

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the prospectus dated 17 September 2007 (the “Prospectus”) issued by Qunxing Paper Holdings Company Limited (the “Company”) for detailed information about the International Placing and the Hong Kong Public Offer described below before deciding whether or not to invest in the Offer Shares thereby being offered in the Share Offer.

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the Prospectus.

The Stock Exchange and HKSCC take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Potential investors of the Hong Kong Public Offer Shares should note that the Hong Kong Public Offer Underwriters are entitled to terminate their obligations under the Hong Kong Public Offer Underwriting Agreement by notice in writing to be given by the Global Coordinator (acting on behalf of all the Hong Kong Public Offer Underwriters) upon the occurrence of any of the events set forth under “Grounds for termination” in the section headed “Underwriting” in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the scheduled Listing Date (which is currently expected to be on Tuesday, 2 October 2007).

In connection with the Share Offer, the Lead Manager as stabilising manager, or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period commencing from the Listing Date. There is no obligation on the Lead Manager or any person acting for it to conduct any such stabilising activity. Such stabilisation action, if commenced, will be conducted at the absolute discretion of the Lead Manager or any person acting for it and may be discontinued at any time, and is required to be brought to an end on the 30th day after the last day for the lodging of the Application Forms. Such stabilisation action may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements. The details of the intended stabilisation and how it will be regulated under the Securities and Futures (Price Stabilizing) Rules of the SFO are contained in the Prospectus.

Potential investors should be aware that stabilising action cannot be taken to support the price of the Shares for longer than the stabilisation period which begins on the commencement of trading of the Shares on the Stock Exchange which is expected to be on Tuesday, 2 October 2007 and ends on the 30th day after the last day for the lodging of the Application Forms. The stabilisation period is expected to expire on Saturday, 20 October 2007 and that after this date, when no further stabilising action may be taken, demand for the Shares, and therefore its market price, could fall.

In connection with the Share Offer, the Lead Manager may over-allocate up to and not more than an aggregate of 45,000,000 additional Shares (representing approximately 15% of the total number of the Shares initially available under the Share Offer) to cover over-allocations (if any) in the International Placing by exercising the Over-allotment Option on behalf of the International Placing Underwriters (at the discretion of the Lead Manager) at any time from the Listing Date up to (and including) the date which is the 30th day after the last day for the lodging of the Application Forms, or by making purchases in the secondary market or by a combination of purchase in the secondary market and a partial exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made.



Qunxing Paper Holdings Company Limited
群星紙業控股有限公司

(incorporated in the Cayman Islands with limited liability)

**LISTING ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**BY WAY OF INTERNATIONAL PLACING
AND HONG KONG PUBLIC OFFER**

- Number of Offer Shares** : 300,000,000 Shares (subject to the Over-allotment Option)
- Number of International Placing Shares** : 220,000,000 New Shares and 50,000,000 Sale Shares (subject to reallocation and the Over-allotment Option)
- Number of Hong Kong Public Offer Shares** : 30,000,000 New Shares (subject to reallocation)
- Offer Price** : Not more than HK\$5.35 per Offer Share (plus brokerage of 1%, a SFC transaction levy of 0.004% and a Stock Exchange trading fee of 0.005%, payable in full upon application in Hong Kong dollars and subject to refund) and expected to be not less than HK\$4.10 per Offer Share
- Nominal value** : HK\$0.10 each
- Stock code** : 3868

Global Coordinator, Sole Bookrunner and Lead Manager



Joint Sponsors



The Company is initially offering 30,000,000 Hong Kong Public Offer Shares for subscription, representing 10% of the total number of Offer Shares initially being offered in the Share Offer, by way of the Hong Kong Public Offer. Application has been made by the Company to the Listing Committee of the Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the Shares in issue and to be issued as described in the Prospectus and the Application Forms, including the Offer Shares (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option), the Shares to be issued under the Capitalisation Issue and any Shares which may be issued under the Share

Option Scheme. Dealings in the Shares on the Stock Exchange are expected to commence at 9:30 a.m. on Tuesday, 2 October 2007. Subject to the granting of the approval for the listing of, and permission to deal in, the Shares in issue and to be issued as described in the Prospectus, as well as compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange, or such other date as may be determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.

