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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 “Shandong Chenming Paper Holdings Limited: Announcement on the Adjustment to the Guarantee Amount for Certain Subsidiaries” dated 25 March 2021 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, the PRC
25 March 2021

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Hu Changqing, Mr. Li Xingchun and Mr. Li Feng; the non-executive Directors are Mr. Han Tingde and Mr. Li Chuanxuan; and the independent non-executive Directors are Ms. Yin Meiqun, Mr. Sun Jianfei and Mr. Yang Biao.

* *For identification purposes only*

Stock code:	Stock abbreviation:	Announcement No.:
000488 200488	Chenming Paper Chenming B	2021-028

Shandong Chenming Paper Holdings Limited
Announcement on the Adjustment to the Guarantee Amount for
Certain Subsidiaries

The Company and all members of its board (the “Board”) of directors (the “Directors” and each a “Director”) 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.

On 25 March 2021, the Resolution in Relation to the Adjustment to the Amount of Guarantee for Certain Subsidiaries was considered and approved at the eighth meeting of the ninth session of the Board of Shandong Chenming Paper Holdings Limited (the “Company”), which agreed to adjust the guarantee amount for relevant subsidiaries. The resolution is subject to consideration at the 2020 annual general meeting. The relevant matters are hereby announced as follows:

I. Overview of guarantees

In order to strengthen the guarantee management on its subsidiaries, with reference to the capital needs and financing guarantee arrangements of its certain subsidiaries, Shandong Chenming Paper Holdings Limited (the “Company”) intends to reduce the previously approved at the general meeting but unused guarantee amount of RMB8,500 million. Meanwhile, in order to ensure the project construction and the needs for normal production and operation of its relevant subsidiaries, the Company intends to provide guarantees for the general facilities applied by relevant subsidiaries, with an addition of the total guarantee amount not exceeding RMB7,850 million. The guarantees will be made in warranties, mortgages and pledges. Guarantees for companies with a gearing ratio exceeding 70% totaled RMB250 million, and guarantees for companies with a gearing ratio less than 70% totaled RMB7,600 million. Upon adjustment, the Company’s guarantee amount to its subsidiaries will be reduced by a total of RMB650 million. The details are as follows:

Reduction in guarantee amount for each obligor

Unit: RMB'0,000

Type of obligor	Name of company with its guarantee amount to be cancelled	General meeting at which the original guarantee amount is considered and approved	Original guarantee amount	Reduction	Guarantee amount after reduction	Term of guarantee
Subsidiaries	Shandong Chenming Group Finance Co., Ltd.* (山東晨鳴集團財務有限公司)	2018 annual general meeting	500,000	-200,000	300,000	Up to June 2024
	Shandong Chenming Financial Leasing Co., Ltd.* (山東晨鳴融資租賃有限公司)	2014 annual general meeting, 2015 annual general meeting and 2019 annual general meeting	400,000	-200,000	200,000	Up to June 2023
	Huanggang Chenming Pulp & Paper Co., Ltd.* (黃岡產品漿紙有限公司)	2014 annual general meeting and 2015 annual general meeting	950,000	-450,000	500,000	Up to June 2023
Total	-	-	1,850,000	-850,000	1,000,000	

Addition to guarantee amount for each obligor

Unit: RMB'0,000

Type of obligor	Name of obligor	Addition in guarantee amount in 2021	Term of guarantee	Latest gearing ratio
Subsidiaries	Huanggang Chenming Paper Technology Co., Ltd.* (黃岡晨鳴紙業科技有限公司)	500,000	10 years, up to June 2031	0.02%
	Shandong Chenming Commercial Factoring Co., Ltd.* (山東晨鳴商業保理有限公司)	100,000	3 years, up to June 2024	0.0003%
	Chenming (HK) Limited	100,000	3 years, up to June 2024	67.25%
	Qingdao Chenming Nonghai Financial Leasing Co., Ltd.* (青島晨鳴弄海融資租賃有限公司)	20,000	3 years, up to June 2024	4.00%

