

*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 Share 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.

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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)

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

SUMMARY

- The Company announces that the stabilization period in connection with the Share Offer ended on 20 October 2007.
- The stabilizing actions undertaken during the stabilization period were: (i) over-allocations of 45,000,000 Shares in the International Placing; and (ii) the exercise in full by ICEA Securities Limited (for itself and on behalf of the International Placing Underwriters) of the Over-allotment Option referred to in the Prospectus in respect of 45,000,000 additional Shares at the Offer Price of HK\$5.35 per Share (excluding brokerage of 1%, SFC transaction levy of 0.004% and Hong Kong Stock Exchange trading fee of 0.005%) on 2 October 2007, solely for covering the above over-allocations.

The Company makes this announcement pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong) and announces that the stabilization period in connection with the Share Offer ended on 20 October 2007. During the stabilization period, the stabilizing actions undertaken were (i) over-allocations of 45,000,000 Shares in the International Placing; and (ii) the exercise in full by ICEA Securities Limited (for itself and on behalf of the International Placing Underwriters) on 2 October 2007 of the Over-allotment Option referred to in the Prospectus, solely to

cover the above over-allocations. Pursuant to the exercise of the Over-allotment Option, the Company allotted and issued an aggregate of 45,000,000 additional new Shares, which represents 15% of the Offer Shares initially available under the Share Offer, at the Offer Price of HK\$5.35 per Share (excluding brokerage of 1%, SFC transaction levy of 0.004% and Hong Kong Stock Exchange trading fee of 0.005%). Please refer to the Company's announcement dated 2 October 2007 for details of the exercise of the Over-allotment Option.

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

Hong Kong, 22 October 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.