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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the English and Chinese versions of a circular (the “**Circular**”) of Qunxing Paper Holdings Company Limited (the “**Company**”) dated 31 March 2010 in relation to, inter alia, the Scrip Dividend Scheme. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board noted that there is a typographical error in the Circular in relation to a formula in calculating the number of Scrip Shares which the Shareholders will receive in respect of the shares registered in their names as at the Record Date under a section headed “Particulars of Scrip Dividend Scheme” on page 5 of the Circular. The Board wishes to clarify that the 2009 Final Dividend per share should be HK\$0.07403 instead of HK\$0.7403 as stated in the aforesaid formula.

By Order of the Board
ZHU Yu Guo
Chairman

Shandong, the PRC, 31 March 2010

As at the date of this announcement, 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.