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	Guangzhou Chenming Financial Leasing Co., Ltd.* (廣州晨鳴融資租賃有限公司)	20,000	3 years, up to June 2024	0.83%
	Kunshan Tuohan Plastic Products Co., Ltd.* (崑山拓安塑料製品有限公司)	10,000	3 years, up to June 2024	57.65%
	Shandong Chenming Panels Co., Ltd.* (山東晨鳴板材有限責任公司)	5,000	3 years, up to June 2024	84.60%
	Shouguang Chenming Floor Board Co., Ltd.* (壽光晨鳴地板有限責任公司)	5,000	3 years, up to June 2024	95.37%
	Shouguang Hongyi Decorative Packaging Co., Ltd.* (壽光虹宜包裝裝飾有限公司)	5,000	3 years, up to June 2024	78.26%
	Shouguang Hongxiang Printing and Packaging Co., Ltd.* (壽光鴻翔印刷包裝有限責任公司)	5,000	3 years, up to June 2024	90.50%
	Shouguang Chenming Modern Logistic Co., Ltd.* (壽光晨鳴現代物流有限公司)	5,000	3 years, up to June 2024	56.71%
	Shandong Grand View Hotel Co., Ltd.* (山東御景大酒店有限公司)	5,000	3 years, up to June 2024	183.22%
	Shouguang Chenming Papermaking Machine Co., Ltd.* (壽光市晨鳴造紙機械有限公司)	5,000	3 years, up to June 2024	39.15%
Total	-	785,000	-	-

Specific guarantees occurred within the above amount shall be decided by the Company's chairman or the person in charge of relevant business as authorised without convening further Board meeting or shareholders' general meeting. Subject to the Listing Rules and the relevant requirements, the amount of guarantees can be adjusted among the subsidiaries. When the aforementioned guarantees or adjustments actually occur, the Company will perform the procedures in accordance with the authorisation of the general meeting and disclose them in a timely manner. The balance of guarantees at any point in time shall not exceed the guarantee amount approved at the general meeting.

Where a subsidiary of the Company provides a guarantee to a subsidiary within the scope of the consolidated financial statements of the Company, the guarantee shall be determined in accordance with the consideration procedures of the subsidiary, and the subsidiary shall notify

the Company to perform the relevant information disclosure obligations on the date when the subsidiary performs the consideration procedures.

II. Overview of the obligors

1. Huanggang Chenming Paper Technology Co., Ltd.* (“Huanggang Technology”)

Registered address: Special No. 1, Yanjiang Avenue, Huangzhou District, Huanggang, Hubei

Legal representative: Zhang Jinyu

Registered capital: RMB1,000 million

Scope of business: R&D, production, processing and sales of paper products; sales of pulp and related products; goods and technology import and export business (excluding goods and technology prohibited and restricted by the State).

Shareholding structure: It was indirectly held as to 100% equity interest by the Company.

As at 31 December 2020, Huanggang Technology did not have any paid-in registered capital or commence its operations. There was no relevant financial data. As at 28 February 2021, the total assets of Huanggang Technology amounted to RMB499.9854 million, its total liabilities amounted to RMB116,400, its net assets amounted to RMB499.8690 million and its net profit in January to February 2021 amounted to RMB-131,000.

2. Shandong Chenming Commercial Factoring Co., Ltd.* (“Chenming Factoring”)

Registered address: Room 1712, Floor A7-2, Hanyu Jingu Business Center, No. 7000, Jingshi Road, Jinan Area, China (Shandong) Pilot Free Trade Zone

Legal representative: Zhang Yang

Registered capital: RMB200 million

Scope of business: Domestic factoring, export factoring and commercial factoring-related consulting services; corporate management consulting; asset evaluation services.

Shareholding structure: It was indirectly held as to 100% equity interest by the Company.

