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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 Resolutions of the Fifteenth Extraordinary Meeting of the Ninth Session of the Board” dated 4 December 2020 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
4 December 2020

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:
000488 200488

Stock abbreviation:
Chenming Paper Chenming B

Announcement No.:
2020-100

Shandong Chenming Paper Holdings Limited

Announcement on Resolutions of the Fifteenth Extraordinary Meeting of the Ninth Session of the Board

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.

The notice of the fifteenth extraordinary meeting of the ninth session of the Board of Shandong Chenming Paper Holdings Limited (the “Company”) was despatched to all Directors in writing and by post on 28 November 2020, and the said meeting was held on 4 December 2020 by means of communication. 9 Directors were entitled to be present at the meeting and 9 Directors attended the meeting. This meeting of the Board was convened in compliance with the relevant PRC laws and regulations and the Articles of Association.

The following resolutions were carefully considered and unanimously passed by the Directors present at the meeting:

I. The Resolution on the Acquisition of Non-controlling Interest in a Subsidiary and External Guarantee was considered and approved

In order to better promote the integration of the Company’s existing resources, focus on the principal activities of pulp production and paper making, improve management efficiency and quality, and further enhance the Company’s profitability and comprehensive competitiveness, the Company proposed to acquire 100% equity interest in Aberdeen Industrial Limited (hereinafter referred to as “Aberdeen”) and VNN Holdings Limited (hereinafter referred to as “VNN”), the minority shareholders of Wuhan Chenming Hanyang Paper Holdings Co., Ltd.* (hereinafter referred to as “Wuhan Chenming”), a majority-owned subsidiary of the Company, through Chenming (Overseas) Co., Ltd.* (hereinafter referred to as “Chenming Overseas”), a wholly-owned subsidiary of the Company, with its own funds, in order to realise the acquisition of the 26.41% equity interest in Wuhan Chenming held by Aberdeen and the 8.23% equity interest in Wuhan Chenming held by VNN. The corresponding acquisition prices were RMB312.60 million and RMB97.40 million respectively. After the completion of the acquisition, Aberdeen and VNN will become wholly-owned subsidiaries of the Company, and the Company will directly and indirectly hold a total of 99.85% equity interest in Wuhan Chenming.

Prior to the transaction, Aberdeen and VNN have provided a pledge guarantee for a bank loan of RMB160.00 million of Zhanjiang Runbao Trading Co., Ltd.* (hereinafter referred to as “Runbao Trading”) with the 26.41% equity interest and the 8.23% equity interest in Wuhan Chenming held by them respectively. The term of pledge will end on 25 April 2022. After the completion of the transaction, an external pledge guarantee of the Company will occur accordingly.

This resolution still needs to be submitted to the 2020 fifth extraordinary general meeting as a special resolution for consideration.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

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

II. The Resolution on the Equity Transfer to Repay a Debt was considered and approved

In order to settle the debt of a financial leasing client Shanghai Herui Investment Co., Ltd.* (hereinafter referred to as “Shanghai Herui”), enhance the asset management efficiency of Qingdao Chenming Nonghai Financial Leasing Co., Ltd.* (hereinafter referred to as “Qingdao Chenming

Leasing”), a wholly-owned subsidiary of the Company, further reduce the size of the Company’s financial leasing business, and protect the interests of the Company and all shareholders, the parties reached a unanimous agreement. Shanghai Shuilan Property Management Co., Ltd.* voluntarily agreed to transfer its 100% equity interest in Shanghai Herui to Qingdao Chenming Leasing in order to repay the amount of RMB619,567,590 due to Qingdao Chenming Leasing by Shanghai Herui. The consideration for the equity transfer was RMB176.80 million. After the completion of the transaction, Shanghai Herui will become a wholly-owned subsidiary of the Company.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

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

III. The Resolution on the External Guarantee under the Equity Transfer was considered and approved

In order to settle the debt of Shanghai Herui, further reduce the size of the Company’s financial leasing business, and protect the interests of the Company and all shareholders, Qingdao Chenming Leasing, a wholly-owned subsidiary of the Company, proposed to receive the 100% equity interest in Shanghai Herui for repayment of the debt due to Qingdao Chenming Leasing by Shanghai Herui.

Before the transaction, Shanghai Herui provided a mortgage guarantee for Shouguang Meilun Paper Co., Ltd.* (hereinafter referred to as “Shouguang Meilun”), a subsidiary of the Company, for its financing business with non-bank financial institutions with part of office properties and parking spaces of Shanghai Herui. The guarantee amounted to RMB200.00 million for a term ending on 27 June 2022. Shanghai Herui provided a pledge guarantee for Shouguang Meilun, Wuhan Chenming Hanyang Paper Holdings Co., Ltd.*, and Huanggang Chenming Pulp & Paper Co., Ltd.*, subsidiaries of the Company, for a total amount of RMB654.00 million due to non-bank financial institutions. The term of guarantee will end on 30 October 2023. Shanghai Herui also provided a mortgage guarantee for a bank loan of RMB135,581,900 of Zhanjiang Dingjin Trading Co., Ltd.*. The term of mortgage will end on 22 November 2022. After the completion of the transaction, external mortgage guarantees of the Company will occur accordingly.

This resolution still needs to be submitted to the 2020 fifth extraordinary general meeting as a special resolution for consideration.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

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

IV. The Resolution on the Issue of USD Bonds by a Subsidiary and Provision of Guarantee was considered and approved

In order to further broaden the Company’s overseas financing channels, establish a good credit foundation in overseas markets, optimise the financing structure, and promote the Company’s sustainable and stable development, after considering the current overseas bond market conditions and the Company’s operation needs, the Company proposed to issue bonds with a total amount of not more than 1.0 billion U.S. dollars (including 1.0 billion U.S. dollars) overseas through Meilun (BVI) Limited, a wholly-owned subsidiary overseas. The Company will provide guarantee of no more than 1.0 billion U.S. dollars (including 1.0 billion U.S. dollars) with unconditional and irrevocable joint liability for this issuance.

This resolution still needs to be submitted to the 2020 fifth extraordinary general meeting as a special resolution for consideration.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

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

V. The Resolution on Convening of the 2020 Fifth Extraordinary General Meeting was considered and approved

The Board of the Company agreed to convene the 2020 fifth extraordinary general meeting on 21 December 2020.

The voting result of this resolution: votes for: 9; votes against: 0; votes abstained: 0.

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

Notice is hereby given.

The Board of Shandong Chenming Paper Holdings Limited
4 December 2020

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