

CHINA PAPER HOLDINGS LIMITED

("Company")

(Incorporated in Bermuda)

(Company Registration No. 34994)

- (A) **SUSPENSION OF TRADING IN SHARES**
 - (B) **RESIGNATIONS OF COMPANY SECRETARY AND INDEPENDENT DIRECTORS**
 - (C) **RIGHTS ISSUE PROCEEDS**
 - (D) **RULE 1304 OF THE LISTING MANUAL**
-

(A) **Suspension of Trading in Shares**

The Company wishes to inform shareholders that it has applied to the Singapore Exchange Securities Trading Limited ("SGX-ST") for a suspension of trading in its shares with effect from 9:00 a.m. of Monday, 27 January 2014. The Company is making the application pursuant to Rule 1303(4) of the SGX-ST Listing Manual ("Listing Manual") as it has found itself unable to comply with the continuing listing requirements of the Listing Manual.

Pursuant to Rule 705(2) of the Listing Manual, the Company is required to announce its third quarter financial statements for the financial period ended 30 September 2013 by 14 December 2013 and its full year financial statements for the financial year ended 31 December 2013 by 28 February 2014. Pursuant to Rule 707(1) of the Listing Manual, the Company is also required to hold its annual general meeting for the financial year ended 31 December 2012 by 31 December 2013 and for the financial year ended 31 December 2013 by 30 April 2014.

The Company is unable to comply with the above as it has not been able to engage a suitably qualified person to take on the responsibilities of financial controller since the resignation of the Company's assistant financial controller, even though the Company has identified candidates and interviewed them. The candidates have turned down the Company's offer as the Company is currently restricted by the PRC authorities from making any remittance of monies outside of the PRC (including remittances by the subsidiaries to the Company to pay for services rendered by professional service providers to the Company outside of the PRC), and the appointee would have had to wait for these restrictions to be lifted before remuneration may be paid to the appointee.

The restrictions on such external remittance were imposed since September 2013 as the authorities have, as part of their inspection of the Company's PRC subsidiaries, identified payments made by the Company's PRC subsidiaries within the PRC for liabilities incurred by the Company outside of the PRC relating to services provided to the Company, which the authorities were of the view were contrary to applicable PRC foreign exchange laws and regulations. Pursuant to the Company's interactions with the authorities, the latter have indicated that, subject to the PRC subsidiaries' compliance with applicable laws and regulations, these restrictions may be lifted by the authorities subsequent to the current year's annual inspection by the authorities, which is expected to take place in June 2014.

The Company intends to ensure the PRC subsidiaries' compliance and is also actively engaging the authorities to resolve the issue, so that such restrictions may be lifted as soon as possible. The Company has also reviewed its external payment procedures so that going forward, the Company will be in a position to ensure full compliance with all PRC legal and regulatory requirements in making any payments.

(B) **Resignation of Company Secretary and Independent Directors**

Due to the restrictions on the PRC subsidiaries on making remittances outside of the PRC (including to the Company for services provided to the Company), the corporate secretarial service provider to the Company together with its nominee corporate secretary have resigned on the date hereof and ceased to provide their services to the Company.

The independent directors of the Company, Prof Ling Chung Yee Roy (chairman of the audit committee and nominating committee and member of the remuneration committee) and Mr Tan Song Kwang (chairman of the remuneration committee and members of the audit committee and nominating committee) have also resigned on the same date, citing their inability to fully discharge their fiduciary duties due to the lack of external professional assistance and corporate support. Subsequent to their resignations, the board of directors of the Company ("**Board**") comprises Messrs Chen Yong (Executive Chairman), Li Hanpu (Managing Director), Li Pengju (Executive Director), Qiao Yougang (Executive Director) and Li Jun (Non-Executive Independent Director).

The Company will be taking active steps to reconstitute its audit committee, remuneration committee and nominating committee in accordance with the Listing Manual and the Code of Corporate Governance.

(C) Rights Issue Proceeds

The Board would like to assure shareholders that the net proceeds of approximately S\$32.3 million from the rights issue of the Company completed on 6 November 2012 have not been utilized and continue to be maintained in an account with a reputable licensed financial institution in the PRC. The measures to safeguard these proceeds as announced by the Company on 19 February 2012 remain in place.

The Company will also announce any material disbursements of the rights issue proceeds via SGXNet as and when such disbursements occur. The Company will, in its annual report(s), provide a status report on the use of these proceeds and whether their use is in accordance with the stated use.

(D) Rule 1304 of the Listing Manual

The Company notes Rule 1304 of the Listing Manual, which requires the Company to submit a proposal to the SGX-ST with a view to resuming trading within 12 months of the date of suspension, failing which the SGX-ST may remove the Company from the SGX-ST.

The Company will work towards resolving the aforementioned issues to the satisfaction of the SGX-ST, so that its shares may resume trading as soon as possible. In the meantime, the Company will keep shareholders updated of further material developments.

By Order of the Board

Qiao You Gang
Executive Director

24 January 2014