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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)

RESULTS OF THE OPEN OFFER OF 528,797,150 OFFER SHARES TO QUALIFYING SHAREHOLDERS ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES HELD ON RECORD DATE

Financial adviser to the Company



KINGSTON CORPORATE FINANCE LTD.

Underwriter to the Open Offer



KINGSTON SECURITIES LTD.

RESULTS OF THE OPEN OFFER

The Board is pleased to announce that the Open Offer became unconditional at 4:00 p.m. on Thursday, 6 January 2011.

As at 4:00 p.m. on Tuesday, 4 January 2011, being the Latest Time for Acceptance of and payment for the Offer Shares, 2,243 valid acceptances of Offer Shares have been received for an aggregate of 515,448,073 Offer Shares (inclusive of 358,402,406 Offer Shares subscribed by Boom Instant pursuant to the Undertaking), representing approximately 97.48% of the total number of 528,797,150 Offer Shares offered under the Open Offer and approximately 32.49% of the enlarged issued share capital of the Company of 1,586,391,450 Shares immediately after completion of the Open Offer.

The Underwriting Agreement became unconditional at 4:00 p.m. on Thursday, 6 January 2011. As a result of the Offer Shares not having been fully subscribed for, the remaining 13,349,077 Offer Shares were subscribed by independent subscribers procured by the Underwriter in accordance with the terms of the Underwriting Agreement. Such Underwritten Shares represent approximately 2.52% of the total number of 528,797,150 Offer Shares offered under the Open Offer and approximately 0.84% of the enlarged issued share capital of the Company of 1,586,391,450 Shares immediately after completion of the Open Offer.

Share certificates for the Offer Shares to the Qualifying Shareholders who have validly applied for the Offer Shares have been despatched by ordinary post on or before Monday, 10 January 2011 at their own risk.

Dealings in the Offer Shares are expected to commence from 9:30 a.m. on Wednesday, 12 January 2011.

Reference is made to the announcement of Qunxing Paper Holdings Company Limited (the “**Company**”) dated 5 November 2010 and the prospectus of the Company dated 17 December 2010 (the “**Prospectus**”) in relation to the Open Offer. Unless defined otherwise, capitalised terms used in this announcement have the same meanings as those defined in the Prospectus.

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CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following is the shareholding structure of the Company immediately before and after completion of the Open Offer:

	Immediately before completion of the Open Offer		Immediately after completion of the Open Offer	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Boom Instant (<i>Note 1</i>)	716,804,812	67.78	1,075,207,218	67.78
Underwriter	1	0.00	1	0.00
Other public Shareholders	340,789,487	32.22	511,184,231 (<i>Note 2</i>)	32.22
Total	<u>1,057,594,300</u>	<u>100.00</u>	<u>1,586,391,450</u>	<u>100.00</u>

Notes:

1. All these shares were beneficially owned by Boom Instant. By virtue of its 80% shareholding interest in Boom Instant, Addinsight Limited was deemed to be interested in all the shares held by Boom Instant under the SFO. Dr. Zhu Yu Guo, Mr. Zhu Mo Qun and Ms. Sun Rui Fang, the Directors, are the directors of both Boom Instant and Addinsight Limited.
2. These shares include 13,349,077 Offer Shares not taken up by the Qualifying Shareholders, which were subscribed by independent subscribers procured by the Underwriter in accordance with the terms of the Underwriting Agreement.

DESPATCH OF SHARE CERTIFICATES AND COMMENCEMENT OF DEALINGS IN THE OFFER SHARES

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By Order of the Board
Sophie W.Y. LAM
Company Secretary

Hong Kong, 10 January 2011

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.