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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 on External Investment” dated 29 January 2018 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
29 January 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

Stock abbreviation:
Chenming Paper Chenming B

Stock code:
000488 200488

Announcement No.:
2018-008

Shandong Chenming Paper Holdings Limited

Announcement on External Investment

The Company and all members of the board (the “Board”) of directors (“Directors”) 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 responsibility for the truthfulness, accuracy and completeness of its contents.

I. Overview of external investment

1. General description of external investment

In order to promote the diversified development of the finance segment of the Group, further expand the scope of the finance leasing business, enhance the overall strength and comprehensive competitiveness, and create new sources of profit growth for the Company, the Company proposed to establish new finance leasing companies in Beijing and Wuhan, namely Beijing Chenming Financial Leasing Co., Ltd. (北京晨鳴融資租賃有限公司) and Wuhan Beijing Chenming Financial Leasing Co., Ltd. (武漢晨鳴融資租賃有限公司) (both names are tentative names subject to commercial and industrial registration, “Beijing Chenming Leasing” and “Wuhan Chenming Leasing”, respectively).

2. Consideration and approval of the Board

The twentieth extraordinary meeting of the eighth session of the Board of Shandong Chenming Paper Holdings Limited was convened on 29 January 2018 through means of communications. 10 Directors were entitled to be present at the meeting and 10 Directors attended the meeting. The Resolution on the Establishment of Beijing Chenming Financial Leasing Company (北京晨鳴融資租賃公司) and the Resolution on the Establishment of Wuhan Chenming Financial Leasing Company (武漢晨鳴融資租賃公司) were considered and approved at the meeting with a voting result of 10 votes for, 0 against and 0 abstained.

3. Necessary approval procedures for investment to become effective

The external investment is subject to approval at the Company’s 2018 first extraordinary general meeting. The external investment is not a related party

transaction and will not constitute a material asset reorganisation under the Administrative Measures for the Material Asset Reorganisations of Listed Companies, and is subject to the approval of the competent government authorities.

II. General description of the wholly-owned subsidiaries

1. Proposed establishment of Beijing Chenming Financial Leasing Co., Ltd. (北京晨鳴融資租賃有限公司)
 - (1) Company name: Beijing Chenming Financial Leasing Co., Ltd. (北京晨鳴融資租賃有限公司) (a tentative name subject to commercial and industrial registration)
 - (2) Company nature: Foreign-invested enterprise
 - (3) Registered capital: RMB1,000 million
 - (4) Legal representative: Chang Desheng (常德生)
 - (5) Shareholders and shareholding: Shandong Chenming Financial Leasing Co., Ltd. (“Shandong Chenming Leasing”) will invest for 75% of equity interest and Chenming (HK) Limited (“Chenming (HK)”) will invest for 25% of equity interest.
 - (6) Source of funding and way of investment: Shandong Chenming Leasing and Chenming (HK) will invest by using their own funds, and may make the investment by instalments according to the business performance of Beijing Chenming Leasing.
 - (7) Place of registration: Shunyi District, Beijing
 - (8) Scope of business: Financial leasing business; operating leasing business; domestic and overseas leased assets acquisition; disposal of residual value for and maintenance of leased assets; consultation on and guarantees for leasing transactions; and engaging in commercial factoring business relating to the principal operations. (Subject to commercial and industrial registration)
2. Proposed establishment of Wuhan Chenming Financial Leasing Co., Ltd. (武漢晨鳴融資租賃有限公司)
 - (1) Company name: Wuhan Chenming Financial Leasing Co., Ltd. (武漢晨鳴融資租賃有限公司) (a tentative name subject to commercial and industrial registration)
 - (2) Company nature: Foreign-invested enterprise
 - (3) Registered capital: RMB1,000 million

- (4) Legal representative: Chang Desheng (常德生)
- (5) Shareholders and shareholding: Shandong Chenming Leasing will invest for 75% of equity interest and Chenming (HK) will invest for 25% of equity interest.
- (6) Source of funding and way of investment: Shandong Chenming Leasing and Chenming (HK) will invest by using their own funds, and may make the investment by instalments according to the business performance of Wuhan Chenming Leasing.
- (7) Place of registration: Wuhan
- (8) Scope of business: Financial leasing business; operating leasing business; domestic and overseas leased assets acquisition; disposal of residual value for and maintenance of leased assets; consultation on and guarantees for leasing transactions; and engaging in commercial factoring business relating to the principal operations. (Subject to commercial and industrial registration)

III. Main contents of the external investment contract

No external investment contract is necessary to be entered into as the external investment is about the establishment of wholly-owned subsidiaries by joint investment of Shandong Chenming Leasing and Chenming (HK).

IV. Effect on the Company of the establishment of subsidiaries

Shandong Chenming Leasing and Chenming (HK) will establish the subsidiaries by using their own funds. As the investment will account for 9.00% of the latest audited net assets of the Company, and the investees are wholly-owned subsidiaries of the Company, the investment will not have any material impact on the financial position and operating results of the Company.

V. Documents available for inspection

The Resolutions of the Twentieth Extraordinary Meeting of the Eighth Session of the Board of Shandong Chenming Paper Holdings Limited.

Notice is hereby given.

Board of Shandong Chenming Paper Holdings Limited
29 January 2018