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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 11th Extraordinary Meeting of the Seventh Session of the Board of Directors” dated 15 April 2016 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
15 April 2016

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Yin Tongyuan, Mr. Li Feng, Mr. Geng Guanglin, Mr. Hou Huancai and Mr. Zhou Shaohua, the non-executive Directors are Mr. Wang Xiaoqun and Ms. Yang Guihua, and the independent non-executive Directors are Mr. Wang Aiguo, Mr. Zhang Zhiyuan, Ms. Zhang Hong and Ms. Pan Ailing.

* *For identification purposes only*

Stock abbreviation:

Chenming Paper Chenming B

Stock code:

000488 200488

Announcement No.:

2016-041

SHANDONG CHENMING PAPER HOLDINGS LIMITED

Announcement in respect of Resolutions of the 11th Extraordinary Meeting of the Seventh Session of the Board of Directors

The Company and all members of 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.

Notice of the 11th Extraordinary Meeting of the Seventh Session of the board (the “Board”) of directors (“Directors”) of Shandong Chenming Paper Holdings Limited (“the Company”) was despatched to all Directors in writing and by post on 9 April 2016, and the said meeting was held by means of communication on 15 April 2016. 12 Directors were entitled to be present at the meeting and 12 Directors attended the meeting. The meeting was convened in compliance with the relevant PRC laws and regulations and the articles of association of the Company (the “Articles of Association”).

The following resolutions of this Board meeting were considered and passed unanimously by the Directors present at the meeting:

I. The Resolution in Relation to the Fulfilment of Conditions in Respect of the Non-Public Issue of A Shares of the Company was considered and approved

In accordance with the related requirements of the relevant laws, regulations and normative documents such as the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Administrative Measures for the Issuance of Securities by Listed Companies (the “Administrative Measures”) and the Implementation Rules for the Non-public Issuance of Shares by Listed Companies (the “Implementation Rules”) , upon examining the fulfilment of each condition in respect of the non-Public issue of A shares by listed companies and based on the diligent self inspection and discussion of the actual conditions of the Company and relevant matters, the Board was the opinion that the Company qualified for conducting the non-Public issue of A shares to specific targets with relevant conditions being fulfilled.

The voting result of this resolution: votes for: 12, votes against: 0; votes abstained: 0.

The resolution shall be submitted to the general meeting of the Company for consideration.

II. Each item of the Resolution in Relation to the Proposal on Non-Public Issue of A Shares of the Company was considered and approved

In accordance with the related requirements of the relevant laws, regulations and normative documents such as the Company Law, the Securities Law, the Administrative Measures and the Implementation Rules, and based on the specific conditions of the Company, the Company formulated the proposal on the non-public issue of A shares (the “Non-Public Issue”), the details of which are set out below:

1. Class and nominal value of the shares to be issued

Domestic listed RMB ordinary shares (A shares) with a nominal value of RMB1.00 each will be issued under the Non-Public Issue.

The voting result of this resolution: votes for: 12, votes against: 0; votes abstained: 0.

2. Method and timing of the shares to be issued

All the shares under the issue will be issued to specific targets by way of non-public issue in due course within the valid period as approved by the China Securities Regulatory Commission (the “CSRC”).

The voting result of this resolution: votes for: 12, votes against: 0; votes abstained: 0.

3. Issue price and the principle for pricing

The price determination date for the Non-Public Issue will be the announcement date of the resolutions of the 11th extraordinary meeting of the seventh session of the Board (i.e. 15 April 2016). The issue price of the Non-Public Issue will be not less than the higher of 90% of the average trading price of the Company’s shares for the 20 trading days prior to the price determination date (the average trading price of the shares for the 20 trading days prior to the price determination date = total trading amount of shares for the 20 trading days prior to the price determination date/total volume of shares for the 20 trading days prior to the price determination date) (i.e. RMB7.53 per share) or the net asset value per share attributable to ordinary shareholders under the latest audited accounts of the Company prior to the issue. Based on the aforesaid floor issue price, the issue price

of the Non-Public Issue will be determined by way of book building. Upon receipt of approval from the CSRC in respect of the Non-Public Issue, the final issue price will be determined by the Board under the authorisation granted at the general meeting and the sponsor(s) (the lead underwriter(s)) through negotiation based on the subscription price quoted by target investors and the principle of price priority. Chenming Holdings will not participate in the auction process of the price determination of the Non-Public Issue. However, Chenming Holdings shall accept the auction result of the subscription of other target investors, and subscribe for A shares at the same price as other target investors.