The Hong Kong Public Offer Shares initially available for subscription under the Hong Kong Public Offer (after taking into account any adjustment in the number of Offer Shares allocated between the Hong Kong Public Offer and the International Placing) will be divided equally into two pools for allocation purposes only: pool A and pool B. The Hong Kong Public Offer Shares in pool A will be allocated on a fair basis to successful applicants who have applied for the Hong Kong Public Offer Shares in the value of HK\$5 million or below (excluding transaction levy imposed by the SFC, the Stock Exchange trading fee and the brokerage payable thereon). The Hong Kong Public Offer Shares available in pool B will be allocated on a fair basis to successful applicants who have applied for the Hong Kong Public Offer Shares in the value of more than HK\$5 million (excluding transaction levy imposed by the SFC, the Stock Exchange trading fee and the brokerage payable thereon) and up to the total initial value of pool B. Applicants should be aware that allocation ratios for applications in the two pools, as well as the allocation ratios for applications in the same pool, may be different. Where one of the pools is under-subscribed, the unsubscribed Hong Kong Public Offer Shares will be transferred to satisfy the demand in the other pool and be allocated accordingly. Applicants can only receive an allocation of Hong Kong Public Offer Shares from any one pool but not from both pools and can only make applications to either pool A or pool B. **Multiple or suspected multiple applications and any application made for more than 100% of Hong Kong Public Offer Shares initially available under pool A or pool B are bound to be rejected.** Only one application on a **WHITE** or **YELLOW** Application Form or by way of giving **electronic application instructions** to HKSCC via CCASS may be made for the benefit of any person. Each applicant under the Hong Kong Public Offer will also be required to give an undertaking and confirmation in the Application Form submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application have not indicated an interest for, taken up or applied for and will not indicate an interest for taking up or applying for any Shares under the International Placing, and such applicant's application will be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

Applicants who apply on **WHITE** Application Forms for 1,000,000 or more Hong Kong Public Offer Shares and have indicated in their **WHITE** Application Forms that they wish to collect their share certificates and/or refund cheque (if any) in person from the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, may collect their share certificates and/or refund cheques in person from 9:00 a.m. to 1:00 p.m. on Friday, 28 September 2007 or on the date notified by the Company in the newspapers as the date of despatch of the share certificates and refund cheques. Identification and (where applicable) authorisation documents acceptable to Tricor Investor Services Limited must be produced at the time of collection. Individual applicants who opt for collection in person must not authorise any other person to make collection on their behalf. If an applicant is a corporate applicant which opts for collection in person, the authorised representative bearing a letter of authorisation from the corporation stamped with the corporation's chop must be presented for collection. If applicants do not collect their share certificate and/or refund cheque, they will be despatched promptly to the applicants by ordinary post to the address as specified in the **WHITE** Application Forms at their own risk.

Applicants who apply on **YELLOW** Application Forms for 1,000,000 or more Hong Kong Public Offer Shares and have indicated in their **YELLOW** Application Forms that they wish to collect refund cheques in person may collect their refund cheques (if any) but may not elect to collect their share certificates, which will be deposited into CCASS for credit to their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. The procedure for collection of refund cheques for applicants who apply on **YELLOW** Application Forms for Hong Kong Public Offer Shares is the same as that for **WHITE** Application Form applicants. Instead of using **YELLOW** Application Forms, applicants may electronically instruct HKSCC to cause HKSCC Nominees to apply for the Hong Kong Public Offer Shares on their behalf via CCASS. Any Hong Kong Public Offer Shares allocated to such applicants will be registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock account or their designated CCASS Participant's stock account.

