

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Qunxing Paper Holdings Company Limited** (the "Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the "AGM") of the Company to be held at Salon 6, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 29 April 2008 at 11:00 a.m. is set out on pages 12 to 15 of this circular.

A form of proxy for use at the AGM is also enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

31 March 2008

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RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at Salon 6, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 29 April 2008 at 11:00 a.m., the notice of which is set out on pages 12 to 15 of this circular
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Qunxing Paper Holdings Company Limited (群星紙業控股有限公司), a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution in relation thereof
“Latest Practicable Date”	25 March 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong and Taiwan
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase the fully paid-up Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution in relation thereof
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Dr. ZHU Yu Guo (*Chairman*)
Mr. ZHU Mo Qun (*Vice-Chairman*)
Mr. SUN Zhen Shui

Non-Executive Director:

Ms. SUN Rui Fang

Independent Non-Executive Directors:

Mr. ZHAO Wei
Mr. WANG Lu
Mr. KWONG Kwan Tong

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong:*

Unit 3103-5
Enterprise Square Two
No. 3 Sheung Yuet Road
Kowloon Bay
Hong Kong

31 March 2008

To the Shareholders,

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM, ordinary resolutions will be proposed to the Shareholders for approval of (1) the grant of the Issue Mandate; (2) the grant of the Repurchase Mandate; (3) the extension of the Issue Mandate by the addition of the number of Shares repurchased pursuant to the Repurchase Mandate; and (4) the re-election of the retiring Directors.

LETTER FROM THE BOARD

REPURCHASE MANDATE

Pursuant to the written resolutions passed by the then sole Shareholder on 8 September 2007, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. An ordinary resolution will be proposed at the AGM to grant the Repurchase Mandate to the Directors. An explanatory statement as required under the Listing Rules to provide the requisite information of the Repurchase Mandate is set out in Appendix I to this circular.

ISSUE MANDATE AND EXTENSION OF ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed that the Directors be given the Issue Mandate in order to ensure flexibility to the Directors to issue new Shares. As at the Latest Practicable Date, a total of 1,038,619,000 Shares were in issue. Subject to the passing of the proposed ordinary resolution approving the Issue Mandate and on the basis that no further changes to the issued share capital of the Company from the Latest Practicable Date and up to the date of convening the AGM, the exercise of the Issue Mandate in full would result in up to a maximum of 207,723,800 Shares, representing 20% of the total number of Shares in issue as at the date of passing of the relevant resolution at the AGM issued by the Company. In addition, an ordinary resolution will also be proposed to extend the Issue Mandate by adding to it the number of such Shares repurchased under the Repurchase Mandate.

RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Article 108 of the Articles of Association, Dr. Zhu Yu Guo, Mr. Zhu Mo Qun and Mr. Sun Zhen Shui will retire and, being eligible, will offer themselves for re-election at the AGM. The biographical details of these Directors are set out in Appendix II to this circular.

PROCEDURE FOR DEMANDING A POLL

In accordance with Article 72 of the Articles of Association, a resolution put to the vote of the general meeting shall be decided on a show of hands unless voting by way of poll is required by the Listing Rules or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or

LETTER FROM THE BOARD

- (iv) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (v) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights at such meeting.

THE AGM

A notice convening the AGM to be held at Salon 6, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 29 April 2008 at 11:00 a.m. is set out on pages 12 to 15 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors consider that (1) the grant of the Issue Mandate; (2) the grant of the Repurchase Mandate; (3) the extension of the Issue Mandate by the addition of the number of Shares repurchased pursuant to the Repurchase Mandate; and (4) the re-election of the retiring Directors are in the interests of the Group and the Shareholders as a whole and accordingly recommend all the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of
Qunxing Paper Holdings Company Limited
ZHU Yu Guo
Chairman

This Appendix serves as an explanatory statement as required under the Listing Rules, to provide the requisite information to you for consideration of the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the Company had 1,038,619,000 Shares in issue or an issued share capital of HK\$103,861,900. Subject to the passing of the proposed ordinary resolution approving the Repurchase Mandate and on the basis that no further changes to the issued share capital of the Company from the Latest Practicable Date and up to the date of convening the AGM, the exercise of the Repurchase Mandate in full would result in up to a maximum of 103,861,900 Shares, representing 10% of the total number of Shares in issue as at the date of passing of the relevant resolution at the AGM repurchased by the Company.

REASONS FOR SHARES REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF SHARES REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

The exercise of the Repurchase Mandate in full will not have a material adverse impact on the working capital or the gearing level of the Company (as compared with the position disclosed in its latest published audited accounts as at 31 December 2007).

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange from 2 October 2007 (the "Listing Date"), being the date of listing of the Company, and up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
October (from the Listing Date)	10.28	5.91
November	6.55	3.78
December	4.68	3.30
2008		
January	4.16	2.73
February	3.50	2.91
March (up to the Latest Practicable Date)	3.80	2.50

UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

To the best of their knowledge having made all reasonable enquiries, none of the Directors nor any of their respective associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No connected persons of the Company have notified the Company that they have a present intention to sell any Shares to the Company nor have undertaken not to sell any of the Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If, as a result of shares repurchase made by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, the Shareholder, or a group of the Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase of the Shareholders' interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the substantial Shareholder, namely, Boom Instant Limited, together with its respective associates, were interested in an aggregate of 700,000,000 Shares, representing approximately 67.40% of the then issued share capital of the Company (and 74.89% of the issued share capital of the Company if the Repurchase Mandate is exercised in full). On the basis of the shareholding interest of Boom Instant Limited in the Company, an exercise of the Repurchase Mandate in full would not result in it becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Board will ensure that the Company will maintain a 25% public float as required under Rule 8.08 of the Listing Rules.