In the event of any ex-right or ex-dividend events of the shares of the Company such as dividend distribution, scrip dividend distribution or capitalisation of capital reserve during the period from the price determination date to the issue date, the aforesaid floor issue price will be adjusted accordingly. The formula for the adjustment is set out below:

Assuming P0 as the floor issue price before adjustment, N as the number of shares distributed as scrip dividend or converted from the capital reserve per share, D as the dividend per share, and P1 as the adjusted floor issue price (rounded off to the nearest two decimal places), then:

Dividend distribution: $P1 = P0 - D$

Scrip dividend distribution or capitalisation of capital reserve: $P1 = P0 / (1 + N)$

Dividend distribution with Scrip dividend distribution or capitalisation of capital reserve: $P1 = (P0 - D) / (1 + N)$.

The voting result of this resolution: votes for: 12, votes against: 0; votes abstained: 0.

4. Issue size

The number of shares to be issued under the Non-Public Issue shall not be more than 1,062,416,999 shares (inclusive). In particular, Chenming Holdings has undertaken that it will subscribe for the shares to be issued under the Non-Public Issue with not less than RMB2 billion (inclusive). Within the aforesaid scope, based on the actual subscription made, the actual number of shares to be issued will be determined by the Board under the authorisation granted at the general meeting and the sponsor(s) (the lead underwriter(s)) through negotiation upon receipt of approval from the CSRC in respect of the Non-Public Issue.

In the event of any ex-right or ex-dividend events of the shares of the Company such as dividend distribution, scrip dividend distribution or capitalisation of capital reserve during the period from the price determination date to the issue date, the number of shares to be issued under the Non-Public Issue shall be adjusted accordingly based on the total proceeds under the Non-Public Issue and the floor issue price after ex-right and ex-dividend event(s).

The voting result of this resolution: votes for: 12, votes against: 0; votes abstained: 0.

5. Target investors and method of subscription

The target investors under the Non-Public Issue will be not more than 10 (inclusive) specific investors such as qualified securities investment fund management companies, securities firms, trust investment companies, financial companies, insurance institutional investors, qualified foreign institutional investors, other domestic legal person investors and natural persons, including Chenming Holdings, the controlling shareholder of the Company. A securities investment fund management company which subscribes for shares through 2 or more funds under its management shall be deemed as a single target investor. If the target investor is a trust investment company, its subscription can only be made using its self-owned funds. In particular, Chenming Holdings has undertaken that it will subscribe for the shares to be issued under the Non-Public Issue with not less than RMB2 billion (inclusive). Upon receipt of approval in respect of the Non-Public Issue by the Company, based on the subscription price quoted by target investors and the principle of price priority, the final target investors other than the controlling shareholder, Chenming Holdings, will be determined by the Board under the authorisation granted at the general meeting. All target investors shall subscribe for shares to be issued under the Non-Public Issue at the same price in cash. During the period from the date of the announcement of the Board resolutions to the completion of the Non-Public Issue, in the event of any adjustment made by regulatory authorities to the maximum number of target investors under the Non-Public Issue, the maximum number of target investors under the Non-Public Issue shall be adjusted to the maximum number as approved by regulatory authorities accordingly.

The voting result of this resolution: votes for: 12, votes against: 0; votes abstained: 0.

6. Lock-up period

According to relevant rules under the Administrative Measures for the Issuance of Securities by Listed Companies, the shares to be subscribed by Chenming Holdings under the Non-Public Issue must not be transferred within 36 months from the listing date of the new shares. Shares to be subscribed by other investors under the Non-Public Issue must not be transferred within 12 months from the listing date of the new shares.

The voting result of this resolution: votes for: 12, votes against: 0; votes abstained: 0.

7. Place of listing of shares

Shares to be issued under the Non-Public Issue will be traded at Shenzhen Stock Exchange upon the expiration of the lock-up period.

The voting result of this resolution: votes for: 12, votes against: 0; votes abstained: 0.

8. Amount of Proceeds and their use

The total proceeds under the Non-Public Issue shall not be more than RMB8 billion (inclusive), and will be fully utilised for the following purposes after deducting issuance expenses:

Unit: RMB'0,000

No.	Project name	Total investment for the project	Proposed investment from the proceeds
1	The bleached sulfate chemical pulp project with annual production capacity of 400,000 tonne	411,026	370,000
2	Capital increase in Shandong Chenming Financial Leasing Co., Ltd.	1,100,000	330,000
3	Replenishment of working capital		100,000
Total		1,511,026	800,000

In the event that the proceeds obtained under the Non-Public Issue (after deducting issuance expenses) less than the proposed investment from the proceeds as mentioned above, the difference will be funded by the self-owned funds of the Company or through other financing methods. Prior to receipt of the proceeds from the Non-Public Issue, the Company will make investment using its self-owned funds based on the actual progress of the projects, and substitute the proceeds in accordance to relevant laws and regulations upon receipt of the proceeds.

