



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  
TO ADJUSTMENT IN 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 that the information disclosed herein are true, accurate, complete and accept responsibility for any misrepresentations, misleading statements or material omissions herein.**

**I. Estimate of Performance Results for the Current Period**

1. Period of Estimate of Performance Results: 1 January 2008 to 30 June 2008;
2. Adjustment in Estimated Increase in 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, the Company has carried out a preliminary estimate of the financial data for the first half year of 2008. It is estimated that the net profit of the Company for the first half year of 2008 will increase by 100%–150% period-on-period over the corresponding period of 2007;
3. The adjustment to the estimate of 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 earning per share for the first half year of 2007 of the Company were RMB388,928,937.34 and RMB0.26 per share, respectively.

### **III. Differences between the Estimates of Performance Results Disclosed Previously**

On April 29, 2008, the Company published an announcement on the estimated increase in the performance results of the Company on China Securities Journal, Hong Kong Commercial Daily and www.cninfo.com.cn. It is estimated that the net profit for the first half year of 2008 would increase by 50%–100% period-on-period over the same period of last year. Based on the actual operating condition for the first half year of 2008, the Company initially estimated that the net profit for the first half year of 2008 will increase by 100%–150% period-on-period over the same period of last year.

### **IV. Explanation of Adjustment in Estimated Increase in Performance Results**

The Company estimates that the increase in accumulated net profit for the period from January 1, 2008 to June 30, 2008 period-on-period over the corresponding period of last year has to be adjusted from 50%–100% to 100%–150%, primarily because the previous estimated increase in performance results was based on the financial information for the first quarter of 2008. 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 operation. Furthermore, increases in sales volume of products for the second quarter of 2008 and the increase in prices of the Company's main paper products in varying levels have led to growth in profit of our core businesses.

Details of the above relevant financial information will be disclosed in the 2008 Interim Report of the Company. Investors are advised to exercise caution in respect of investment risks.

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

August 1, 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*