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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)

FURTHER ANNOUNCEMENT

Reference is made to the announcement in relation to (1) proposed non-public issue of A shares; (2) proposed amendment of articles of association; and (3) specific mandate of Shandong Chenming Paper Holdings Limited (the “Company”) dated 18 April 2016 (the “Announcement I”); as well as the announcement in relation to (1) entering into of share subscription agreement with controlling shareholder; and (2) resumption of trading dated 19 April 2016 (the “Announcement II”, together with Announcement I, the “Announcements”). Unless otherwise specified, the capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

Shareholding of Chenming Holdings

As mentioned under the Announcements, “Chenming Holdings will subscribe A shares under the Non-Public Issue of no less than RMB2 billion”. The Board hereby announces that, upon the completion of A Shares Subscription, Chenming Holdings and its persons acting in concert will hold less than 30% of issued share capital of the Company (as enlarged upon the allocation and issue of A shares under the Non-Public Issue and assuming that there will be no further issue and repurchase of shares of the Company prior to A Shares Subscription). Hence, it will not trigger the general offer obligation in respect of all securities of the Company not already owned or agreed to be acquired by Chenming Holdings and its persons acting in concert from shareholders of the Company obligated to Chenming Holdings pursuant to Rule 26.1 of the Code on Takeovers and Mergers.

Arrangement in respect of specific mandate

As mentioned under “Specific mandate” in Announcement I, the specific mandate is subject to shareholders’ approval at the 2015 Annual General Meeting to be held on 17 May 2016. In fact, it should be “the specific mandate is subject to shareholders’ approval at the EGM and the Class Meetings”.

As mentioned under “6. Conditions precedent and effective date” in Announcement II, “the obtaining of the specific mandate from the Board and AGM of the Company” under item (1) should be revised as “the obtaining of the specific mandate from the Board, the EGM and the Class Meetings of the Company”.

Conditions precedent of connected transaction

Under “6. Conditions precedent and effective date” in Announcement II, there are 4 conditions precedent. Apart from the aforesaid 4 conditions precedent, A Shares Subscription is also subject to independent shareholders’ approval in respect of the terms of the Share Subscription Agreement and transactions contemplated thereof at the EGM and the Class Meetings.

Opinions of the Board on connected transaction

In respect of the connected transaction under Announcement II, the Board is in view that the prices of the Share Subscription Agreement are fair and objective, and the terms of the Share Subscription Agreement between the Company and Chenming Holdings are reasonable and legal effective without prejudice to the interests of the Company and shareholders as a whole. The transactions under A Shares Subscription have followed the principle of fair and voluntary, and the Company does not aware any prejudice to the interests of the Company and its shareholders, especially minority interests.

By the order of the Board
Shandong Chenming Paper Holdings Limited
Chen Hongguo
Chairman

Shandong, PRC
19 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*