Applications for the Hong Kong Public Offer Shares will only be considered on the basis of the terms and conditions of the Prospectus and the related Application Forms. Applicants who would like to be allotted the Hong Kong Public Offer Shares in their own names should complete and sign the **WHITE** Application Forms. Applicants who would like to have the allotted Hong Kong Public Offer Shares issued in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their investor participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should (i) complete and sign the **YELLOW** Application Form, copies of which, together with copies of the Prospectus, may be obtained during normal business hours from 9:00 a.m. on Monday, 17 September 2007 until 12:00 noon on Thursday, 20 September 2007 at the Depository Counter of HKSCC at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong; or (ii) give **electronic application instructions** to HKSCC via CCASS.

You should be aware that no temporary documents of title or any receipt for application money received will be issued by the Company in respect of the Offer Shares.

The Offer Price will not be more than HK\$5.35 per Offer Share and is currently expected to be not less than HK\$4.10 per Offer Share unless otherwise announced. Investors applying for Hong Kong Public Offer Shares under the Hong Kong Public Offer must pay, on application, the maximum Offer Price of HK\$5.35 for each Offer Share together with a brokerage of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005% on each Hong Kong Public Offer Share. The Global Coordinator (acting on behalf of the Underwriters) may, with the consent of the Company (for itself and on behalf of the Selling Shareholder), reduce the number of Offer Shares and/or the indicative Offer Price range below that stated in the Prospectus (which is HK\$4.10 to HK\$5.35 per Share) at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offer. In such a case, notices of the reduction in the number of Offer Shares and/or the indicative Offer Price range will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offer. If applications pursuant to the Hong Kong Public Offer have been submitted prior to the last day for lodging applications under the Hong Kong Public Offer, then even if the number of Offer Shares and/or the Offer Price range is so reduced, such applications cannot be subsequently withdrawn. **Applicants in the Hong Kong Public Offer should pay on application the maximum Offer Price stated in the Prospectus of HK\$5.35 per Share, subject to refund, plus brokerage of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%.**

The Offer Price is expected to be determined by agreement between the Global Coordinator (acting on behalf of all the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder) on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or around Thursday, 20 September 2007 and in any event, no later than Thursday, 27 September 2007. **If the Global Coordinator (acting on behalf of all the Underwriters) and the Company (for itself and on behalf of the Selling Shareholder) are unable to reach agreement on the final Offer Price, the Share Offer (including the Hong Kong Public Offer) will not proceed and will lapse.**

The Share Offer is conditional on the conditions as stated in the sub-section headed “Conditions of the Share Offer” under the section headed “Structure and conditions of the Share Offer” of the Prospectus. If the conditions are not fulfilled or waived prior to the times and dates specified in the Prospectus, the Share Offer will thereby lapse and all application monies, together with the brokerage, the SFC transaction levy and the Stock Exchange trading fee received from applicants under the Share Offer, will be returned to the applicants, without interest, on the terms set out under the paragraph headed “Refund of your money” on the related Application Forms.

Copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Monday, 17 September 2007, until 12:00 noon on Thursday, 20 September 2007 at:–

1. **ICEA Securities Limited** at 26th Floor, ICBC Tower, 3 Garden Road, Central, Hong Kong; or
2. **Access Capital Limited** at Suite 606, 6th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong; or
3. **UOB Asia (Hong Kong) Limited** at Suite 601, 6th Floor, Aon China Building, 29 Queen’s Road Central, Hong Kong; or
4. **Kim Eng Securities (Hong Kong) Ltd.** at Level 30, Three Pacific Place, 1 Queen’s Road East, Hong Kong; or
5. **Mega Capital (Asia) Company Limited** at Units 2213-2214, 22/F. Cosco Tower, 183 Queen’s Road Central, Hong Kong; or
6. **Taifook Securities Company Limited** at 25/F, New World Tower, 16-18 Queen’s Road Central, Hong Kong; or
7. **First Shanghai Securities Limited** at 19/F., Wing On House, 71 Des Voeux Road Central, Hong Kong; or

8. any of the following branches of **Industrial and Commercial Bank of China (Asia) Limited**:

