



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)

**ANNOUNCEMENT IN RELATION OF  
THE ESTIMATED INCREASE  
IN THE PERFORMANCE RESULTS**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is also published on the website of the Shenzhen Stock Exchange and newspapers in the PRC.

Shandong Chenming Paper Holdings Limited (the “Company”) and all members of the board (the “Board”) of directors (“Directors”) hereby warrant the truthfulness, accuracy and completeness of this announcement and confirm that there are no false presentations or misleading statements contained in, or material omissions from, this announcement.

**I. The Estimated Performance Results for the Current Period**

1. Period of the Estimated Performance Results: 1 January 2008 to 30 September 2008;
2. Estimation on the Performance Results: In accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China in 2006, it is estimated that the net profit of the Company for the first three quarters of 2008 will increase 50%-100% over the corresponding period of 2007;
3. The estimation on the performance results has not been audited by certified public accountants.

## II. Performance Results for the Corresponding Period of Last Year (PRC Accounting Standards)

The unaudited net profit and the earnings per share of the Company for the first three quarters of 2008 were RMB685,222,517.53 and RMB0.46 per share respectively.

## III. Reason of the Estimated Increase in the Performance Results

The Company estimates that there will be a significant increase in accumulated net profit for the period from 1 January 2008 to 30 September 2008 over the corresponding period of last year, primarily because the production line of super coated art paper with an annual production capacity of 300,000 tonnes and the production line of light weight coated paper in Jilin with an annual production capacity of 180,000 tonnes were put into full operation in 2008, and the production line of de-inked waste paper pulp in Shouguang City, Shandong with an annual production capacity of 98,000 tonnes and the production line of chemical pulp in Jilin with daily production capacity of 300 tonnes have commenced operations. Increases in sales volume of products for the first three quarters of 2008 and the increase in prices of the Company's main products in varying levels over the corresponding period of last year have led to a significant growth in profit of our core businesses.

Details of the above relevant financial information will be disclosed in the Company's report for the third quarter of 2008. Investors are advised to exercise caution in respect of investment risks.

By order of the Board  
**Chen Hongguo**  
Chairman

28 August 2008

*As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Yin Tongyuan, Mr. Li Feng, Mr. Xing Fangtong, Mr. Wu Bingyu, Mr. Hou Huancai and Mr. Zhou Shaohua, the non-executive Directors are Mr. Gan Zhihe, Mr. Zhao Wei and Mr. Cao Chunyu and the independent non-executive Directors are Mr. Diao Yuntao, Mr. Wang Zhihua, Ms. Zhou Chengjuan, Ms. Wang Yumei and Mr. Lau Ying Kit.*

*\* For identification purposes only*