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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 “Announcement in respect of Resolutions of the Eighth Meeting of the Eighth Session of the Board of Directors” dated 27 March 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
27 March 2018

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*

Stock abbreviation:
Chenming Paper Chenming B

Stock code:
000488 200488

Announcement No.:
2018-020

Shandong Chenming Paper Holdings Limited

Announcement in respect of Resolutions of the Eighth 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 eighth 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 16 March 2018, and the said meeting was held on site in Beijing on 27 March 2018. 10 Directors were entitled to be present at the meeting and 10 Directors attended the meeting. 9 Directors attended the meeting in person. Ms. Pan Ailing, an independent Director, failed to attend the meeting in person due to health reason, and appointed Ms. Wang Fengrong, an independent Director, to attend the meeting on her behalf. 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 report of the Board of the Company for the year 2017 was considered and approved

For details of the report of the Board of the Company for the year 2017, 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 report shall be submitted to the 2017 annual general meeting (the “2017 AGM”) of the Company for consideration and approval.

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

II. The report of the general manager of the Company for the year 2017 was considered and approved

For details of the report of the general manager of the Company for the year 2017, 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: 10; votes against: 0; votes abstained: 0.

III. The 2017 financial report of the Company was considered and approved

The report shall be submitted to the 2017 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

IV. The full text of the 2017 annual report and its summary was 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 report shall be submitted to the 2017 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

V. The Company's internal control self-assessment report for 2017 was 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: 10; votes against: 0; votes abstained: 0.

VI. The report of independent Directors of the Company for the year 2017 was 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 report shall be submitted to the 2017 AGM of the Company for consideration and approval.

VII. The profit appropriation proposal of the Company for the year 2017 was considered and approved

The audited consolidated net profit attributable to shareholders of the Company for 2017 prepared in accordance with Accounting Standards for Business Enterprises by the Company amounted to RMB3,769,325,450.93. When deducting the interest for perpetual bonds of RMB153,140,000 and the dividend of preference shares of RMB333,702,107.35 for 2017, the remaining distributable profit realised for 2017 amounted to RMB3,282,483,343.58.

In accordance with the requirements of the Articles of Association and the Prospectus of Non-public Issuance of Preference Shares, based on the Company's expectations and confidence in future development, combined with the Company's operating profitability in 2017 and the balance of its capital reserves, it will proactively reward shareholders and share the operating results of the Company development with all shareholders, so that the Company's share capital can meet its future development and demand for expansion and improvement while enhancing liquidity. The profit appropriation proposal of the Company for 2017 is as follows:

Based on the total ordinary share capital of 1,936,405,467 shares as at the end of 2017 and the 774,526,678 simulated ordinary shares converted from the preference shares using a conversion ratio of 1 share valued at RMB5.81 as at the end of 2017, a cash dividend of RMB6 (tax inclusive) per ten shares will be distributed to ordinary shareholders, a cash dividend of RMB6 (tax inclusive) per ten simulated ordinary shares converted from the preference shares will be distributed to holders of preference shares, and a capitalisation issue made out of the capital reserves of 5 shares for every ten shares held to ordinary shareholders. A cash dividend of RMB of RMB1,162 million will be distributed to ordinary shareholders and a variable cash dividend of RMB465 million will be distributed to holders of preference shares. In other words, a cash dividend of RMB10.33 (tax inclusive) per preference share with a nominal value of RMB100 each will be distributed to holders of preference shares.

The proposal shall be submitted to the 2017 AGM for consideration and approval. The cash bonus will be paid to shareholders of the Company within 2 months after the distribution is considered and approved by the general meeting.

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

VIII. Resolution in relation to the 2017 annual remuneration scheme of the Directors, supervisors and the senior management of the Company was considered and approved

For the details of the remunerations of the Directors, supervisors and the senior management of the Company in 2017, please refer to the full text of the 2017 annual report.

