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)

ANNOUNCEMENT ON

THE PROPOSED ISSUE OF NOT MORE THAN RMB6.0 BILLION SHORT-TERM COMMERCIAL PAPERS

This announcement is made 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**") is pleased to announce that, at the eighth meeting of the eighth session of the Board held on 27 March 2018, it was resolved to approve the issue of short-term commercial papers ("**Short-term Commercial Paper**") of not more than RMB6.0 billion.

The issue of Short-term Commercial Paper is subject to shareholders' approval by special resolution at the annual general meeting of the Company for 2017 to be held on 31 May 2018 (the "**AGM**"). Notice of the AGM will be despatched to the shareholders in accordance with the Articles of Association of the Company.

Particulars of the Short-term Commercial Paper, if proceeds, are as follows:

1. Size

   At par value of not more than RMB6.0 billion (inclusive) in aggregate.

2. Term

   One year.

3. Interest rate

   The coupon rate 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 Short-term Commercial Paper 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 Short-term Commercial Paper will be 24 months from the date of the approval of such resolution at the general meeting.

7. Authorisation in relation to the Short-term Commercial Paper issue

   To ensure that Short-term Commercial Paper is 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 Short-term Commercial Paper issue under the issue proposal mentioned above, including but not limited to: (1) formulation of the detailed issue proposal relating to this Short-term Commercial Paper 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 maturity, 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) execution of any related contract, agreement and document, including but not limited to application documents, underwriting agreements and announcements of various kinds; (4) dealing with necessary matters, including but not limited to registration; (5) the term of the authorisation will be effective from the date of the resolution relating to the Short-term Commercial Paper issue as approved at the general meeting to the date of the lapse on validity of the resolution of the general meeting relating to the Short-term Commercial Paper issue or completion of the above matters under the authorisation; (6) 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; and (7) dealing with all other necessary matters relating to the Short-term Commercial Paper issue.

As no binding agreement in relation to the Short-term Commercial Paper has been entered into as at the date of this announcement, the issue of Short-term Commercial Paper may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement will be made by the Company if and when the Company has reached a binding agreement for the issue of Short-term Commercial Paper.

By order of the Board
Shandong Chenming Paper Holdings Limited
CHEN HONGGUO
Chairman

Shandong, the PRC

27 March 2018

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Yin Tongyuan, Mr. Li Feng and Mr. Geng Guanglin, the non-executive Directors are Ms. Yang Guihua and Ms. Zhang Hong and the independent non-executive Directors are Ms. Pan Ailing, Ms Wang Fengrong, Mr. Huang Lei and Ms. Liang Fu.

* *For identification purposes only*