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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)

Inside Information — Further Updates on Petition for Winding-up

This announcement is issued pursuant to the requirements of Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of Shandong Chenming Paper Holdings Limited (the “Company”) dated 25 October 2016, 8 November 2016, 21 November 2016, 24 February 2017 and 16 June 2017 (the “Announcements”) in relation to the Statutory Demand, the Injunction Order and the petition for winding-up against the Company (the “Winding-up Petition”) made by the petitioner (the “Petitioner”). Unless the context requires otherwise, all the terms defined in the Announcements shall have the same meanings when used herein.

Upon the Winding-up Petition against the Company was made by the Petitioner, the Company has consulted its legal advisors in Hong Kong and the PRC in respect of the potential impacts of the Winding-up Petition and the opinions are set out below:

In Hong Kong, pursuant to the requirements of section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), “In a winding-up by the court, any disposition of the property of the company including things in action, and any transfer of shares, or alteration in the status of the members of the company, made after the commencement of the winding-up, shall, unless the court otherwise orders, be void.”

Based on the risk exposures as disclosed under “(2) Potential Impact of the Winding-up Petition” in the Company’s announcement dated 16 June 2017, in order to eliminate the uncertainties associated with the transfer of H shares of the Company arising from the Winding-up Petition against the Company made by the Petitioner,

the Company will appoint a legal advisor to apply for a validation order from the High Court of HKSAR. This will provide legal protection to the greatest extent for the investors of H shares of the Company, and will assist them to trade their H shares continuously.

As the Winding-up Petition is made by the Petitioner before a court in Hong Kong pursuant to the Laws of Hong Kong, after consulting with its PRC legal advisor, the Company is of the view that the PRC laws are not applicable to the proceedings and judgment of the Winding-up Petition. In addition, taking into account that the Winding-up Petition is still pending for hearing and judgment before a court in Hong Kong, the PRC legal advisor for the time being cannot make any judgment on the impact of the Winding-up Petition under the PRC laws. Once the High Court of HKSAR has made judgment in respect of the Winding-up Petition, the Company will consult with its PRC legal advisor in a timely manner for further analysis on the enforceability of such judgment under the PRC laws based on the actual condition.

In addition, the Company will consult with the legal advisors to determine the next steps in respect of the judgment on dismissal of the Injunction Order after the High Court of HKSAR has handed down the reasons for judgement, and contest against the Winding-up Petition. The Company will actively respond to such matters proactively and take all necessary actions to protect the legal rights of the Company.

The Company will publish further announcements on the updates on the Injunction Order and the Winding-up Petition in due course.

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

At present, the production and operation of the Company remain normal with significant growth in production, sales volume, revenue and profit. In view of the event mentioned aforesaid, and the current financial position of the Company, the Board expects that there will not be material adverse effect on the ordinary production and operation of the Company. Investors should be aware of relevant investment risks.

By order of the Board
Shandong Chenming Paper Holdings Limited
CHEN HONGGUO
Chairman

Shandong, the PRC
22 June 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*