The resolution shall be submitted to the 2017 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

IX. The application for general credit facilities from banks by the Company was considered and approved

In order to ensure the smooth construction of the Company's projects and the need for normal production and operations, strengthen cooperation with banks, and enhance the financing capacity of the Company, the Company proposed to apply for general credit facilities of RMB148.0 billion from various banks for the year 2018. The banking facilities will be valid until the date on which the next general meeting considers and approves the proposal for application for general banking facilities for the year 2019.

During the above period of credit facilities and within such credit limit, the Company no longer issues Board resolutions and resolutions of general meetings on the single transactions handled by the above banks. The Board authorised the senior management of the Company to undertake the specific procedures of application for the general banking facilities and execution of the agreement.

The resolution shall be submitted to the 2017 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

X. Resolution in relation to the provision of guarantee for the general banking facilities of some controlling subsidiaries by the Company was considered and approved

To ensure smooth project construction, normal production and operation of the controlling subsidiaries of the Company, the Company proposed to provide guarantee for the general banking facilities applied by some controlling subsidiaries. The aggregate guarantee amounts were RMB5,030 million.

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 authorised the management of the Company to undertake the related procedures of provision of guarantee for the general banking facilities to the controlling subsidiaries.

The resolution shall be submitted to the 2017 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

XI. Appointment of the auditors for 2018 was considered and approved

As recommended by the Audit Committee, the Board agreed to appoint Ruihua Certified Public Accountants (Special General Partnership) as the auditor for the financial audit and internal control audit of the Company for 2018. The fees of the two audits amounted to RMB3.30 million in aggregate, of which fees for financial audit and internal control audit amounted to RMB2.50 million and RMB0.80 million, respectively.

The resolution shall be submitted to the 2017 AGM of the Company for consideration and approval.

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

XII. The report on deposit and utilisation of proceeds raised was considered and approved

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

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

XIII. Issue of short-term commercial papers was considered and approved

In consideration of expected economic development in the future and in order to further expand its financing channels, reduce its finance costs, maintain a certain proportion of direct financing and indirect financing, and secure capital safety, the Company intends to issue short-term commercial papers (“Short-term Commercial Paper”) of not more than RMB6.0 billion (inclusive) registered under the National Association of Financial Market Institutional Investors. Such Short-term Commercial Paper is not subject to any guarantee. Particulars are as follows:

1. Size

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

2. Term

One year.

3. Interest 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 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 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) 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) 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 authorisation; (6) 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; and (7) dealing with all other necessary matters relating to the Short-term Commercial Paper issue.

The resolution shall be submitted to the 2017 AGM of the Company as a special resolution for consideration and approval.

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

XIV. The general mandate to issue new shares was considered and approved

In accordance with relevant laws and regulations of the PRC, Hong Kong Listing Rules and the Articles of Association, it is proposed at the general meeting that the Board be authorised, and be approved to delegate the authority to the Chairman to allot, issue and/or deal in additional A shares and/or B shares and/or H shares and/or preference shares and to make, grant or enter into offers, agreements, options, and other rights (including but not limited to restoration of voting rights of preference shares) for such A shares, B shares, H shares and/or preference shares under the general mandate and in accordance with its terms upon the approval of this resolution

at the general meeting. The number of A shares, B shares and H shares involved shall not exceed 20% of the aggregate number of each of the A shares, B shares and H shares and/or preference shares as at the date of approval of this general mandate of the Company.

The resolution shall be submitted to the 2017 AGM of the Company as a special resolution for consideration and approval.

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

XV. Convening of the 2017 AGM of the Company was considered and approved

The Company will convene the 2017 AGM. For details, please refer to the related announcements disclosed on the website of CNINFO (www.cninfo.com.cn) and Hong Kong Stock Exchange (www.hkex.com.hk) on the same date.

The voting result of this resolution: votes for: 10; votes against: 0; votes abstained: 0.

Notice is hereby given.

The Board of Shandong Chenming Paper Holdings Limited

27 March 2018