As at 31 December 2020, the total assets of Chenming Factoring amounted to RMB150.3001 million, its total liabilities amounted to RMB500, its net assets amounted to RMB150.2997 million and its net profit in 2020 amounted to RMB65.8281 million.

3. Chenming (HK) Limited (“Chenming (HK)”)

Registered address: Room 4301, 13/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

Legal representative: Jia Guanlei

Registered capital: US\$99.9 million

Scope of business: Import and export sales and market research related to paper and paper products.

Shareholding structure: It was indirectly held as to 100% equity interest by the Company.

As at 31 December 2020, the total assets of Chenming (HK) amounted to RMB9,164.7107 million, its total liabilities amounted to RMB6,163.2780 million, its net assets amounted to RMB3,001.4327 million and its net profit in 2020 amounted to RMB1,826.6959 million.

4. Qingdao Chenming Nonghai Financial Leasing Co., Ltd.* (“Qingdao Nonghai Leasing”)

Registered address: 16th Floor, Baoli Center, No. 8 Qingda 3rd Road, Laoshan District, Qingdao, Shandong

Legal representative: Li Dong

Registered capital: RMB5,000 million

Scope of business: Licensed item: financial leasing business.

Shareholding structure: It was indirectly held as to 100% equity interest by the Company.

As at 31 December 2020, the total assets of Qingdao Nonghai Leasing amounted to RMB4,951.3062 million, its total liabilities amounted to RMB198.2907 million, its net assets amounted to RMB4,753.0155 million and its net profit in 2020 amounted to RMB-318.4956 million.

5. Guangzhou Chenming Financial Leasing Co., Ltd.* (“Guangzhou Leasing”)

Registered address: X1301-G4910 (self registered building No.1), 106 Fengze Dong Road, Nansha District Guangzhou (cluster registration (JM))

Legal representative: Ma Chuanfei

Registered capital: RMB1,000 million

Scope of business: Financial leasing services (limited to foreign-invested enterprises); leasing business; leasing transaction consulting and guarantee; purchasing leased property at home and abroad; residual value treatment and maintenance of leased property; concurrently engaged in commercial factoring business related to the principal business.

Shareholding structure: It was indirectly held as to 100% equity interest by the Company.

As at 31 December 2020, the total assets of Guangzhou Leasing amounted to RMB777.5545 million, its total liabilities amounted to RMB6.4261 million, its net assets

amounted to RMB771.1284 million and its net profit in 2020 amounted to RMB11.4869 million.

6. Kunshan Tuoan Plastic Products Co., Ltd.* (“Tuoan Plastic ”)

Registered address: South side of Jinmao Road, Zhoushi Town

Legal representative: Meng Xiangqi

Registered capital: RMB50 million

Scope of business: Production and sales of plastic products and toolboxes; manufacturing, processing and sales of molds, lighting equipment and metal stamping parts; import and export of various commodities and technologies.

Shareholding structure: It was indirectly held as to 100% equity interest by the Company.

As at 31 December 2020, the total assets of Tuoan Plastic amounted to RMB239.5718 million, its total liabilities amounted to RMB138.1023 million, its net assets amounted to RMB101.4695 million and its net profit in 2020 amounted to RMB7.7710 million.

7. Shandong Chenming Panels Co., Ltd.* (“Chenming Panels”)

Registered address: Shouguang, Weifang City (Shandong Chenming Group Industrial Park)

Legal representative: Liu Gang

Registered capital: RMB30 million

Scope of business: Production, processing, sales and technical services of medium-density fiberboard, wood-based panel surface decoration board, wood products, wood-based panels, laminate flooring, impregnated paper and modified adhesives; processing and sales of biomass compact fuels; sales of electricity; export of the Company’s self-produced products and the import and export of machinery and equipment, spare parts, and raw and auxiliary materials required by the Company, except for the products and technologies that the State restricts the Company to operate or prohibits the import and export thereof.

