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**Qunxing Paper Holdings Company Limited**

**群星紙業控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3868)**

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “Meeting”) of Qunxing Paper Holdings Company Limited (the “Company”) will be held at the Company’s head office situated at San Li He, Chang Shang Town, Zouping County, Shandong Province, the PRC on Wednesday, 18 May 2011 at 10:00 a.m. for the following purposes:

### **Ordinary Business:**

1. To receive and consider the audited consolidated financial statements, the report of the directors and independent auditor’s report for the year ended 31 December 2010.
2. To approve the declaration of a final dividend of HK8.633 cents per share in scrip form with a cash option and a special cash dividend of HK3 cents per share for the year ended 31 December 2010.
3. To re-elect retiring directors and to authorise the board of directors to fix the directors’ remuneration.

### **Special Business:**

To consider and, if thought fit, to pass, with or without amendments, the following Resolution nos. 5, 6 and 7 as Ordinary Resolutions:

#### **4. “THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares (“Shares”) in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph(a) above shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to repurchase Shares at a price determined by the Directors;

- (c) the aggregate nominal amount of Shares which are authorised to be repurchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution, “Relevant Period” means the period from the date of passing of this Resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company (the “Articles of Association”) or any applicable laws to be held; or
  - (iii) the date upon which the authority set out in this Resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting.”

5. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any option scheme or similar arrangement of the Company for the granting or issuance of Shares or rights to acquire Shares; or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued or to be issued by the Company or any securities which are convertible into Shares; or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this Resolution:

“Relevant Period” shall have the same meaning as that ascribed to it under the Resolution no. 5 above; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

6. **“THAT** conditional upon the passing of the Resolution nos. 5 and 6 above, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to the Resolution no. 6 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to the Resolution no. 5 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution.”

By Order of the Board

**ZHU Yu Guo**

*Chairman*

Shandong, the PRC, 11 April 2011

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business*

*in Hong Kong:*  
Suite 1901A  
Exchange Tower  
33 Wang Chiu Road  
Kowloon Bay  
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*Notes:*

1. In relation to the Resolution no. 2 as set out in this notice, the Register of Members of the Company will be closed from Thursday, 12 May 2011 to Wednesday, 18 May 2011 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend and the attendance of the forthcoming annual general meeting, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited (the “Branch Share Registrar”) at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Wednesday, 11 May 2011.

2. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and to vote in his stead. A proxy needs not be a shareholder of the Company.
3. In case of the joint registered holders of any Shares, any one of such persons may vote at any meeting, either in person or by proxy; but if more than one of such joint holders be present at any meeting in person or by proxy, the said person whose name stands first on the Register of Members of the Company shall alone be entitled to vote in respect thereof.
4. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the Branch Share Registrar, not less than 48 hours before the time fixed for holding the Meeting.
5. With respect to the Resolution no. 3 as set out in this notice, Dr. Zhu Yu Guo, Ms. Sun Rui Fang and Mr. Zhao Wei will retire upon the conclusion of the Meeting and, being eligible, will offer themselves for re-election at the Meeting. The profiles of the above retiring Directors have been set out in a circular (the "Circular") of the Company dated 11 April 2011.
6. The Circular and the accompanying form of proxy have been sent to the shareholders on 11 April 2011.

*As at the date of this notice, the executive directors of the Company are Dr. ZHU Yu Guo (Chairman), Mr. ZHU Mo Qun (Vice-chairman) and Mr. SUN Zhen Shui; the non-executive director of the Company is Ms. SUN Rui Fang; the independent non-executive directors of the Company are Messrs. ZHAO Wei, WANG Lu and KWONG Kwan Tong.*