The voting result of this resolution: votes for: 12, votes against: 0; votes abstained: 0.

9. The arrangement for accumulated undistributed profit before the completion of the issue

Upon the completion of the Non-Public Issue of shares, for the sake of the interests of the new shareholders as well as the existing shareholders, the accumulated undistributed profit before the issue will be distributed among the new shareholders and the existing shareholders of the Company based on their shareholding percentage after the completion of the Non-Public Issue of shares.

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

10. The validity of the resolution in respect of the issue

The resolution in respect of the Non-Public Issue shall remain valid for 12 months from the date of the approval of the resolution in respect of the Non-Public Issue of shares at the general meeting of the Company.

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

The implementation of the proposed Non-Public Issue is subject to the consideration and approval of each item of the resolution at the general meeting of the Company, the approval from other regulatory authorities and the approval from the CSRC. The proposal approved by the CSRC shall prevail.

The independent opinions from the independent Directors in respect of the Non-Public Issue of A shares of the Company are published on the website of CNINFO (<http://www.cninfo.com.cn>) as at the date of this announcement.

III. The Resolution in Relation to the Proposal on the Non-Public Issue of A Shares of the Company was considered and approved

For the details of the Proposal on the Non-Public Issue of Shares of Shandong Chenming Paper Holdings Limited for 2016, please refer to the website of CNINFO (<http://www.cninfo.com.cn>).

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

The resolution shall be submitted to the general meeting of the Company for consideration and approval.

IV. The Resolution in Relation to the Feasibility Analysis Report on the Use of Proceeds of the Non-Public Issue of Shares was considered and approved

For the details of the Feasibility Analysis Report on the Use of Proceeds of the Non-Public Issue of Shares of Shandong Chenming Paper Holdings Limited for 2016, please refer to the website of CNINFO (<http://www.cninfo.com.cn>).

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

The resolution shall be submitted to the general meeting of the Company for consideration and approval.

V. The Resolution in Relation to the Report on the Use of Proceeds of the Previous Proceeds of the Company was considered and approved

For the details of the Report on the Use of Previous Proceeds of Shandong Chenming Paper Holdings Limited, please refer to the website of CNINFO (<http://www.cninfo.com.cn>).

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

The resolution shall be submitted to the general meeting of the Company for consideration and approval.

VI. The Resolution in Relation to the Dilution of Current Returns and Remedial Measures upon the Non-Public Issue of A Shares of the Company was considered and approved

As required by the documents such as the Guiding Opinions on Matters Concerning the Immediate Returns Dilution by IPO, Refinancing and Material Asset Reorganisation (CSRC Announcement [2015] No. 31) issued by the CSRC, the Company had analysed the influence of the Non-Public Issue of shares on the immediate returns dilution and proposed the specific remedial measures for the returns. For details, please refer to the Announcement in Relation to the Dilution of Current Returns and Remedial Measures upon the Non-Public Issue of A Shares published by the Company on the website of CNINFO (<http://www.cninfo.com.cn>) on the same date.

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

The resolution shall be submitted to the general meeting of the Company for consideration and approval.

VII. The Resolution in Relation to the Undertakings Made by All Directors, Senior Management and Others on the Dilution of Current Returns and Adoption of Remedial Measures upon the Non-Public Issue of Shares of the Company was considered and approved

As required by the documents such as the Guiding Opinions on Matters Concerning the Immediate Returns Dilution by IPO, Refinancing and Material Asset Reorganisation (CSRC Announcement [2015] No. 31) issued by the CSRC, the Company had analysed the influence of the Non-Public Issue of shares on the immediate returns dilution and proposed the specific remedial measures for the returns. Being the responsible subject, all Directors and the senior management of the Company undertook to ensure the concrete implementation of the remedial measures for the returns by the Company. The controlling shareholder also made the same undertakings. For the details of the undertakings, please refer to the related announcements of the Company published on the website of CNINFO (<http://www.cninfo.com.cn>) on the same date.

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

The resolution shall be submitted to the general meeting of the Company for consideration and approval.