Shareholding structure: It was indirectly held as to 100% equity interest by the Company.

As at 31 December 2020, the total assets of Chenming Panels amounted to RMB353.3054 million, its total liabilities amounted to RMB298.9023 million, its net assets amounted to RMB54.4031 million and its net profit in 2020 amounted to RMB8.6372 million.

8. Shouguang Chenming Floor Board Co., Ltd.* (“Chenming Floor Board”)

Registered address: Shandong Chenming Group Industrial Park, Shouguang

Legal representative: Liu Gang

Registered capital: RMB0.5 million

Scope of business: Production, processing and sales: wood products, furniture, office supplies, kitchen series products, recycled panels, laminate flooring, floor coverings; import and export of goods and technologies as permitted by the State.

Shareholding structure: It was indirectly held as to 100% equity interest by the Company.

As at 31 December 2020, the total assets of Chenming Floor Board amounted to RMB6.65 million, its total liabilities amounted to RMB6.3422 million, its net assets amounted to RMB307,800 and its net profit in 2020 amounted to RMB-78,000.

9. Shouguang Hongyi Decorative Packaging Co., Ltd.* (“Hongyi Packaging”)

Registered address: The building along the street opposite the north gate of Chenming No.1 Factory, Shengcheng Street, Shouguang

Legal representative: Ding Buxun

Registered capital: RMB2 million

Scope of business: Processing and sales: packaging products, metal products, furniture; sales: native products, plastic products (excluding agricultural film), banners, signs, lamps, celebration gifts, decorative materials, curtains, hardware; indoor and outdoor decoration.

Shareholding structure: It was indirectly held as to 100% equity interest by the Company.

As at 31 December 2020, the total assets of Hongyi Packaging amounted to RMB256.3113 million, its total liabilities amounted to RMB200.5906 million, its net assets amounted to RMB55.7207 million and its net profit in 2020 amounted to RMB50.2693 million.

10. Shouguang Hongxiang Printing and Packaging Co., Ltd.* (“Hongxiang Printing”)

Registered address: Chenming Industrial Park, Shouguang (West of the middle section of West Second Ring Road)

Legal representative: Ding Buxun

Registered capital: RMB0.8 million

Scope of business: Printing: forms, account books (the validity period is subject to the license); processing and sales: paper products, doors and windows, plastic products (excluding agricultural film), clothing, packaging boards; sales: paper; import and export of goods and technologies as permitted by the State.

Shareholding structure: It was directly held as to 100% equity interest by the Company.

As at 31 December 2020, the total assets of Hongxiang Printing amounted to RMB69.9567 million, its total liabilities amounted to RMB63.3077 million, its net assets amounted to RMB6.6490 million and its net profit in 2020 amounted to RMB1.4661 million.

11. Shouguang Chenming Modern Logistic Co., Ltd.* (“Modern Logistic”)

Registered address: Intersection of Jianxin West Street and Wenqu Road, Shouguang

Legal representative: Zhang Jinyu

Registered capital: RMB10 million

Scope of business: General cargo; special cargo transportation (container) (the validity period is subject to the license); warehousing; agent declaration and inspection declaration; import and export of goods and technologies as permitted by the State.

Shareholding structure: It was directly held as to 100% equity interest by the Company.

As at 31 December 2020, the total assets of Modern Logistic amounted to RMB55.7181 million, its total liabilities amounted to RMB31.5995 million, its net assets amounted to RMB24.1186 million and its net profit in 2020 amounted to RMB5.5406 million.

12. Shandong Grand View Hotel Co., Ltd.* (“Grand View Hotel”)

Registered address: East side of Mihe Bridge, Nanhuan Road, Shouguang

Legal representative: Zhang Guoying

Registered capital: US\$13.9057 million

Scope of business: Licensed items: catering services; accommodation services; hairdressing services; life beauty services; high-risk sports (swimming); bathing services; singing and dancing entertainment activities; liquor business; technology import and export; goods import and export.

