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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)

THE PROPOSED ISSUE OF CORPORATE BONDS IN AGGREGATE OF NO MORE THAN RMB2.0 BILLION

This announcement is made by Shandong Chenming Paper Holdings Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”, Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (the “**Board**”) of the Company is pleased to announce that at the eighth meeting of the tenth session of the Board held on 28 March 2024, it was resolved to approve the proposed issue of corporate bonds in aggregate of no more than RMB2.0 billion (inclusive) or equivalent in foreign currency (the “**Overseas Bonds**”) overseas by the Company or through Meilun (BVI) Limited, an overseas wholly-owned subsidiary of the Company. The Company or other unrelated parties will provide guarantee of no more than RMB2.0 billion (inclusive) (the “**Guarantee**”), or other credit enhancement measures for this issue.

The issue of the Overseas Bonds is subject to the approval from the Company’s shareholders (the “**Shareholders**”) by special resolution at the annual general meeting of the Company for 2023 to be held on 14 May 2024 (the “**AGM**”). A circular containing, among others, (i) details of the issue of the Overseas Bonds; and (ii) the notice of the AGM will be dispatched to the Shareholders as soon as practicable.

Particulars of the issue of the Overseas Bonds, if proceeds, are as follows:

1. Issuer

The issuer will be the Company or Meilun (BVI) Limited, an overseas wholly-owned subsidiary of the Company.

2. Size of issue

The Overseas Bonds to be issued shall be not more than RMB2.0 billion (inclusive) or equivalent in foreign currency (converted at the foreign exchange rates at the time of issue), and shall be either issued in one or multiple tranches. The specific amount is subject to the amount reviewed or registered by the competent authority in China.

3. Term of issue

Not more than 5 years (inclusive, may be issued in tranches).

4. Coupon rate

The coupon rate will be determined with reference to the foreign bond market conditions at the time of issue.

5. Use of proceeds

The proceeds will be used to replace domestic and overseas debts, purchase raw materials, replenish working capital, and for project construction.

6. Guarantee and other arrangements

The Company will select a guarantee or other credit enhancement methods based on market conditions, including but not limited to a surety guarantee with unconditional and irrevocable joint liability provided by the Company, a standby letter of credit provided by a bank, or a guarantee provided by a credit enhancement company. Specific arrangements will be determined by the Company's management, with authorization from the Board, as to be authorized and approved by the AGM, based on the issue structure and other relevant circumstances during the project implementation.

7. Place of Listing

The Stock Exchange or other overseas Exchanges.

8. Term of validity of the resolution

The resolution on the issue of the Overseas Bonds is valid for 60 months from the date of approval at the AGM.

9. Authorization in relation to the issue of the Overseas Bonds

In order to ensure the orderly and efficient execution of the issue of the Overseas Bonds, the Board will propose the AGM to approve the Board's authorization to the management of the Company to handle matters related to the issue of the Overseas Bonds according to the above issue plan, including but not limited to: (1) formulate the specific issue plan for the issue of the Overseas Bonds and amend and adjust the issue clauses of the Overseas Bonds, including but not limited to matters related to the Overseas Bonds application and issue such as specifically determining the timing of the issue, issue size, the number of issue tranches, bond interest rate or its determination method within the scope permitted by laws and regulations and according to the specific conditions of the Company and the market; (2) decide on the engaging of underwriters and other intermediaries that will provide services for applying for the issue of the Overseas Bonds; (3) sign contracts, agreements and documents related to the issue of the Overseas Bonds, including but not limited to issue application documents, underwriting agreements, various announcements; (4) complete necessary procedures, including but not limited to relevant registration procedures; (5) carry out all other necessary matters related to the issue of the Overseas Bonds; and (6) the authorization period starts from the date when the resolution on the issue of the Overseas Bonds is approved at the AGM until the date when the AGM resolution on the issue of the Overseas Bonds expires.

The Company will provide guarantee for the issue of the Overseas Bonds by Meilun (BVI) Limited. The guarantee methods include but not limited to provision by the Company of surety guarantee with unconditional and irrevocable joint liability, and the scope of guarantee includes the principal and interest of the Overseas Bonds to be issued by Meilun (BVI) Limited. The guarantee agreement has not yet been signed, and its final terms will be determined upon signing. The guarantee particulars are as follows:

Guaranteed party: Meilun (BVI) Limited

Establishment: 30 August 2018

Domicile: No. 3170, Road Town, Tortola Island, British Virgin Islands

Director: Jia Guanlei

Registered capital: USD50,000

Business scope: import and export trade of paper products such as machine-made paper and paper board, raw materials for paper making and paper making machinery.

Equity structure: Shandong Chenming Paper Sales Company Limited, a wholly-owned subsidiary of the Company, holds 100% equity interest in it.

Meilun (BVI) Limited was established mainly for issuing Overseas Bonds of the Company, and has no other business operations.

Meilun (BVI) Limited is not a judgment debtor who has lost trust.

As of the date of announcement, the aggregate balance of external guarantees provided by the Company and its controlling subsidiaries was RMB13.596 billion, accounting for 81.45% of the latest audited net assets of the Company. In particular, the aggregate balance of guarantees provided by the Company and its controlling subsidiaries to the entities outside the scope of the consolidated financial statements was RMB841 million, accounting for 5.04% of the latest audited net assets of the Company. The Company has no overdue external guarantees.

The Board believes that the issue of the Overseas Bonds through Meilun (BVI) Limited, an overseas wholly-owned subsidiary of the Company, will meet the business development needs of the Company, optimize the financing structure of the Company, promote sustainable and stable growth of the Company, and enhance the overall profitability and competitiveness of the Company. As the guaranteed party Meilun (BVI) Limited is a wholly-owned subsidiary of the Company and the Company has absolute control over it, the guarantee risk is manageable. The Company's provision of this guarantee for the issue of the Overseas Bonds will not harm the interests of the Company or its shareholders.

As of the date of this announcement, no binding agreement on Overseas Bonds has been entered into, and the Overseas Bonds may not materialize. The Shareholders and potential investors should be cautious when trading the shares of the Company. The Company will issue a further announcement when it reaches a binding agreement on the Overseas Bonds.

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

Shandong, the PRC
28 March 2024

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Hu Changqing, Mr. Li Xingchun, Mr. Li Feng and Mr. Li Weixian; 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, Mr. Yang Biao and Mr. Li Zhihui.

** For identification purposes only*