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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 ANNOUNCEMENT ON**

**THE PROPOSED ISSUE**

- 1. IN AGGREGATE OF NOT MORE THAN RMB2.0 BILLION CORPORATE BONDS UNDER PUBLIC ISSUE;**
- 2. IN AGGREGATE OF NOT MORE THAN RMB2.0 BILLION CORPORATE BONDS UNDER NON-PUBLIC ISSUE; AND**
- 3. IN AGGREGATE OF NOT MORE THAN RMB3.0 BILLION MEDIUM-TERM NOTES**

This announcement is made by Shandong Chenming Paper Holdings Limited 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**”) of the Company is pleased to announce that, at the fourth meeting of the ninth session of the Board held on 27 March 2020, it was resolved to approve the proposed issue of i) corporate bonds in aggregate of not more than RMB2.0 billion under public issue (the “**Public Issue of Corporate Bonds**”); ii) corporate bonds in aggregate of not more than RMB2.0 billion under non-public issue (the “**Non-public Issue of Corporate Bonds**”); and (iii) medium-term notes in aggregate of not more than RMB3.0 billion (“**Issue of Medium-term Notes**”) by the Company, which collectively with the Public Issue of Corporate Bonds and the Non-public Issue of Corporate Bonds, the “**Issue of Bonds and Notes**”.

The Issue of Bonds and Notes is subject to the Company’s shareholders’ approval by special resolution at the annual general meeting of the Company for 2019 to be held on 19 June 2020 (the “**AGM**”). Notice of the AGM will be despatched to the shareholders in accordance with the Articles of Association of the Company.

**1. Particulars of the Public Issue of Corporate Bonds, if proceeds, are as follows:**

1. Size

The corporate bonds under the public issue will be at par value of not more than RMB2.0 billion (inclusive) in aggregate.

2. Issue target and issue method

The bonds are intended to be issued to qualified investors in compliance with laws and regulations such as the Administrative Measures on the Issuance and Transaction of Corporate Bonds under public issue, and shall be issued at one time or in installments at an appropriate time.

3. Maturity and class of the bonds

The maturity of the corporate bonds under the public issue shall not exceed 5 years (inclusive), and can have a single maturity or a mixture of multiple maturities.

4. Interest rate of the bonds and its determination

The bonds will be at a fixed interest rate, and the coupon rate will be determined by reference to the relevant national requirements and market conditions by the lead underwriter and the issuer.

5. Use of proceeds

The proceeds from the Public Issue of Corporate Bonds will be used for replacement of bank borrowings, optimisation of debt structure or replenishment of working capital.

6. Guarantee of the bonds

The corporate bonds under the public issue are unsecured.

7. Measures to ensure repayment

In the event that, during the existence period of the bonds, it is expected that the Company will be unable to repay the principal and interests of the bonds as scheduled, or the Company shall fail to repay the principal and interests of the bonds when they become due, the Company may adopt (including but without limitation) the following measures to ensure repayment:

- (1) suspension of profit distribution to the shareholders;
- (2) suspension of the capital expenditure projects such as substantial external investments and acquisitions and mergers;
- (3) reduction or suspension of the payment of the fees and bonus of the directors and the senior management;
- (4) no re-designation of the key responsible persons.

8. Term of validity of the resolution

Term of validity of the resolution of the Public Issue of Corporate Bonds will be 36 months from the date of the approval of such resolution at the general meeting.

9. Authorisation in relation to the public issue of corporate bonds

To ensure the smooth progress of the Public Issue of Corporate Bonds and transfer, 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 Public Issue of Corporate Bonds with full powers under the framework and principles reviewed and approved at the general meeting and in accordance with the relevant laws, regulations and the Articles of Association, which include but not limited to:

- (1) in accordance with national laws, regulations and relevant regulations of the securities regulatory authority and resolutions of general meeting, with reference to the actual situation of the Company and the market, formulating and adjusting specific plan of the Public Issue of Corporate Bonds, and amending and adjusting the terms of the Public Issue of Corporate Bonds, including but not limited to the specific issue size, issue maturity, issue class, issue interest rate and its determination, issue timing, issue price, issue method, issue target, whether to set up resale or redemption clauses, guarantees, time limit and method for principal and interest repayment, measures to ensure repayment, particulars of use of proceeds, rating arrangement, specific method to apply for purchase, specific placement arrangement, bond trading and distribution, and all matters relating to the issue plan;
- (2) engaging intermediaries and bond trustees for the Public Issue of Corporate Bonds, signing bond trust management agreements and formulating rules for meeting of bondholders;
- (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 matters relating to the declaration, approval, registration, issuance, and listing and transaction procedures of the Public Issue of Corporate Bonds;
- (5) in case of any change in the policy on issuing corporate bonds by the regulatory authority or market conditions, making corresponding adjustments to the relevant matters of the issue of bonds based on the opinions of the regulatory authority, or deciding whether to proceed with the issue according to the actual situation, except for those matters subject to re-voting at the general meeting in according to the relevant laws, regulations and the Articles of Association of the Company;
- (6) dealing with other matters relating to the Public Issue of Corporate Bonds and transfer;
- (7) the term of the authorisation will be effective from the date of the resolution relating to the Public Issue of Corporate Bonds as approved at the general meeting to the date of the lapse on validity of the resolution of the general meeting relating to the Public Issue of Corporate Bonds or completion of the above matters under the authorisation.