Shareholding structure: It was directly held as to 70% and 30% equity interest by the Company and Hong Kong Well Spread Development Limited* (香港康弘發展有限公司), respectively.

As at 31 December 2020, the total assets of Grand View Hotel amounted to RMB221.8582 million, its total liabilities amounted to RMB406.4826 million, its net assets amounted to RMB-184.6244 million and its net profit in 2020 amounted to RMB-17.8041 million.

13. Shouguang Chenming Papermaking Machine Co., Ltd.* (“Chenming Papermaking Machine”)

Registered address: No.595 Shengcheng Steet, Shouguang (South of Weigao Road, Wenjia Street Office)

Legal representative: Zhang Wenhua

Registered capital: RMB2 million

Scope of business: Manufacturing and sales: papermaking machinery, papermaking machine accessories (items that are subject to approval according to law can only be carried out after approval by relevant authorities).

Shareholding structure: It was directly held as to 100% equity interest by the Company.

As at 31 December 2020, the total assets of Chenming Papermaking Machine amounted to RMB8.3650 million, its total liabilities amounted to RMB3.2752 million, its net assets amounted to RMB5.0897 million and its net profit in 2020 amounted to RMB111,700.

None of the obligors aforesaid are dishonest entities subject to enforcement.

IV. Subject matter under the guarantee agreement

The Company has not entered into any relevant formal guarantee agreement or agreement of intent so far. According to the actual needs of its business, the Company will negotiate with banks and other institutions within the guarantee amount approved at the general meeting. The specific guarantee amount and method shall be subject to the final documents to be entered into.

V. Opinion of the Board

In order to ensure the project construction and the needs for normal production and operation of its subsidiaries, the Company adjusts the total guarantee amount of certain subsidiaries, and provides guarantees for the general facilities of relevant subsidiaries. The obligors are wholly-owned or controlling subsidiaries of the Company and the Company has absolute control over them. They have stable operation and credit standing in good condition with the risk exposure of the guarantee under control and without any detriment to the interests of the Company and its shareholders, especially the minority shareholders. The Board has agreed that the adjustment to guarantee shall be submitted to the 2020 annual general meeting for consideration.

VI. Opinion of independent Directors

In order to ensure the project construction and the needs for normal production and operation of its subsidiaries, the Company adjusts the guarantee amount of certain subsidiaries. The obligors are wholly-owned or controlling subsidiaries of the Company and the Company

has absolute control over them. They have stable operation and credit standing in good condition with the risk exposure of the guarantee under control. The financing of controlling or wholly-owned subsidiaries will be principally used in working capital for production and operation as well as project construction, and the guarantees provided by the Company thereto is without prejudice to the interests of the Company and its shareholders. The Company is able to fulfill the information disclosure obligations of external guarantees in strict accordance with relevant regulations such as the Notice on Regulating the Provision of External Guarantees by Listed Companies and the Articles of Association, and the procedures for guarantee decision-making are legitimate without any detriment to the interests of the Company and its shareholders.

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

As at the disclosure date of this announcement, the balance of external guarantees provided by the Company and its subsidiaries amounts to RMB13,107 million, which accounts for 53.99% of the net assets of the Company under its latest audited financial statements. In particular, the balance of guarantees provided by the Company and its subsidiaries to entities not included in the consolidated financial statements amounts to RMB420 million, which accounts for 1.73% of the net assets of the Company under its latest audited financial statements. There is no overdue external guarantee provided by the Company.

VIII. Documents for inspection

1. The resolutions of the eighth meeting of the ninth session of the Board of the Company;
2. Independent opinion of the independent Directors on the adjustment to the guarantee amount for certain subsidiaries.

Notice is hereby given.

Board of Shandong Chenming Paper Holdings Limited

25 March 2021

** For identification purposes only*