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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 13.09 of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”).

Shandong Chenming Paper Holdings Limited published “Shandong Chenming Paper Holdings Limited: Announcement in respect of Resolutions of the Fourth Meeting of the Sixth Session of the Board of Directors” dated 28 October 2010 on the website of the Shenzhen Stock Exchange and newspapers in the PRC. The following is a translation of the official announcement solely for the purpose of providing information.

By order of the Board
Chen Hongguo
Chairman

28 October 2010

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Yin Tongyuan, Mr. Li Feng, Mr. Geng Guanglin, Mr. Tan Daocheng, Mr. Hou Huancai and Mr. Zhou Shaohua, the non-executive Directors are Mr. Cui Youping, Ms. Wang Fengrong and Mr. Wang Xiaoqun and the independent non-executive Directors are Mr. Wang Aiguo, Mr. Zhang Zhiyuan, Mr. Wang Xiangfei, Ms. Wang Yumei and Ms. Zhang Hong.

* *For identification purposes only*

Stock abbreviation:
Chenming Paper, Chenming B

Stock code:
000488 200488

Announcement
No.: 2010-032

Shandong Chenming Paper Holdings Limited

Announcement in respect of Resolutions of the Fourth Meeting of the Sixth Session of the Board of Directors

Notice of the Fourth Meeting of the Sixth Session of the board (“Board”) of directors (“Directors”) of Shandong Chenming Paper Holdings Limited (“the Company”) was despatched to all Directors by fax, post, etc on 13 October 2010, and the said meeting was held at the second floor conference room of Chenming International Hotel on 28 October 2010. All of the 15 Directors were present at the meeting. The meeting was convened in compliance with the relevant PRC laws and regulations and the articles of association of the Company.

The following resolutions of this Board meeting were considered and passed unanimously by the Directors present at the meeting by way of poll:

I. The full text of the 2010 third quarterly report and its original text were considered and approved;

The voting result of this resolution: votes in favour of: 15; votes against: 0; votes abstained: 0.

II. The issuance of medium term notes was considered and approved;

To reduce the finance costs of the Company and optimize its financing structure, the Board approved of the issuance of medium term notes of not more than RMB3.7 billion. The proceeds raised from the issuance of medium term notes will be used to repay the Company’s bank borrowings and supplement its working capital. The principal terms of the issuance are as follows:

1. Size: principal amount of not more than RMB3,700,000,000 and can be issued in tranches
2. Term: five to seven years
3. Interest rate: to be determined according to the market conditions prevailing at the time of issuance, but in no event higher than the best rate for bank loans quoted by the People’s Bank of China for the corresponding period
4. Guarantee: no guarantee will be provided by the Company

The management of the Company are authorised by the Board to deal with the matters relating to the issuance of the medium term notes, including but not limited to: (1) all relevant matters with respect to application for and issuance of the medium term notes including the timing of the issuance, the number of tranches, and the interest rates; (2) executing necessary documents, including but not limited to application documents, underwriting agreements, announcements of all types for disclosure; (3) completing necessary procedures, including but not limited to, completing relevant registration; and (4) taking all other necessary actions.

The Company will arrange the preparation of the issuance of medium term notes and complete the related procedures according to the relevant requirements upon approval of the shareholders' meeting. The issuance of medium term notes is also pending for the approval by National Association of Financial Market Institutional Investors.

This resolution is pending for the approval of the shareholders' meeting by special resolution of the Company.

The voting result of this resolution: votes in favour of: 15; votes against: 0; votes abstained: 0.

III. Provision of guarantee for the facilities of Shandong Chenming Paper Sales Company Limited, a wholly-owned subsidiary, by the Company was considered and approved;

To expand the sales business, the Board approved of provision of the total guarantee not exceeding RMB2.0 billion for the general facilities granted to Shandong Chenming Paper Sales Company Limited, a wholly-owned subsidiary of the Company (hereinafter the "Sales Company"), by the Company according to the particular business conditions of the Sales Company currently prevailing.

The Board also requested the shareholders' meeting to approve that the management of the Company be authorised by the Board to be responsible for completing the related procedures and execution of the related documents relating to the provision of guarantee in respect of the banking facilities granted to the Sales Company.

This resolution is pending for the approval of the shareholders' meeting by special resolution of the Company.

The voting result of this resolution: votes in favour of: 15; votes against: 0; votes abstained: 0.

IV. Provision of guarantee for the banking facilities granted to Meilun Paper, a wholly-owned subsidiary, by the Company was considered and approved

To ensure the funding for the project construction, the Board approved of provision of the guarantee not exceeding RMB6.0 billion for Shouguang Meilun Paper Co., Ltd., a wholly-owned subsidiary, in respect of banking facilities including but not limited to bank borrowings or trade finance for a term of ten years. The Board also requested the shareholders' meeting to approve that the management of the Company be authorised by the Board to be responsible for completing the related procedures and execution of the related documents relating to the provision of guarantee in respect of the loans granted to Shouguang Meilun Paper Co., Ltd.

This resolution is pending for the approval of the shareholders' meeting by special resolution of the Company.

The voting result of this resolution: votes in favour of: 15; votes against: 0; votes abstained: 0.

