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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)

PROPOSED APPOINTMENT OF AUDITORS

The Board proposes to appoint HLB Hodgson Impey Cheng as the new auditors of the Company to fill the vacancy following the retirement of KPMG as auditors of the Company at the conclusion of the adjourned annual general meeting of the Company held on 8 June 2011.

A circular containing, inter alia, details of the proposed appointment of the new auditors together with a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

Reference is made to the announcement of Qunxing Paper Holdings Company Limited (the “**Company**”) dated 8 June 2011 in relation to, inter alia, the retirement of KPMG as auditors of the Company at the conclusion of the adjourned annual general meeting of the Company held on even date.

The Board proposes to appoint HLB Hodgson Impey Cheng as the new auditors of the Company until the conclusion of the next annual general meeting of the Company to fill the vacancy following the retirement of KPMG as auditors of the Company. The appointment of HLB Hodgson Impey Cheng as auditors of the Company will be subject to the approval by the shareholders (the “**Shareholders**”) of the Company at the extraordinary general meeting (the “**EGM**”) of the Company to be convened in accordance with the Articles of Association of the Company.

A circular containing, inter alia, details of the proposed appointment of the new auditors together with a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

By Order of the Board
Qunxing Paper Holdings Company Limited
ZHU Yu Guo
Chairman

Shandong, the PRC, 7 July 2011

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.