VIII. The Resolution in Relation to the Formulation on the Dividend Distribution Plan for Shareholders of Shandong Chenming Paper Holdings Limited in the Coming Three Years (2016-2018) was considered and approved

To perfect and improve the decision-making and supervision mechanism in respect of the profit distribution of the Company, further refine the terms in respect of the profit distribution policy, strengthen the awareness to repay the shareholders and actively repay investors, the Board of the Company formulated the Dividend Distribution Plan for Shareholders of Shandong Chenming Paper Holdings Limited in the Coming Three Years (2016-2018) according to the No. 3 Regulatory Guideline for Listed Companies — Cash Dividends of Listed Companies issued by the CSRC. For details, please refer to the website of CNINFO (<http://www.cninfo.com.cn>).

The independent opinions from the independent Directors in respect of the Dividend Distribution Plan for Shareholders of Shandong Chenming Paper Holdings Limited in the Coming Three Years (2016-2018) are published on the website of CNINFO (<http://www.cninfo.com.cn>) as at the date of this announcement.

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

The resolution shall be submitted to the general meeting of the Company for consideration and approval.

IX. The Resolution in Relation to the Formulation of the Administrative Measures of Proceeds of Shandong Chenming Paper Holdings Limited was considered and approved

According to the relevant laws, administrative regulations and regulatory documents such as the No. 2 Regulatory Guideline for Listed Companies — Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies and the Guidelines of the Shenzhen Stock Exchange for Standardised Operation of Companies Listed on the Main Board (Amended in 2015) as well as the business rules of the Shenzhen Stock Exchange, in order to further standardise the use and management of the proceeds of the Company and ensure the use and management of the proceeds of the Company in compliance with the relevant laws and regulations, the Company intended to reformulate the Administrative Measures of Proceeds of Shandong Chenming Paper Holdings Limited and abolished the original administrative measures of proceeds.

For the full text of the Administrative Measures of Proceeds of Shandong Chenming Paper Holdings Limited reformulated by the Company, please refer to the website of CNINFO (<http://www.cninfo.com.cn>).

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

The resolution shall be submitted to the general meeting of the Company for consideration and approval.

X. The Resolution in Relation to the Amendments to the Articles of Association of Shandong Chenming Paper Holdings Limited was considered and approved

For the details of the amended Articles of Association of Shandong Chenming Paper Holdings Limited and the comparison chart of amendments, please refer to the designated media for disclosure and the website of CNINFO (<http://www.cninfo.com.cn/>).

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

The resolution shall be submitted to the general meeting of the Company for consideration and approval.

XI. The Resolution in Relation to the Setting Up of an Account for the Proceeds from the Non-Public Issue of A Shares was considered and approved

It was agreed to submit to the general meeting of the Company to authorise the Board to set up an account for the proceeds from the Non-Public Issue of A shares and deal with the related matters according to the Administrative Measures of Proceeds of Shandong Chenming Paper Holdings Limited.

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

The resolution shall be submitted to the general meeting of the Company for consideration and approval.

XII. The Resolution in Relation to the Non-Public Issue of Shares of the Company Involving Connected Party Transaction and the Entering into of Conditional Share Subscription Agreement with Targets under the Issue was considered and approved

The targets of the issue included Shouguang Chenming Holdings Company Limited, the controlling shareholder of the Company, and hence the issue constituted a connected party transaction. Pursuant to the relevant requirements of Administrative Measures for the Issuance of Securities by Listed Companies and Implementation Rules for the Non-public Issuance of Shares by Listed Companies, both promulgated by the CSRC, and the Articles of Association, the Company made adequate disclosure of the existing connected parties, connected party relationship and connected party transactions through regular reports and ad-hoc announcements. The connected party transactions were entered into in view of the business needs and were conducted at arm's length with compensation of equal value with reference to the actual situations. The considerations were fair and in line with comparable market price, and the necessary procedures were carried out. The connected party transactions did not affect the independence of the production and operation of the Company nor the interests of the Company and the minority shareholders. The ordinary operation and on-going operation of the Company did not be materially affected. The independent Directors of the Company had in advance approved the connected party transaction involved in the issue and provided their independent opinions. For details of the conditional share subscription agreement and connected party transaction entered into between the Company and the targets under the issue, please refer to the designated media for disclosure of the Company and CNINFO (<http://www.cninfo.com.cn>).

Mr. Chen Hongguo, Mr. Yin Tongyuan and Mr. Geng Guanglin, the Directors who were connected persons, abstained from voting on the resolution in accordance with the related requirements.

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

The resolution shall be submitted to the general meeting for consideration.

