

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 Huanggang Chenming Phase II Construction Project” dated 10 August 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  
10 August 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:	Stock abbreviation:	Announcement No.:
000488 200488	Chenming Paper Chenming B	2020-078

## **Shandong Chenming Paper Holdings Limited**

### **Announcement on Huanggang Chenming Phase II Construction Project**

The Company and all members of the board of directors (the “Board”) hereby warrant the truthfulness, accuracy and completeness of the contents of information disclosed which do not contain any false information, misleading statements or material omissions, and jointly and severally accept responsibilities for the truthfulness, accuracy and completeness of the contents.

#### **I. Overview of External Investment**

In order to further implement the national requirement on adherence to the path of giving priority to ecology and green development and the decision on Hubei Yangtze River Economic Belt Ecological Protection and Green Development, and based on the strategic development plan of Shandong Chenming Paper Holdings Limited (the “Company”), the Company adjusted the industrial development plan Project of Huanggang Chenming Pulp & Paper Co., Ltd. (“Huanggang Chenming”), its majority-owned subsidiary, as an integrated pulp and paper Project and entered into the Huanggang Chenming Phase II Project Construction Agreement. The planned total investment of the Huanggang Chenming Phase II Project amounts to RMB12,800 million. 4 paper production lines of annual production capacity of 1.50 million tonnes (including, among other things, cultural paper and white paper board and the paper production of the Project will only use self-produced pulp) are proposed to be constructed. The ancillary facilities to be constructed include, among other things, a machine-made pulp production line of annual production capacity of 520,000 tonnes, sewage treatment system, combined heat and power generation Project and piers.

On 10 August 2020, the Resolution on Huanggang Chenming Phase II Construction Project was considered and approved at the sixth meeting of the ninth session of the Board of the Company with a voting result of 9 votes for, 0 against and 0 abstained.

In accordance with the requirements of the Rules Governing the Listing of Shares on Shenzhen Stock Exchange and the Articles of Association, the investment shall be submitted to the 2020 fourth extraordinary general meeting of the Company for consideration. The investment does not constitute a related party transaction and does not constitute a material asset reorganisation.

#### **II. General description of the investment Project**

Project name: Huanggang Chenming Phase II Project (subject to the investment Project filing certificate).

Project particulars: The planned total investment amounts to RMB12,800 million, of which a planned investment of RMB11,640 million will be used to construct four paper production lines of annual production capacity of 1.50 million tonnes (including, among other things, cultural paper and white paper board, and the paper production of the Project will only use self-produced pulp). The ancillary facilities to be constructed include, among other things, a machine-made pulp production line of annual production capacity of 520,000 tonnes, sewage treatment system, and other ancillary construction Projects. RMB1,000 million will be invested to construct a combined heat and power generation Project composed of three 240-tonne capacity circulating fluidised bed boilers, one ancillary 60MW back pressure unit and ancillary systems including coal-fired transmission. one 240-tonne

capacity circulating fluidised bed boiler and one ancillary 60MW back pressure unit will be installed subsequently based on the thermal load. RMB1,600 million will be invested to construct five piers and five automatic ship unloading gate machines, as well as five loading bridge belt conveyor pipe galleries connecting piers and the factory areas, backyard ancillary facilities or special railway lines at Bahe River.

Sources of fund: The Project will be partly financed by the self-owned funds of the Company and will utilise the government guidance funds and supportive policy funds. The investment in and the construction of the Project will have no negative effect on the prevailing financial position and the cash flows of the Company.

Project location: Huanggang Chenming Phase II Project to be located at Huanggang Chemical Industrial Park.

Project progress: It is planned that the Huanggang Chenming Phase II Project will commence construction in December 2020.

Effects of the Project: Upon full completion of the construction of the Project, a mega circular economy will realise revenue of more than RMB10,000 million for the year, provide more than 1,800 jobs, and cover from pulp to paper including combined heat and power generation and logistics and transportation. Huanggang Chenming will have strong high quality development with a circular economy as the model of green economy.

### **III. Objective and effect of external investment**

The investment in and the construction of the Huanggang Chenming Phase II Project will be able to integrate the capacity and resources of the production bases of Huanggang Chenming, Jiangxi Chenming and Wuhan Chenming within the Company, improve the pulp and paper integration industrial chain of Huanggang Chenming, and capitalise on the advantages of the industrial chain of Huanggang Chenming, thus meeting the requirements of the national policy on ecological and environmental protection and green development. Meanwhile, the construction of the Project will realise the Company's strategic layout of the three pulp and paper integration production bases in Shandong, Zhanjiang and Huanggang, thus illustrating the determination of the Company to focus on its principal activities and build up its industrial activities. The Project is favourable for the further development of the Company's principal activities - pulp production and paper making, and will consolidate the leading position of the Company in the paper making industry, facilitate the high quality development of the Company, and strengthen the overall profitability and comprehensive competitiveness of the Company. In addition, the Project can address the local employment issues, foster the local economic development and produce better economic returns and social benefits.

### **VI. Investment risks**

The implementation of the Project investment is subject to national or local policies and approval from the competent authorities. The implementation of the Project may be subject to delay or change. Investors shall make rational investments and be aware of risks. The Board of the Company will discharge its disclosure obligations in a timely manner based on the progress of the Project.

### **V. Documents available for inspection**

1. Huanggang Chenming Phase II Project Construction Agreement; and
  2. Resolution of the sixth meeting of the ninth session of the Board of the Company.
- Notice is hereby given.