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 Guarantee in Favour of Related Subsidiaries for their Credit Facilities Applications" 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:	Stock code:	Announcement No.:
Chenming Paper Chenming B	000488 200488	2018-009

SHANDONG CHENMING PAPER HOLDINGS LIMITED

Announcement in respect of Guarantee in Favour of Related Subsidiaries for their Credit Facilities Applications

The Company and all members of the Board hereby warrant that the truthfulness, accuracy and completeness of the contents of information disclosure which do not contain any false information, misleading statements or material omissions.

I. Overview of external guarantee

On 29 January 2018, the Resolution in respect of Guarantee in Favour of Related Subsidiaries for their Credit Facilities Applications was considered and approved at the twentieth extraordinary meeting of the eighth session of the board of directors of Shandong Chenming Paper Holdings Limited (the "Company") unanimously by all attending directors. In order to ensure the smooth operation of the finance business of related subsidiaries of the Company, satisfy their normal operating needs and reduce their financial expenses, the Company proposed to provide a guarantee in favour of the related subsidiaries for their credit facilities applications to banks and non-bank institutions, particulars of which are as follows:

Breakdown of subsidiaries in need of guarantee from Shandong Chenming Paper Holdings Limited

Unit: RMB'00 million

Guaranteed company	Guarantee amount	Term	Gearing ratio as at 30 November 2017
Shanghai Chenming Financial Leasing Co., Ltd.	40	3 years, valid until January 2021	—
Qingdao Chenming Nonghai Financial Leasing Co., Ltd.	25	3 years, valid until January 2021	0.44%
Guangzhou Chenming Financial Leasing Co., Ltd.	20	3 years, valid until January 2021	—

Guaranteed company	Guarantee amount	Term	Gearing ratio as at 30 November 2017
Shandong Chenming Financial Leasing Co., Ltd.	15	3 years, valid until January 2021	78.44%
Shangdong Chenming Commercial Factoring Co., Ltd.	20	3 years, valid until January 2021	84.57%
Total	120		—

According to relevant rules of the “Notice on Regulating External Guarantees of Listed Companies”, the Listing Rules of Shenzhen Stock Exchange and the Articles of Association, the provision of guarantee is subject to consideration and approval at the 2018 first extraordinary general meeting of the Company. The provision of guarantee does not constitute a related party transaction.

II. Overview of the companies subject to guarantee

1. Shanghai Chenming Financial Leasing Co., Ltd. (“Shanghai Chenming Leasing”)

Registered address: 101-J, No.5, Lane 98 Danba Road, Putuo District, Shanghai

Legal representative: Chang Desheng

Registered capital: RMB1,000 million

Date of establishment: 6 November 2017

Scope of business: financial leasing, operating leasing, purchase leased property domestically and internationally, disposal and maintenance of leased property residue, lease transaction consultancy. (Projects requiring approval according to the law may only commence operation upon obtaining approval from relevant authority.)

Shareholding: held as to 25% by Chenming (HK) Limited and 75% by Shandong Chenming Financial Leasing Co., Ltd.

2. **Qingdao Chenming Nonghai Financial Leasing Co., Ltd. ("Qingdao Chenming Leasing")**

Registered address: 16th floor, Baoli Center, No. 8 Qingdasan Road, Laoshan District, Qingdao, Shandong

Legal representative: Chang Desheng

Registered capital: RMB5,000 million

Date of establishment: 22 July 2016

Scope of business: financial leasing (excluding finance lease), operating leasing, purchase leased property domestically and internationally, disposal and maintenance of leased property residue, lease transaction consultancy and commercial factoring relating to principal activities. (Projects requiring approval according to the law may only commence operation upon obtaining approval from relevant authority.)

Shareholding: held as to 25% by Chenming (HK) Limited and 75% by Shandong Chenming Financial Leasing Co., Ltd.

As at 30 November 2017, its total assets, total liabilities and net assets amounted to RMB4,906,241,800, RMB21,429,700 and RMB4,884,812,100, respectively. Net profit recorded from January to November 2017 amounted to RMB183,407,000.(unaudited)

3. **Guangzhou Chenming Financial Leasing Co., Ltd. ("Guangzhou Chenming Leasing")**

Registered address: X1301-G4910 (cluster registration) (JM), (own building No.1), No. 106 Fengze East Road, Nansha District, Guangzhou

Legal representative: Chang Desheng

Registered capital: RMB1,000 million

Date of establishment: 17 November 2017

Scope of business: financial leasing (limited to foreign investment corporate operations), leasing, lease transaction consultancy and guarantee, purchase leased property domestically and internationally, disposal and maintenance of leased property residue and, concurrently, commercial factoring relating to principal activities (limited to financial leasing corporate operation)

Shareholding: held as to 25% by Chenming (HK) Limited and 75% by Shandong Chenming Financial Leasing Co., Ltd.