XIII. The Resolution in Relation to Proposing the Authorisation be Granted to the Board by the General Meeting of the Company to Deal with Matters Relating to the Non-Public Issue of A Shares with Absolute Discretion was considered and approved

To ensure the success of the Non-Public Issue of A shares, the Board of Shandong Chenming Paper Holdings Limited intends to propose to the general meeting that the Board be authorised to deal with the matters relating to the Non-Public Issue of shares with absolute discretion, including but not limited to:

1. To authorise the Board, based on the specific circumstances, to negotiate with the sponsor(s) (the lead underwriter(s)) to formulate and implement the detailed proposal on the Non-Public Issue of shares, with the details including the timing of issue, the number of shares to be issued, the beginning and end date of the issue, the issue price, selection of targets under the issue, the detailed subscription method and subscription ratio;
2. To authorise the Board to prepare, amend and file the reporting materials for the issue and listing according to the requirements of relevant government authorities and regulatory bodies, complete the relevant formalities and carry out other procedures relating to the issuance and listing;
3. In the event that change to laws, regulations, other normative documents and policies of the securities regulatory bodies relating to the Non-Public Issue of shares, or change in the market conditions occurs, to authorise the Board to make adjustments to the detailed proposal of the Non-Public Issue and the use of proceeds, and to proceed with the matters related to the Non-Public Issue and the listing, save and except for matters to be re-voted at the general meeting as required by relevant laws and regulations and the Articles of Association;
4. To authorise the Board to amend the corresponding articles of the Articles of Association according to the actual outcome of the Non-Public Issue of shares, to seek approval of or file to the relevant government authorities and regulatory bodies, and to handle registration and filing for relevant changes to the administration of industry and commerce and other relevant government authorities;
5. To authorise the Board to approve and execute material contracts and filing documentation during the operation of the projects invested with the proceeds from the Non-Public Issue;
6. To authorise the Board to make adjustment to the projects invested with the proceeds, the use of proceeds and its detailed arrangement based on the requirements of the competent authorities and condition of the securities market, subject to the scope of the shareholders' resolution;
7. To authorise the Board to delegate power to the leading team for the Non-Public Issue of shares, comprising the chairman and the senior management of the Company, to decide on, deal with and handle all above matters relating to the Non-Public Issue of shares; and
8. To authorise the Board to handle all other matters necessary for the Non-Public Issue of shares.

The authorisation will be valid for 12 months from the passing of this resolution at the general meeting of the Company.

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

The resolution shall be submitted to the general meeting for consideration.

XIV. The Resolution in Relation to Convening the 2016 Second Extraordinary General Meeting was considered and approved

For details of the Notice of the 2016 Second Extraordinary General Meeting of Shandong Chenming Paper Holdings Limited, please refer to the designated media for disclosure of the Company and CNINFO (<http://www.cninfo.com.cn>).

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

XV. The Resolution in Relation to Convening the 2016 First Class Meeting of Holders of Domestically and Overseas Listed Shares was considered and approved

For details of the Notices of the 2016 First Class Meeting of Holders of Domestically Listed Shares and the 2016 First Class Meeting of Holders of Overseas Listed Shares of Shandong Chenming Paper Holdings Limited, please refer to the designated media for disclosure of the Company and CNINFO (<http://www.cninfo.com.cn>).

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

XVI. The Resolution in Relation to the Capital Increase of Chenming Leasing was considered and approved

It is resolved that the contributor of the capital of RMB1,372 million to be contributed to Chenming Leasing changes to the Company from Chenming (HK) in order to effectively avoid the exchange rate fluctuation risk and enhance the operating results of the Company and the Company will undertake the obligation to make the related capital contribution in place of Chenming (HK) after a full discussion by the management of the Company.

It is also resolved that the Company will make further capital contribution to Chenming Leasing to facilitate Chenming Leasing to proceed with its project financing and leasing businesses, and reinforce the overall strength and the

comprehensive competitiveness of the Company, thus increasing the benefits of the Company. The capital increase will be made by instalments based on the use of capital and the capital increase amounts to RMB1,928 million. After the completion of the capital increase, the registered capital of Chenming Leasing will change to RMB11,000 million from RMB7,700 million.

For details, please refer to the Announcement on the Capital Increase of Chenming Leasing published on the designated media for disclosure of the Company and CNINFO (<http://www.cninfo.com.cn>).

The voting result of this resolution: votes for: 12; votes against: 0; votes abstained: 0.

Notice is hereby given.

The Board of Shandong Chenming Paper Holdings Limited
15 April 2016