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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 on The Stock Exchange of Hong Kong Limited.

Shandong Chenming Paper Holdings Limited published “Shandong Chenming Paper Holdings Limited: Announcement in respect of Resolutions of the Fourteenth Meeting of the Fifth Session of the Board of Directors” dated 8 June 2009 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

8 June 2009

As at the date of this announcement, the executive Directors are Mr. Chen Hongguo, Mr. Yin Tongyuan, Mr. Li Feng, Mr. Hou Huancai, Mr. Zhou Shaohua, Mr. Geng Guanglin and Mr. Tan Daocheng, 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*

Stock Short Name:
Chenming Paper, Chenming B

Stock Code:
000488 200488

Announcement No.:
2009-015

Shandong Chenming Paper Holdings Limited

Announcement in respect of Resolutions of the Fourteenth Meeting of the Fifth Session of the Board of Directors

The Board (the “Board”) of directors (“Director(s)”) of Shandong Chenming Paper Holdings Limited (the “Company”) and all members of the Board hereby warrant that there are no misrepresentations, misleading statements or material omissions in this announcement and accept joint and several responsibility for the truthfulness, accuracy and completeness of its content.

Notice of the Fourteenth Meeting of the Fifth Session of the Board of Directors was despatched by the Company to all Directors in writing or by post on 26 May 2009, and the said meeting was held at the conference room of Chenming International Hotel in Shouguang City on 8 June 2009. All of the 15 Directors were present at the meeting which was convened in compliance with the relevant PRC laws and regulations and the articles of association of the Company.

The following resolutions were considered and passed unanimously by the Directors present at the meeting:

1. The resolution on the construction of a high-end low weight coated paper project was hereby considered and approved

To increase the proportion of high-end paper products, enhance overall competitiveness and fully leverage on the economy of scale of the Company, the Company intends to construct a high-end low weight coated paper project with an annual production capacity of 800,000 tonnes in Shouguang City. Meilun Paper, a company to be established by the Company, will be responsible for the construction and operation of the project.

The total investment amount for this project is approximately RMB5.2 billion, of which RMB5.068 billion and RMB0.132 billion will be used for project construction investment and working capital respectively. This project will be financed by funds raised by the Company and bank loans, and its construction period is 18 months. According to a preliminary projection based on the current market conditions, 800,000 tonnes of high-end low weight coated paper will be produced per year, with sales revenue of approximately RMB5.37 billion, profit and tax of approximately RMB1.164 billion in aggregate and profit of approximately RMB0.85 billion to be realized each year upon completion and commissioning of the project.

This project is pending for consideration at the 2009 First Extraordinary General Meeting of the Company and is subject to the approval by the relevant governmental authorities in the PRC.

It is proposed that the Board be granted approval by the 2009 First Extraordinary General Meeting of the Company to authorize the management of the Company to complete the related procedures arising from the implementation of this project.

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

2. The resolution on the construction of a high-end white coated linerboard project was hereby considered and approved

To increase the proportion of high-end paper products, enhance overall competitiveness and fully leverage on the economy of scale of the Company, the Company proposes to construct a high-end white coated linerboard project with an annual production capacity of 600,000 tonnes in Shouguang City. Meilun Paper, a company to be established by the Company, will be responsible for the construction and operation of the project.

The total investment amount for this project is RMB2.6 billion, of which RMB2.5 billion and RMB0.1 billion will be used for project construction investment and working capital respectively. This project will be financed by funds raised by the Company and bank loans, and its construction period is 18 months. According to a preliminary projection based on the current market conditions, 600,000 tonnes of high-end white coated linerboard will be produced per year, with sales revenue of approximately RMB2.33 billion, profit and tax of approximately RMB0.594 billion in aggregate and profit of approximately RMB0.43 billion to be realized each year upon completion and commissioning of the project.

This project is pending for consideration at the 2009 First Extraordinary General Meeting of the Company and is subject to the approval by the relevant governmental authorities in the PRC.