V. Provision of an entrusted loan to Qihe Chenming, a wholly-owned subsidiary, by the Company was considered and approved;

To lower the finance expenses of the Company and its subsidiaries, the Board approved of granting RMB400 million of internal funds to Shandong Chenming Paper Group Qihe Paperboard Co., Ltd., a wholly-owned subsidiary, through the relevant banks in the form of an entrusted loan which may be utilised to repay the borrowings to be due. The entrusted loan is made for terms of three years (which may be revolved during the term of the loan) at the rate of bank loans for the same period minus 10% per annum.

For the details of this entrusted loan, please refer to the relevant announcement of the Company disclosed on the same day.

The management of the Company are authorised by the Board to be responsible for completing the related procedures and execution of the related agreements relating to the entrusted loan.

The voting result of this resolution: votes in favour of: 15; votes against: 0; votes abstained: 0.

VI. Appointment of PRC and international auditors for the year of 2010 was considered and approved;

Deloitte Touche Tohmatsu Certified Public Accountants Ltd. and Deloitte Touche Tohmatsu were engaged as the PRC and international auditors of the Company for the year of 2009. Their engagement came to an end upon publication of the 2009 auditors' reports according to the agreed terms of engagement.

The Board approved of appointment of RSM China CPAs and RSM Nelson Wheeler to be responsible for the PRC and international audit work of the Company for the year of 2010. The total audit fee will be RMB2 million.

This resolution is pending for the approval of the shareholders' meeting of the Company.

The voting result of this resolution: votes in favour of: 15; votes against: 0; votes abstained: 0.

VII. Annual caps of the continuing connected transaction of Jiangxi Chenming for the next three years were considered and approved;

To reduce the distribution cost, shorten the distribution cycle, and explore the overseas markets and make the distribution more efficient, thus enhancing the market position of the Company in the paper making industry, the Company, Jiangxi Chenming, Moorim Paper and Sappi China entered into an agreement for the sale and distribution of paper products (the "Jiangxi Sales and Distribution Agreement") on 3 December 2004. Jiangxi Chenming is owned as to 51% by the Company, 34% by Sappi (the beneficial owner of which is a third party independent of the Company), 7.5% by Moorim Paper and 7.5% by IFC. The principal activities of Sappi and Moorim Paper are the production and sales of various paper products. Sappi is a connected person of the Company under Rule 14A.11 of the Listing Rules of Hong Kong Stock Exchange. According to the information available, Sappi China Holdings BV ("Sappi China") is an associate of Sappi and therefore the sales of paper products to Sappi or Moorim Paper in the ordinary and usual course of business of Jiangxi Chenming constitute continuing connected transactions under the Hong Kong Listing Rules.

Given that the proposed caps of the total sales to Sappi for the next three years by the Company are RMB150 million per year, each of the applicable percentage ratios (except the profit ratio) (if applicable) on an annual basis is less than 5% under Chapter 14A of the Listing Rules of Hong Kong Stock Exchange. Accordingly, the transactions contemplated under the Jiangxi Sales and Distribution Agreement constitute continuing connected transactions of the Company exempt from independent shareholders' approval requirements under Rule 14A.34(1) of the Listing Rules of Hong Kong Stock Exchange and such transactions are only subject to reporting and announcement requirements under Rules 14A.45 to 14A.47, the annual review requirement under Rules 14A.37 to 14A.40 and the requirements as stipulated under Rules 14A.35(1) and 14A.35(2) of the Listing Rules of Hong Kong Stock Exchange.

For the details of the caps of this continuing connected transaction, please refer to the relevant announcement of the Company disclosed on the same day.

The voting result of this resolution: votes in favour of: 15; votes against: 0; votes abstained: 0.

VIII. Provision of guarantee for the RMB500 million notes issued by Chenming (HK), a wholly-owned subsidiary, by the Company was considered and approved;

Chenming (HK) Limited, a wholly-owned subsidiary established in Hong Kong by the Company, is responsible for the external trading of the Company and its subsidiaries. Its primary activities are sales of finished paper products and purchase of raw materials for manufacture of paper. To make full use of the financing platform in Hong Kong, broaden the financing channel of the Company and reduce the overall financing cost of the Company, the Board approved of the issuance of RMB500 million notes in Hong Kong by Chenming (HK) Limited to supplement its working capital for a term not more than 5 years. The Company will provide credit guarantee for the RMB500 million notes issued in Hong Kong by Chenming (HK) Limited.

The management of the Company are authorised by the Board to be responsible for completing the related procedures and dealing with the matters relating to the issuance of notes and provision of guarantee.

This resolution is pending for the approval of the shareholders' meeting by special resolution of the Company.

The voting result of this resolution: votes in favour of: 15; votes against: 0; votes abstained: 0.

IX. Convening of the 2010 second extraordinary general meeting was considered and approved;

For the details, please refer to the relevant announcement of the Company disclosed on the same day.

The voting result of this resolution: votes in favour of: 15; votes against: 0; votes abstained: 0.

Notice is hereby given.

The Board of Shandong Chenming Paper Holdings Limited
28 October 2010