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山東晨鳴紙業集團股份有限公司
SHANGDONG 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 IN AGGREGATE OF**
- 1. NOT MORE THAN RMB16.8 BILLION SUPER AND SHORT-TERM COMMERCIAL PAPERS;**
 - 2. NOT MORE THAN RMB6.0 BILLION MEDIUM-TERM NOTES;**
 - 3. NOT MORE THAN RMB3.0 BILLION DEDICATED PRIVATE DEBT FINANCING INSTRUMENTS;**
 - 4. NOT MORE THAN RMB1.5 BILLION DIRECT WEALTH MANAGEMENT FINANCING INSTRUMENTS; AND**
 - 5. NOT MORE THAN RMB1.0 BILLION DEBTS UNDER DEBT FINANCING PLAN**

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 fourth meeting of the eighth session of the Board held on 17 February 2017, it was resolved to approve the proposed issue of i) super and short-term commercial papers (“**Super & Short-term Commercial Paper**”); ii) medium-term notes; iii) dedicated private debt financing instruments; and iv) direct wealth management financing instruments by the Company, and v) debts under the debt financing plan by Shandong Chenming Financial Leasing Co., Ltd. (the “**Financial Leasing Company**”), a wholly-owned subsidiary of the Company (the “**Issue**”).

The Issue is subject to shareholders’ approval by special resolution at the annual general meeting of the Company for 2016 to be held on 21 April 2017 (the “**AGM**”). Notice of the AGM will be despatched to the shareholders in accordance with the Articles of Association of the Company.

A. Particulars of the Super & Short-term Commercial Paper to be issued by the Company, if proceeds, are as follows:

1. Size

At par value of not more than RMB16.8 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 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. Measures to ensure repayment

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.

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) 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 authorisation; and (6) dealing with all other necessary matters relating to the Super & Short-term Commercial Paper issue.

B. Particulars of the medium-term notes to be issued by the Company, if proceeds, are as follows:

1. Size

At par value of not more than RMB6.0 billion (inclusive) in aggregate.

2. Term

Not more than five years (inclusive).

3. Coupon rate

The coupon rate 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. Measures to ensure repayment

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.

Authorisation in relation to the medium-term note issue

To ensure that the medium-term notes are issued in an orderly and efficient manner, the Board proposes to approve the authorisation to the management of the Company by the Board to deal with matters relating to the medium-term note issue under the issue proposal mentioned above at the general meeting, including but not limited to: (1) formulation of the detailed issue proposal relating to this medium-term note issue and amendments and adjustments of the terms thereof, including but not limited to matters relating to reporting and issue thereof such as the timing, the size, the number of tranches, the coupon rates or 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) the term of the authorisation will be effective from the date of the resolution relating to the medium-term note 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 note issue or completion of the above matters under the authorisation; and (6) dealing with all other necessary matters relating to the medium-term note issue.

C. Particulars of the dedicated private debt financing instruments to be issued by the Company, if proceeds, are as follows:

1. Size

At par value of not more than RMB3.0 billion (inclusive) in aggregate.

2. Term

Not more than five years.

3. Issue method

In a tranche or tranches by dedicated private issue.

4. Interest rate

The coupon rate will be determined based on availability of capital in the market.

5. Use of proceeds

The proceeds from the issue of dedicated private debt financing instrument 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 dedicated private debt financing instrument will be 24 months from the date of the approval of such resolution at the general meeting.

7. Issue target

Institutional investors in the inter-bank market of China.

8. Measures to ensure repayment

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.

Authorisation in relation to the dedicated private debt financing instrument issue

To ensure that the dedicated private debt financing instruments are issued in an orderly and efficient manner, the Board proposes to approve the authorisation to the management of the Company by the Board to deal with matters relating to the dedicated private debt financing instrument issue under the issue proposal mentioned above at the general meeting, including but not limited to: (1) formulation of the detailed issue proposal relating to this dedicated private debt financing instrument and amendments and adjustments of the terms thereof, including but not limited to matters relating to reporting and issue thereof such as the timing, the size, the number of tranches, terms or the coupon rates 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 and underwriting agreements; (4) dealing with necessary procedures, including but not limited to registration; (5) the term of the authorisation will be effective from the date of the resolution relating to the dedicated private debt financing instrument 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 dedicated private debt financing instrument issue or completion of the above matters under the authorisation; and (6) dealing with all other necessary matters relating to the dedicated private debt financing instrument issue.

D. Particulars of the direct wealth management financing instruments to be issued by the Company, if proceeds, are as follows:

1. Size

At par value of not more than RMB1.5 billion (inclusive) in aggregate.

2. Term

Not more than three years (inclusive).

3. Coupon rate

The coupon rate will be determined based on availability of capital in the market.

4. Issue target

Qualified investors.

5. Use of proceeds

The proceeds from the issue of direct wealth management financing instrument will be used for purchase of raw materials, 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 direct wealth management financing instrument will be 24 months from the date of the approval of such resolution at the general meeting.

7. Measures to ensure repayment

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.

Authorisation in relation to the direct wealth management financing instrument issue

To ensure that the direct wealth management financing instruments are issued in an orderly and efficient manner, the Board proposes to approve the authorisation to the management of the Company by the Board to deal with matters relating to the direct wealth management financing instrument issue under the issue proposal mentioned above at the general meeting, including but not limited to: (1) formulation of the detailed issue proposal relating to this direct wealth management financing instrument and amendments and adjustments of the terms thereof, including but not limited to matters relating to reporting and issue thereof such as the timing, the size, the number of tranches, the coupon rates or 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) the term of the authorisation will be effective from the date of the resolution relating to the direct wealth management financing instrument 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 direct wealth management financing instrument issue or completion of the above matters under the authorisation; and (6) dealing with all other necessary matters relating to the direct wealth management financing instrument issue.

E. Particulars of the debts to be issued by the Financial Leasing Company under debt financing plan, if proceeds, are as follows:

1. Size

At par value of not more than RMB1.0 billion (inclusive) in aggregate.

2. Term

Not more than three years (inclusive).

3. Coupon rate

The coupon rate will be determined based on availability of capital in the market.

4. Use of proceeds

The proceeds from the issue of debts under debt financing plan will be used for optimisation of debt structure or replenishment of working capital.

5. Term of validity of the resolution

Term of validity of the resolution of the issue of debts under debt financing plan will be 24 months from the date of the approval of such resolution at the general meeting.

6. Measures to ensure repayment

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.

Authorisation in relation to the debt issue under debt financing plan

To ensure that the debts are issued under debt financing plan in an orderly and efficient manner, the Board proposes to approve the authorisation to the management of the Company by the Board to deal with matters relating to the debt financing plan under the issue proposal mentioned above at the general meeting, including but not limited to: (1) formulation of the detailed issue proposal relating to this debt

financing plan and amendments and adjustments of the terms thereof, including but not limited to matters relating to reporting and issue thereof such as the timing, the size, the number of tranches, the coupon rates or 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) cooperating with Bank of Nanjing 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 and announcements of various kinds; (4) dealing with necessary procedures, including but not limited to registration; (5) the term of the authorisation will be effective from the date of the resolution relating to the debt financing plan 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 debt financing plan or completion of the above matters under the authorisation; and (6) dealing with all other necessary matters relating to the debt financing plan.

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 issue of the short-term commercial papers and corporate bonds by the Company and Private Bonds and MTNs by the Financial Leasing Company 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
17 February 2017

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