**2. Particulars of the Non-public Issue of Corporate Bonds, if proceeds, are as follows:**

1. Size

The corporate bonds under the non-public issue will be at par value of not more than RMB2.0 billion (inclusive) in aggregate.

2. Issue target and issue method

The bonds are intended to qualified investors in compliance with laws and regulations such as the Administrative Measures on the Issuance and Transaction of Corporate Bonds under non-public issue, and shall be issued at one time or in installments at an appropriate time.

3. Maturity and class of the bonds

The maturity of the corporate bonds under the non-public issue to be issued shall not exceed 5 years (inclusive), and can have a single maturity or a mixture of multiple maturities.

4. Interest rate of the bonds and its determination

The bonds will be at a fixed interest rate, and the coupon rate will be determined by reference to the relevant national requirements and market conditions by the lead underwriter and the issuer.

5. Use of proceeds

The proceeds from the Non-public Issue of Corporate Bonds will be used for replacement of bank borrowings, optimisation of debt structure or replenishment of working capital.

6. Guarantee of the bonds

The corporate bonds under the non-public issue are unsecured.

7. Measures to ensure repayment

In the event that, during the existence period of the bonds, it is expected that the Company will be unable to repay the principal and interests of the bonds as scheduled, or the Company shall fail to repay the principal and interests of the bonds when they become due, the Company may adopt (including but without limitation) the following measures to ensure repayment:

- (1) suspension of profit distribution to the shareholders;
- (2) suspension of the capital expenditure projects such as substantial external investments and acquisitions and mergers;
- (3) reduction or suspension of the payment of the fees and bonus of the directors and the senior management;
- (4) no re-designation of the key responsible persons.

8. Term of validity of the resolution

Term of validity of the resolution of the Non-public Issue of Corporate Bonds will be 36 months from the date of the approval of such resolution at the general meeting.

9. Authorisation in relation to the non-public issue of corporate bonds

To ensure the smooth progress of the Non-public Issue of Corporate Bonds and transfer, 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 Non-public Issue of Corporate Bonds with full powers under the framework and principles reviewed and approved at the general meeting and in accordance with the relevant laws, regulations and the Articles of Association, which include but not limited to:

- (1) in accordance with national laws, regulations and relevant regulations of the securities regulatory authority and resolutions of general meeting, with reference to the actual situation of the Company and the market, formulating and adjusting specific plan of the Non-public Issue of Corporate Bonds, and amending and adjusting the terms of the Non-public Issue of Corporate Bonds, including but not limited to the specific issue size, issue maturity, issue class, issue interest rate and its determination, issue timing, issue price, issue method, issue target, whether to set up resale or redemption clauses, guarantees, time limit and method for principal and interest repayment, measures to ensure repayment, particulars of use of proceeds, rating arrangement, specific method to apply for purchase, specific placement arrangement, bond trading and distribution, and all matters relating to the issue plan;
- (2) engaging intermediaries and bond trustees for the Non-public Issue of Corporate Bonds, signing bond trust management agreements and formulating rules for meeting of bondholders;

- (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 matters relating to the declaration, approval, registration, issuance, and listing and transaction procedures of the Non-public Issue of Corporate Bonds;
- (5) in case of any change in the policy on issuing corporate bonds by the regulatory authority or market conditions, making corresponding adjustments to the relevant matters of the issue of bonds based on the opinions of the regulatory authority, or deciding whether to proceed with the issue according to the actual situation, except for those matters subject to re-voting at the general meeting in according to the relevant laws, regulations and the Articles of Association of the Company;
- (6) dealing with other matters relating to the Non-public Issue of Corporate Bonds and transfer;
- (7) the term of the authorisation will be effective from the date of the resolution relating to the Non-public Issue of Corporate Bonds as approved at the general meeting to the date of the lapse on validity of the resolution of the general meeting relating to the Non-public Issue of Corporate Bonds or completion of the above matters under the authorisation.

**3. Particulars of the issue of medium-term Notes, if proceeds, are as follows:**

1. Size

The medium-term notes will be at par value of not more than RMB3.0 billion (inclusive) in aggregate.

2. Term

The term of the medium-term notes will be of not more than five years (inclusive).

3. Coupon rate

The coupon rate of the medium-term notes 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 36 months from the date of the approval of such resolution at the general meeting.

7. Authorisation in relation to the medium-term notes issue

To ensure that medium-term notes are 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 medium-term notes issue under the issue proposal mentioned above, including but not limited to: (1) formulation of the detailed issue proposal relating to the medium-term notes 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 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) 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) 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; (6) dealing with all other necessary matters relating to the medium-term notes issue; (7) the term of the authorization will be effective from the date of the resolution relating to the medium-term notes 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 notes issue or completion of the above matters under the authorisation.

**As no binding agreement in relation to the Issue of Bonds and Notes has been entered into as at the date of this announcement, the Issue of Bonds and Notes may or may not materialise. Potential investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Issue of Bonds and Notes 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

27 March 2020

*As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Hu Changqing and Mr. Li Xingchun; 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*