4. Shandong Chenming Financial Leasing Co., Ltd. ("Shandong Chenming Leasing")

Registered address: 35th floor, building no.2, Shuntai Square, No.2000 Shunhua Road, Gaoxin District, Jinan

Legal representative: Chang Desheng

Registered capital: RMB7,700 million

Date of establishment: 21 February 2014

Scope of business: financial leasing, operating leasing, purchase leased property domestically and internationally, disposal and maintenance of leased property residue, lease transaction consultancy and commercial factoring relating to secondary and principal activities. (Projects requiring approval according to the law may only commence operation upon obtaining approval from relevant authority.)

Shareholding: held as to 100% by Chenming (HK) Limited

As at 30 November 2017, its total assets, total liabilities and net assets amounted to RMB37,442,417,100, RMB29,369,690,700 and RMB8,072,726,300, respectively. Net profit recorded from January to November 2017 amounted to RMB579,431,400. (unaudited)

5. Shangdong Chenming Commercial Factoring Co., Ltd. ("Shandong Chenming Factoring")

Registered address: 3515, 35th floor, Shunhua Plaza building no.2, 2000 Shunhua Road, Gaoxin District, Jinan, Shandong Province

Legal representative: Chang Desheng

Registered capital: RMB200 million

Date of establishment: 12 June 2017

Scope of business: domestic factoring, export factoring and consultation on commercial factoring, corporate management consultation and assets evaluation services. (Projects requiring approval according to the law may only commence operation upon obtaining approval from relevant authority.)

Shareholding: held as to 100% by Jinan Chenming Investment Management Co., Ltd.

As at 30 November 2017, its total assets, total liabilities and net assets amounted to RMB965,113,600, RMB816,215,400 and RMB148,898,300, respectively. Net profit recorded from January to November 2017 amounted to -RMB1,101,700. (unaudited)

III. Main contents of the guarantees

With the total amount of credit facilities granted by the relevant institutions, the related subsidiaries will enter into financing contracts with the relevant institutions according to their actual business needs, and the final guarantee amount in total will not exceed the guarantee amount granted under this resolution.

IV. Opinion of the Board

The above guaranteed companies are the wholly-owned subsidiaries of the Company and the Company has absolute control over them. They have stable operation and credit standing in good condition. The risk exposures of the guarantees are controllable. The loans are mainly used as working capital for operation and for the development of business. The guarantees provided by the Company do not prejudice the interests of the Company and its shareholders.

The provision of guarantees do not constitute a breach of the relevant requirements of the Notice on Certain Issues in Respect of Regulating the Funds Between Listed Companies and Related Parties and External Guarantee of Listed Companies (Zheng Jian Fa [2003] No. 56) and the Notice on Regulating the External Guarantee of Listed Companies (Zheng Jian Fa [2005] No. 120). The Company will reinforce its management of and control over the capital and operation of the aforementioned companies to avoid guarantee risks.

V. Opinion of independent directors

The guaranteed companies are the wholly-owned subsidiaries of the Company and the Company has absolute control over them. They have stable operation and credit standing in good condition. The risk exposures of the guarantees are controllable. The loans of the aforementioned companies are mainly used as working capital for operation and for the development of business. The guarantees provided by the Company do not prejudice the interests of the Company and its shareholders. The Company is able to duly perform its information disclosure obligation regarding the external guarantees strictly in accordance with the relevant requirements of the Notice on Regulating the External Guarantees Provided by Listed Companies and the Articles of Association. The decision-making procedures for provision of guarantees are legal, and do not prejudice the interests of the Company and its shareholders.

VI. Aggregate amount of external guarantees and amount of overdue guarantees

As of the date of this announcement, the balance of guarantees provided by the Company to controlling subsidiaries was RMB18,870 million, and the balance of guarantees provided to joint ventures was RMB80 million. There was no other external guarantee provided by the Company. Including the provision of this guarantee to the aforementioned wholly-owned subsidiaries amounting to RMB 12,000 million, the external guarantees provided by the Company was RMB30,950 million (including guarantees provided to controlling subsidiaries amounting to RMB30,870 million and guarantees provided to joint ventures amounting to RMB80 million), accounting for 139.30% of the latest audited net assets of the Company. There was no overdue external guarantee provided by the Company.

Notice is hereby given.

The Board of Shandong Chenming Paper Holdings Limited
29 January 2018