

January 12, 2009

APRIL's Shandong arm raised RMB7.5 billion to build China's biggest pulp and paper line

APRIL's (Asia Pacific Resources International Limited) Shandong arm – APRIL SSYMB Pulp & Paper, sealed a 10 year project finance loan agreement worth RMB7.5 billion in November last year, to construct one of the world's largest single pulp lines.

The participating banks include big four Chinese banks – the Industrial and Commercial Bank of China, Bank of China, Agricultural Bank of China, and China Construction Bank.

Upon completion, APRIL SSYMB's second expansion project of this one million tonne pulp line will make Rizhao, Shandong one of the biggest pulp production base in China. The existing integrated pulp and paperboard mill in Shandong has a designed annual production capacity of 315,000 tonnes of pulp and 170,000 tonnes of paperboard. With an investment of RMB11.3 billion on this second expansion, it will bring the annual pulp production capacity to 1.3 million tonnes from both pulp lines.

Dr. Cheam Soon Tee, president of APRIL China said, "The pulp and paper industry is an important raw material industry for the national economy, and being a capital-and technology-intensive industry with very significant economies of scale, it has a direct impact on the development of upstream and downstream industries."

He continued, "We are confident that the project can be completed and put into production as soon as possible, through this collaboration with the financial institutions. We hope to achieve a win-win situation by realising excellent operating performance in return for their support."

APRIL SSYMB's expansion project is one of the largest foreign investments in the Shandong Province, and has been listed as one of leading major projects there. When the project is completed and goes into production, not only will it have an enormous impact on the local economic development, it will also serve as a supply source for domestic manufacturers, providing them an alternative to importing of raw pulp material.

Based on a third-party feasibility study conducted on APRIL SSYMB's expansion project, the pulp and paper industry contributes to the GDP at a ratio of 1:3, and APRIL SSYMB's expansion project is expected to create a direct output value of nearly RMB6 billion, profits and taxes of nearly RMB1.4 billion; and nearly RMB34 billion in the development of relevant industries such as papermaking, printing, chemicals, transport, ports, among others.

APRIL SSYMB's mill is the first in China's pulp and paper industry to attain international standards certification under ISO 9001, ISO 14001 and OHSAS 18001 for quality, environment, and health and safety management, respectively. Its wastewater quality and air emission levels exceed the national and international environmental protection specifications required of the paper industry.

About APRIL SSYMB (www.aprilasia.com)

APRIL SSYMB's integrated pulp and paperboard mill is located in Rizhao, Shandong Province, and is one of the largest pulp producers in China. The mill is the first in China's pulp and paper

industry to attain international standards certification under ISO 9001, ISO 14001 and OHSAS 18001 for quality, environment, and health and safety management, respectively. Wastewater quality and air emission levels exceed the national and international environmental protection specifications required of the paper industry.