue of Super & Short-term Commercial Paper will be used for prepayment of issued bonds, replacement of bank borrowings, optimisation of debt structure or replenishment of working capital.

6. Term of validity of the resolution

Term of validity of the resolution of the issue of Super & Short-term Commercial Paper will be 24 months from the date of the approval of such resolution at the general meeting.

7. Authorisation in relation to the Super & Short-term Commercial Paper issue

To ensure that Super & Short-term Commercial Paper is issued in an orderly and efficient manner, the Board proposes to the general meeting to approve the authorisation of the management of the Company by the Board to deal with matters relating to the Super & Short-term Commercial Paper issue under the

issue proposal mentioned above, including but not limited to: (1) formulation of the detailed issue proposal relating to this Super & Short-term Commercial Paper issue and amendments and adjustments of the terms thereof, including but not limited to matters relating to reporting and issue of corporate bonds such as the timing, the size, the number of tranches, the maturity, the coupon rates and the basis for determination thereof in so far as permitted by the laws and regulations in accordance with the circumstances of the Company and the market; (2) selecting underwriter for Super & Short-term Commercial Paper, entering into an underwriting agreement of Super & Short-term Commercial Paper, and formulating rules for bondholder meetings; (3) execution of any related contract, agreement and document, including but not limited to application documents, underwriting agreements and announcements of various kinds; (4) dealing with necessary matters, including but not limited to registration; (5) at least the following measures are to be taken when it is expected that the Company is likely or unable to repay the principal and the interest thereof when they are due: suspension of profit distribution to the shareholders; suspension of the capital expenditure projects such as substantial external investments and acquisitions and mergers; reduction or suspension of the payment of the fees and bonus of the directors and the senior management; and no re-designation of the key responsible persons; (6) dealing with all other necessary matters relating to the Super & Short-term Commercial Paper issue; (7) the term of the authorisation will be effective from the date of the resolution relating to the Super & Short-term Commercial Paper issue as approved at the general meeting to the date of the lapse on validity of the resolution of the general meeting relating to the Super & Short-term Commercial Paper issue or completion of the above matters under the authorization.

2. Particulars of the issue of Medium-Term Notes, if proceeds, are as follows:

1. Size

The Medium-Term Notes will be at par value of not more than RMB6.0 billion (inclusive) in aggregate.

2. Term

The term of the Medium-Term Notes will be of not more than five years (inclusive).

3. Coupon rate

The coupon rate of the Medium-Term Notes will be determined based on availability of capital in the market.

4. Issue target

Institutional investors in the inter-bank market of China.

5. Use of proceeds

The proceeds from the issue of Medium-Term Notes will be used for replacement of bank borrowings, optimisation of debt structure or replenishment of working capital.

6. Term of validity of the resolution

Term of validity of the resolution of the issue of Medium-Term Notes will be 24 months from the date of the approval of such resolution at the general meeting.

7. Authorisation in relation to the medium-term notes issue

To ensure that medium-term notes are issued in an orderly and efficient manner, the Board proposes to the general meeting to approve the authorisation of the management of the Company by the Board to deal with matters relating to the medium-term notes issue under the issue proposal mentioned above, including but not limited to: (1) formulation of the detailed issue proposal relating to the medium-term notes issue and amendments and adjustments of the terms thereof, including but not limited to matters relating to reporting and issue of corporate bonds such as the timing, the size, the number of tranches, the coupon rates and the basis for determination thereof in so far as permitted by the laws and regulations in accordance with the circumstances of the Company and the market; (2) engaging intermediaries for the reporting of matters in relation to the issue thereof; (3) executing any related contract, agreement and document, including but not limited to application documents, underwriting agreements and announcements of various kinds; (4) dealing with necessary procedures, including but not limited to registration; (5) at least the following measures are to be taken when it is expected that the Company is likely or unable to repay the principal and the interest thereof when they are due: suspension of profit distribution to the shareholders; suspension of the capital expenditure projects such as substantial external investments and acquisitions and mergers; reduction or suspension of the payment of the fees and bonus of the directors and the senior management; and no re-designation of the key responsible persons; (6) dealing with all other necessary matters relating to the medium-term notes issue; (7) the term of the authorization will be effective from the date of the resolution relating to the medium-term notes issue and this resolution as approved at the general meeting to the date of the lapse of validity of the resolution of the general meeting relating to the medium-term notes issue or completion of the above matters under the authorization.

3. Particulars of the issue of the Short-Term Commercial Papers, if proceeds, are as follows:

1. Size

The Short-Term Commercial Papers will be at par value of not more than RMB3.0 billion (inclusive) in aggregate.

2. Term

The term of the Short-Term Commercial Papers will be one year.

3. Interest rate

The coupon rate of The Short-Term Commercial Papers will be determined based on availability of capital in the market.

4. Issue target

Institutional investors in the inter-bank market of China.

5. Use of proceeds

The proceeds from the issue of Short-term Commercial Paper will be used for replacement of bank borrowings, optimisation of debt structure or replenishment of working capital.

6. Term of validity of the resolution

Term of validity of the resolution of the issue of Short-term Commercial Paper will be 24 months from the date of the approval of such resolution at the general meeting.

7. Authorisation in relation to the Short-term Commercial Paper issue

To ensure that Short-term Commercial Paper is issued in an orderly and efficient manner, the Board proposes to the general meeting to approve the authorisation of the management of the Company by the Board to deal with matters relating to the Short-term Commercial Paper issue under the issue proposal mentioned above, including but not limited to: (1) formulation of the detailed issue proposal relating to this Short-term Commercial Paper issue and amendments and adjustments of the terms thereof, including but not limited to matters relating to reporting and issue of corporate bonds such as the timing, the size, the number of tranches, the coupon rates and the basis for determination thereof in so far as permitted by the laws and regulations in accordance with the circumstances of

the Company and the market; (2) engaging intermediaries for the reporting of matters in relation to the issue thereof; (3) execution of any related contract, agreement and document, including but not limited to application documents, underwriting agreements and announcements of various kinds; (4) dealing with necessary matters, including but not limited to registration; (5) at least the following measures are to be taken when it is expected that the Company is likely or unable to repay the principal and the interest thereof when they are due: suspension of profit distribution to the shareholders; suspension of the capital expenditure projects such as substantial external investments and acquisitions and mergers; reduction or suspension of the payment of the fees and bonus of the directors and the senior management; and no re-designation of the key responsible persons; (6) dealing with all other necessary matters relating to the Short-term Commercial Paper issue; (7) the term of the authorisation will be effective from the date of the resolution relating to the Short-term Commercial Paper issue as approved at the general meeting to the date of the lapse on validity of the resolution of the general meeting relating to the Short-term Commercial Paper issue or completion of the above matters under the authorization.

As no binding agreement in relation to the Issue has been entered into as at the date of this announcement, the Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Issue will be made by the Company if and when the Company has reached a binding agreement for the issue.

By Order of the Board
SHANDONG CHENMING PAPER HOLDINGS LIMITED
CHEN HONGGUO
Chairman

Shandong, the PRC

29 March 2019

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*