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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 “Shandong Chenming Paper Holdings Limited: Announcement on Provision of Guarantee for Comprehensive Credit Line of Wholly-Owned Subsidiaries” dated 26 March 2015 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
26 March 2015

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Yin Tongyuan, Mr. Li Feng, Mr. Geng Guanglin, Mr. Hou Huancai and Mr. Zhou Shaohua, the non-executive Directors are Mr. Wang Xiaoqun and Ms. Yang Guihua, and the independent non-executive Directors are Mr. Wang Aiguo, Mr. Zhang Zhiyuan, Ms. Zhang Hong and Ms. Pan Ailing.

* For identification purposes only

Stock abbreviation:
Chenming Paper, Chenming B

Stock code:
000488 200488

Announcement No.:
2015-010

Shandong Chenming Paper Holdings Limited
Announcement on Provision of Guarantee for
Comprehensive Credit Line of Wholly-Owned Subsidiaries

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

I. Overview of the external guarantee

On 26 March 2015, the eighth meeting of the seventh session of the Board of Shandong Chenming Paper Holdings Limited (the “Company”) considered and approved the resolution in respect of provision of guarantee for comprehensive credit line of wholly-owned subsidiaries. All directors attending the meeting approved this resolution unanimously by poll. In order to secure the commencement of projects and normal production and operation of Huanggang Chenming Pulp & Paper Co., Ltd. and Shandong Chenming Financial Leasing Co., Ltd., our wholly-owned subsidiary and indirect wholly-owned sub-subsidiary, respectively, and reduce their finance expenses, the Company intended to provide guarantee for the application of comprehensive credit line for the abovementioned companies. The guarantee amount will be RMB9,000 million for a term of 7 years. Particulars of the guarantee are as follows:

Unit: RMB’0,000

Number	Subsidiary name	Guarantee amount applied for	Gearing ratio
1	Huanggang Chenming Pulp & Paper Co., Ltd.	400,000	45.21%
2	Shandong Chenming Financial Leasing Co., Ltd.	500,000	54.52%
Total		900,000	

According to relevant rules of the “Notice on Regulating External Guarantees of Listed Companies”, the Listing Rules of Shenzhen Stock Exchange and the Articles of Association, the provision of guarantee is subject to consideration and approval at the general meeting of the Company. The provision of guarantee does not constitute a connected transaction.

II. Overview of the companies subject to guarantee

1. Huanggang Chenming Pulp & Paper Co., Ltd. (the “Huanggang Pulp & Paper”)

Registered address: 2 Xingang Avenue, Huanggang City

Legal representative: Chen Hongguo

Registered capital: RMB200.00 million

Huanggang Pulp & Paper is mainly engaged in the construction of raw material forest bases and operation and acquisition of timber; manufacturing, production, processing, sales and project construction of pulp and related products as well as the related import and export business. The Company holds its 100% equity interest.

As at 31 December 2014, the total assets of Huanggang Pulp & Paper amounted to RMB358.4033 million, its total liabilities amounted to RMB162.0474 million and its net assets amounted to RMB196.3559 million. Its revenue amounted to RMB4,700, its operating profit amounted to RMB-529,300 and its net profit amounted to RMB-528,000. The above amounts are audited.

2. Shandong Chenming Financial Leasing Co., Ltd. (the “Financial Leasing Company”)

Registered address: 35/F, Tower 2, Shuntai Square, 2000, Shunhua Road, Jinan High-tech Industrial Development Zone

Legal representative: Wang Chunfang

Registered capital: RMB4,072.00 million

The Financial Leasing Company is mainly engaged in financial leasing business; operating leasing business; domestic and overseas leased assets acquisition, disposal of residual value for and maintenance of leased assets; and consultation on leasing transactions Chenming (HK) Limited, a wholly-owned subsidiary of the Company, holds its 100% equity interest.

As at 31 December 2014, the total assets of Financial Leasing Company amounted to RMB6,121.8254 million, its total liabilities amounted to RMB3,337.7420 million and its net assets amounted to RMB2,784.0834 million. Its revenue amounted to RMB135.3938, its operating profit amounted to RMB107.8104 and its net profit amounted to RMB84.0834. The above amounts are audited.

III. Main contents of the guarantee

Based on the total credit line granted by relevant banks to the abovementioned controlling subsidiaries, the abovementioned controlling subsidiaries will enter into relevant contracts with banks based on their actual operating needs. The actual aggregate guarantee amount will not exceed the guarantee amount granted by the Company this time.

IV. Opinion of the Board

Huanggang Pulp & Paper and Financial Leasing Company, are our wholly-owned subsidiary and indirect wholly-owned subsidiary, respectively, and the Company has absolute control over the abovementioned companies. The operation of these companies is stable and their credit standing is in good condition. The risk exposure of the guarantee is under control. The Guarantee will be principally used to guarantee the smooth construction of Huanggang Pulp & Paper's integrated forestry, pulp and paper project and the normal operation of Financial Leasing Company. The guarantee provided by the Company is without prejudice to the interests of the Company and its shareholders. The provision of guarantee does not constitute a breach of the relevant requirements of the Notice on Certain Issues in Respect of Regulating the Funds Between Listed Companies and Associated Parties and External Guarantee of Listed Companies (Zheng Jian Fa [2003] No. 56) and the Notice on Regulating the External Guarantee of Listed Companies (Zheng Jian Fa [2005] No. 120). The Company will reinforce its management of and control over the abovementioned companies' funds and operation to avoid guarantee risks.

V. Aggregate amount of external guarantees and amount of overdue guarantees

As at 31 December 2014, the balance of external guarantee provided by the Company (excluding the balance of guarantee provided to controlling subsidiaries of RMB10.680 billion) was RMB0. Including the provision of this guarantee for the relevant companies, the aggregate guarantee provided by the Company to its controlling subsidiaries was RMB19.680 billion, accounting for 141.41% of the latest audited net assets of the Company. There was no overdue external guarantee provided by the Company.

Notice is hereby given.

The Board of Shandong Chenming Paper Holdings Limited
26 March 2015