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山東晨鳴紙業集團股份有限公司
SHANDONG CHENMING PAPER HOLDINGS LTD.*
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1812)

**ISSUE OF U.S. DOLLAR DENOMINATED GUARANTEED SENIOR NOTES
BY MEILUN (BVI) LIMITED**

Reference is made to the announcement of the Company dated 1 August 2019 in respect of the proposed Notes Issue by the Issuer to be unconditionally and irrevocably guaranteed by the Company.

On 1 August 2019, the Issuer and the Company entered into the Purchase Agreement with Zhongtai International, AMTD, Admiralty Harbour and ABC International in connection with the Notes Issue.

The Group intends to use the net proceeds of the Notes Issue to refinance existing onshore and offshore indebtedness. The Group may adjust its plans in response to changing market conditions and thus, reallocate the use of the net proceeds.

No PRIIPs key information document (KID) has been prepared as the Notes are not available to retail investors in the EEA.

Application will be made for a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

Reference is made to the announcement of the Company dated 1 August 2019 in respect of the proposed Notes Issue. The Board is pleased to announce that on 1 August 2019, the Issuer and the Company entered into the Purchase Agreement with Zhongtai International, AMTD, Admiralty Harbour and ABC International in connection with the Notes Issue.

THE PURCHASE AGREEMENT

Date: 1 August 2019

Parties to the Purchase Agreement

- (a) the Issuer, an indirect wholly-owned subsidiary of the Company;
- (b) the Company as the guarantor;
- (c) Zhongtai International;
- (d) AMTD;
- (e) Admiralty Harbour; and
- (f) ABC International.

Zhongtai International, AMTD and Admiralty Harbour are the joint global coordinators, which are, together with ABC International, the joint bookrunners and the joint lead managers in respect of the offer and sale of the Notes. They are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Zhongtai International, AMTD, Admiralty Harbour and ABC International is an independent third party and not a connected person of the Company and its connected persons.

The Notes, the Parent Guarantee and the Subsidiary Guarantees, if any, have not been, and will not be, registered under the Securities Act. The Notes will only be offered outside the United States in offshore transactions in compliance with Regulation S under the Securities Act, and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes will be offered to the public in Hong Kong.

No PRIIPs key information document (KID) has been prepared as the Notes are not available to retail investors in the EEA.

Principal terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes and the Parent Guarantee, if any.

Notes Offered

Subject to certain conditions to completion, the Issuer will issue the Notes in the aggregate principal amount of US\$163,000,000. The Notes will mature on 28 April 2022, unless earlier redeemed in accordance with the terms thereof.

Offering Price

The offering price of the Notes will be 100% of the principal amount of the Notes.

Interest and Interest Payment Dates

The Notes will bear interest from and including 6 August 2019 at a rate of 9.0% per annum, payable semi-annually in arrears on 6 February and 6 August of each year, commencing on 6 February 2020, except that the last payment of interest, to be made on the maturity date, will be in respect of the period from and including 6 February 2022 to but excluding the maturity date.

Ranking of the Notes

The Notes are (1) general obligations of the Issuer; (2) senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes; (3) at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Notes Guarantors on a senior basis, subject to certain limitations; (5) effectively subordinated to the other secured obligations of the Issuer and the Notes Guarantors, to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the Notes.

Covenants

The Indenture will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur additional indebtedness and issue disqualified or preferred stock;
- (b) make investments or other specified restricted payments;
- (c) issue or sell capital stock of certain of its subsidiaries;
- (d) guarantee indebtedness of certain of its subsidiaries;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (i) enter into transactions with certain shareholders or affiliates; and
- (j) effect a consolidation or merger.

Events of Default

The Notes contain certain customary events of default, including default in the payment of principal or of any premium on the Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the Indenture. If an event of default occurs and is continuing, the trustee under the Indenture, or the holders of at least 25% of the Notes may declare the principal of the respective series of the Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Optional Redemption

The Notes may be redeemed in the following circumstances:

- (1) At any time prior to 28 April 2022, the Issuer may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest (if any) to (but not including), the redemption date.
- (2) At any time and from time to time prior to 28 April 2022, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 109.0% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

REASONS FOR THE NOTES ISSUE

The Group intends to use the net proceeds of the Proposed Notes Issue to refinance existing onshore and offshore indebtedness. The Group may adjust its plans in response to changing market conditions and, thus, reallocate the use of the net proceeds.

LISTING

The Issuer will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set forth below unless the context requires otherwise:

“ABC International”	ABCI Capital Limited
“Admiralty Harbour”	Admiralty Harbour Capital Limited
“AMTD”	AMTD Global Markets Limited
“Board”	the board of Directors
“Company”	Shandong Chenming Paper Holdings Ltd.*, an exempted company incorporated in the PRC with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1812)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EEA”	European Economic Area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the written agreement entered into between the Issuer, the Company and China Construction Bank (Asia) Corporation Limited as trustee, that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date
“Issuer”	Meilun (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“Notes”	the US\$163,000,000 9.0% senior notes due 2022 to be issued by the Issuer and unconditionally and irrevocably guaranteed by the Company
“Notes Guarantors”	the Company and its subsidiaries which provide the Parent Guarantee
“Notes Issue”	the issue of the Notes by the Issuer
“Parent Guarantee”	the unconditional and irrevocable guarantee to be provided by the Company for the due and punctual payment by the Issuer of the principal of, premium, if any, interest on, and all other amounts payable under the Notes

“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region and Taiwan for the purpose of this announcement
“PRIIPs”	Packaged retail and insurance-based investment products (2002/92/EC)
“Purchase Agreement”	the agreement dated 1 August 2019 entered into by and between the Issuer, the Company, Zhongtai International, AMTD, Admiralty Harbour and ABC International in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantee to be provided by the Subsidiary Guarantors for the due and punctual payment by the Issuer of the principal of, premium, if any, interest on, and all other amounts payable under the Notes
“Subsidiary Guarantors”	the future subsidiary guarantors of the Notes
“U.S. Dollars” or “US\$”	United States dollar(s), the lawful currency of the United State
“United States”	the United States of America
“Zhongtai International”	Zhongtai International Securities Limited
“%”	per cent.

By order of the Board
Shandong Chenming Paper Holdings Ltd.
Chen Hongguo
Chairman

Shandong, PRC
2 August 2019

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Hu Changqing, Mr. Li Xingchun and Mr. Chen Gang; 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*