District	Branch name	Address
Hong Kong Island	Queen's Road Central Branch	122-126 Queen's Road Central
	Sheung Wan Branch	Shop F, G/F., Kai Tak Commercial Building, 317-319 Des Voeux Road Central, Sheung Wan
	Hennessy Road Branch	Shop 2A, G/F. & Basement, Cameron Commercial Centre, 468 Hennessy Road, Causeway Bay
Kowloon	Tsim Sha Tsui Branch	Shop 6-7, G/F., Hankow Centre, 5-15 Hankow Road, Tsimshatsui
	Mongkok Branch	G/F., Belgian Bank Building, 721-725 Nathan Road, Mongkok
	Kwun Tong Branch	G/F., Lemmi Centre, 50 Hoi Yuen Road, Kwun Tong
	Mei Foo Branch	Shop N95A, 1/F., Mount Sterling Mall, Mei Foo Sun Chuen
New Territories	Tseung Kwan O Branch	Shop Nos. 2011-2012, Level 2, Metro City, Plaza II, 8 Yan King Road, Tseung Kwan O
	Sha Tsui Road Branch	Shop 4, G/F., Chung On Building, 297-313 Sha Tsui Road, Tsuen Wan
	Yuen Long Branch	G/F., 197-199 Castle Peak Road, Yuen Long

or any of the following branches of **The Bank of East Asia, Limited**:

District	Branch name	Address
Hong Kong Island	Main Branch	10 Des Voeux Road Central
	Wanchai Branch	Shop Nos A-C, G/F., Easey Commercial Building, 253-261 Hennessy Road, Wanchai
	Chai Wan Branch	345 Chai Wan Road
	Kennedy Town Centre Branch	Shop D, G/F., Kennedy Town Centre, 23 Belcher's Street
Kowloon	Mongkok Branch	638-640 Nathan Road
	Tsim Sha Tsui Branch	Shop A & B, Milton Mansion, No.96 Nathan Road
	Hoi Yuen Road Branch	Unit 1, G/F., Hewlett Centre, 54 Hoi Yuen Road

New Territories	Tai Wai Branch	16-18 Tai Wai Road, Cheung Fung Mansion, Shatin
	Tai Po Branch	62-66 Po Heung Street, Tai Po Market
	Tsuen Wan Branch	239-243 Sha Tsui Road

or any of the following branches of **Bank of Communications Co., Ltd.** Hong Kong Branch:

District	Branch name	Address
Hong Kong Island	Hong Kong Branch	20 Pedder Street, Central, Hong Kong
	North Point Sub-Branch	442-448 King's Road, North Point
	Taikoo Shing Sub-Branch	Shop 38, G/F., City Plaza 2, 18 Taikoo Shing Road
Kowloon	Hunghom Sub-Branch	1-3A Tak Man Street, Whampoa Estate, Hunghom, Kowloon
	Jordan Road Sub-Branch	37U Jordan Road, Jordan Road, Kowloon
	Wong Tai Sin Sub-Branch	Shops 127-129, 1/F., Lung Cheung Mall, 136 Lung Cheung Road, Wong Tai Sin
New Territories	Fanling Sub-Branch	No. 84A-84B, G/F., Flora Plaza, Fanling
	Tuen Mun Sub-Branch	Blk.7, Nin Wong Building, 4 Yan Ching Circuit, Tuen Mun
	Shatin Sub-Branch	Shop No.193, Level 3, Lucky Plaza, 1-15 Wang Pok Street, Shatin
	Market Street Sub-Branch	53 Market Street, Tsuen Wan

Both **WHITE** and **YELLOW** Application Forms completed in all respects in accordance with the instructions printed thereon, to which cheques or banker's cashier orders should be securely stapled, should be deposited in any of the special collection boxes provided at any one of the branches referred to above on the following dates during the following times:-

Monday, 17 September 2007 – 9:00 a.m. to 5:00 p.m.
Tuesday, 18 September 2007 – 9:00 a.m. to 5:00 p.m.
Wednesday, 19 September 2007 – 9:00 a.m. to 5:00 p.m.
Thursday, 20 September 2007 – 9:00 a.m. to 12:00 noon