It is proposed that the Board be granted approval by the 2009 First Extraordinary General Meeting of the Company to authorize the management of the Company to complete the related procedures arising from the implementation of this project.

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

3. The resolution on the construction of the project of Chenming International Logistics Center and the ancillary railway special line was hereby considered and approved.

Along with the increasing operational scale of the Company and the construction and operation of new projects, the estimated annual total volume of shipments transported to and from the headquarters of the Company will exceed 7 million tonnes. Thus, normal transportation demand in connection with our production is unlikely to be satisfied only by way of motor vehicle transportation. Therefore, the Company, after considering the local market conditions in Shouguang City, intends to construct a railway special line directly connecting to all plants at the headquarters of the Company and the ancillary Chenming International Logistics Center. Meilun Paper, a company to be established by the Company, will be responsible for the construction and operation of the project.

The planned total investment for this project amounts to RMB2 billion and the project will be financed by funds raised by the Company and bank loans, of which, total investment for the construction of Chenming International Logistics Center is RMB0.75 billion, mainly consisting of the construction of projects such as railway freight transit station, international logistics center, warehousing and transportation and logistics base; total investment for the construction of the railway special line is RMB1.25 billion, consisting of railway outside the plant area of 13 kilometers and sections within the plant area of 10 kilometers, with the purchase of one unit of ancillary shunting locomotive and the construction of a locomotive servicing station.

According to a preliminary projection, sales revenue of approximately RMB500 million and profit and tax of approximately RMB220.7 million in aggregate will be realized each year upon completion of all the above ancillary projects in respect of the logistics center.

This project is pending for consideration at the 2009 First Extraordinary General Meeting of the Company and is subject to approval by the relevant governmental authorities in the PRC.

It is proposed that the Board be granted approval by the 2009 First Extraordinary General Meeting of the Company to authorize the management of the Company to complete the related procedures arising from the implementation of this project.

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

4. The resolution on the establishment of Shouguang Meilun Paper Co., Ltd. through capital contribution by the Company was hereby considered and approved

To facilitate the management of the above high-end low weight coated paper project with an annual production capacity of 800,000 tonnes, the high-end white coated linerboard project with an annual production capacity of 600,000 tonnes and the project of Chenming International Logistics Center and the ancillary railway special line as well as the production and operation of the projects upon completion, the Board has resolved to establish Shouguang Meilun Paper Co., Ltd. (temporary name, the official name will be based on the name registered with the administration for industry and commerce under the PRC government, abbreviated as “Meilun Paper”), a wholly-owned subsidiary of the Company, through capital contribution in cash, with a registered capital of RMB20 million. Upon its establishment, Meilun Paper will be responsible for project determination, submission for approval, construction and operation in relation to the projects.

The Board has authorized the management to proceed with the registration and establishment of Meilun Paper in a timely manner in accordance with the conditions regarding the construction of the projects, and has granted full authority to Meilun Paper following its establishment to deal with the relevant matters in relation to the construction of the projects. Considering the relatively huge amount required for the construction of the above projects, the Company will offer necessary financial assistance to Meilun Paper in accordance with the progress achieved in the construction of the projects. This includes, but not limited to, increasing the amount of the registered capital and providing guarantees for bank loans granted to it. At that time, the Company will perform the corresponding consideration procedure and information disclosure obligations in accordance with the articles of association of the Company and other relevant requirements.

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

5. Resolution on the convening of the 2009 First Extraordinary General Meeting was hereby considered and approved.

The Board has resolved to convene the 2009 First Extraordinary General Meeting at the conference room of Chenming International Hotel in Shouguang

City, Shandong Province on Monday, 27 July 2009. For details of the notice of 2009 First Extraordinary General Meeting, please refer to the announcement of the Company published on China Securities Daily, Hong Kong Commercial Daily, the website of www.cninfo.com.cn, the Company's website (www.chenmingpaper.com), and the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) on the same date of this resolution announcement.

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

The Board of Shandong Chenming Paper Holdings Limited

8 June 2009