Investors can also apply for Hong Kong Public Offer Shares by giving **electronic application instructions** to HKSCC as follows:

1. CCASS Investor Participants may give **electronic application instructions** to HKSCC through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC may also input **electronic application instructions** for CCASS Investor Participants on their behalf if they go to the Customer Service Centre of HKSCC at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong and complete an input request form. Prospectuses are also available for collection at the Customer Service Centre of HKSCC; and

- those who are not CCASS Investor Participants may instruct their brokers or custodians who are CCASS Broker Participants or CCASS Custodian Participants to give **electronic application instructions** to HKSCC via CCASS terminals to apply for Hong Kong Public Offer Shares on their behalf.

CCASS Broker/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Monday, 17 September 2007 – 9:00 a.m. to 8:30 p.m.¹
Tuesday, 18 September 2007 – 8:00 a.m. to 8:30 p.m.¹
Wednesday, 19 September 2007 – 8:00 a.m. to 8:30 p.m.¹
Thursday, 20 September 2007 – 8:00 a.m.¹ to 12:00 noon

Note:

- These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Broker/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Monday, 17 September 2007 until 12:00 noon on Thursday, 20 September 2007 (24 hours daily, except the last application day).

The application lists will open from 11:45 a.m. to 12:00 noon on Thursday, 20 September 2007.

Subject to the terms and conditions set out in the Prospectus and the related Application Forms, applications under the **WHITE** and **YELLOW** Application Forms or by giving **electronic application instructions** to HKSCC must be received by no later than 12:00 noon on Thursday, 20 September 2007 (or such later date as may apply in the case of a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal being in force as described in the section headed “How to apply for Hong Kong Public Offer Shares — Effect of bad weather on the opening of the application lists” of the Prospectus).

The Company expects to announce the indication of level of interest in the International Placing, the final Offer Price, basis of allotment and results of applications (with identification document numbers of successful applicants) of the Hong Kong Public Offer in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on Friday, 28 September 2007. The announcement will also be available for viewing on the “Main Board – Allotment of Results” page on the Stock Exchange’s website (http://www.hkex.com.hk/listing/newlist/Allotment_Results.htm).

If you are applying using a **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC and your application is wholly or partially successful, your share certificate will be issued in the name of HKSCC Nominees Limited and deposited into CCASS for credit to your CCASS Investor Participant stock account or the stock account of any designated CCASS Participant giving **electronic application instructions** on your behalf or as instructed by you in your **YELLOW** Application Form at the close of business on Friday, 28 September 2007 or in the event of a contingency, on any other date as shall be determined by HKSCC or HKSCC Nominees Limited. If you are applying through a designated CCASS Participant (other than a CCASS Investor Participant), you can check the number of Hong Kong Public Offer Shares allocated to you (and the amount of refund money payable to you if you have instructed a CCASS Broker/Custodian Participant to give **electronic application instructions** on your

behalf) with that CCASS Participant. If you are applying as a CCASS Investor Participant, you should check the announcement published by the Company (for CCASS Investor Participants applying by giving **electronic application instructions** to HKSCC, they can also check the application results via the CCASS Phone System and CCASS Internet Systems) and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 28 September 2007 or such other date as shall be determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Public Offer Shares to your account, you can also check your new account balance via the CCASS Phone System and CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC will also make available to you an activity statement showing the number of Hong Kong Public Offer Shares credited to your CCASS Investor Participant stock account and (if you are applying by giving **electronic application instructions** to HKSCC) the amount of refund money (if any) credited to your designated bank account.

By order of the Board
Qunxing Paper Holdings Company Limited
Zhu Yu Guo
Chairman

Hong Kong, 17 September 2007

As at the date of this announcement, the executive Directors are Mr. ZHU Yu Guo, Mr. ZHU Mo Qun and Mr. SUN Zhen Shui, the non-executive Director is Ms. SUN Rui Fang, and the independent non-executive Directors are Mr. ZHAO Wei, Mr. WANG Lu and Mr. KWONG Kwan Tong.

"Please also refer to the published version of this announcement in South China Morning Post."