Save as the above, the Board is not aware of any consequences which would arise under the Takeovers Code as a result of any repurchases pursuant to the Repurchase Mandate.

SHARES REPURCHASES MADE BY THE COMPANY

The Company repurchased a total of 6,381,000 Shares on the Stock Exchange during the period from the Listing Date and up to the Latest Practicable Date. These repurchased Shares were cancelled. Details of such repurchases were as follows:

Date of Repurchase	Number of Shares Repurchased	Repurchase Price Per Share	
		Highest HK\$	Lowest HK\$
2008			
28 January	1,000,000	3.00	2.80
29 January	506,000	2.97	2.93
30 January	1,494,000	3.02	2.95
31 January	990,000	2.99	2.96
1 February	824,000	3.08	2.99
4 February	367,000	3.12	–
5 February	248,000	3.14	–
6 February	348,000	3.15	3.14
11 February	110,000	3.27	3.23
12 February	117,000	3.31	3.27
13 February	113,000	3.41	–
14 February	264,000	3.39	–

The biographical details of the retiring Directors proposed to be re-elected at the AGM are as follows:

Dr. ZHU Yu Guo, aged 53, was one of the two founders of the Group. Dr. Zhu is the husband of Ms. Sun Rui Fang (“Mrs. Zhu”), an non-executive Director, and the father of Mr. Zhu Mo Qun, an executive Director and the vice-chairman of the Company. Dr. Zhu was appointed as an executive Director and the chairman of the Company in September 2006. He is responsible for overseeing and planning the business strategies of the Group. Dr. Zhu also holds directorships in several subsidiaries of the Company. Prior to the incorporation of 山東群星紙業有限公司 (Shandong Qunxing Paper Limited*) (“Shandong Qunxing”), which is now a wholly-owned subsidiary of the Company, Dr. Zhu had been engaged in work relating to the manufacture of paper manufacturing machinery parts for over 10 years during which he also studied the features of different types of paper products and has acquired the experience and knowledge of paper manufacturing industry. In 1990, Dr. Zhu was appraised as an economist by 鄒平縣科學技術委員會 (Zouping County Science and Technology Committee*). In July 2003, he was honoured by Shandong Provincial People’s Government as an 中國山東省優秀民營企業家 (Outstanding Private Entrepreneur in Shandong Province, the PRC*). In January 2007, Dr. Zhu was hired by the Information Management Institute of Shandong Economic Institute as a part-time professor. In November 2007, Dr. Zhu received the World Outstanding Chinese Award and was conferred Honorary Doctoral Degree from Sinte Gleska University of California. Dr. Zhu completed tertiary education in 山東省經濟管理幹部學院 (Shandong Province Economic Management Official Institute*) in the PRC in April 1992, majoring in corporate management. Save for the Company, Dr. Zhu did not hold directorship in any listed public companies in the last 3 years.

As at the Latest Practicable Date, Dr. Zhu held 700,000,000 Shares, representing 67.4% of the Company’s then issued share capital through Boom Instant Limited which is owned as to 87.5% by him. Mrs. Zhu, being the spouse of Dr. Zhu, was deemed to be interested in the same parcel of said Shares held by Dr. Zhu within the meaning of Part XV of the SFO. Save as disclosed above, Dr. Zhu does not have any relationship with any Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Dr. Zhu has entered into a service agreement with the Company for a term of 3 years commencing from 1 October 2007 and the term of his service as a Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. He is entitled to a director’s fee of HK\$720,000 per annum and a discretionary management bonus in an amount to be determined by the Board. Such emoluments are determined with reference to his experience and contributions to the Group, the Group’s performance and profitability, as well as the prevailing market conditions.

Mr. ZHU Mo Qun, aged 28, was the other founder of the Group and is the son of Dr. Zhu Yu Guo, an executive Director and the chairman of the Company and Mrs. Zhu, a non-executive Director. He was appointed as the executive Director, the vice-chairman and general manager of the Company in September 2006. He is responsible for the overall management of the Group's business. Mr. Zhu also holds directorships in several subsidiaries of the Company. Mr. Zhu completed tertiary legal education in 山東省政法管理幹部學院 (Shandong Province Political & Legal Management Official Institute*) in the PRC in July 2001. In 2004, he was awarded with the title of International Professional Manager by International Managers Union. In January 2005, he was approved by 中華人民共和國人事部全國人才流動中心 (China Human Resource Exchange Centre*) to become a member of a country-level database of experts, which stores the information of senior enterprise administrators called the 全國企業經營管理人才庫 (National Data Base of Human Resources in Business Operation and Management*). In 2005, he was appraised as one of the 山東十大優秀企業家 (Ten Outstanding Entrepreneurs in Shandong*) by 山東十大優秀企業家評委會 (Appraisal Committee for Ten Outstanding Entrepreneurs in Shandong*). In April 2006, he was honoured jointly by the 共青團濱州市委 (Binzhou City Committee of the Communist Youth League*) and 濱州市經貿委 (State Economic and Trade Commission in Binzhou City*) as an 濱州市傑出青年企業家 (Outstanding Young Entrepreneur in Binzhou City*). Save for the Company Mr. Zhu did not hold directorship in any listed public companies in the last 3 years.

As at the Latest Practicable Date, Mr. Zhu did not have any interests in the securities of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Zhu does not have any relationship with any Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Mr. Zhu has entered into a service agreement with the Company for a term of 3 years commencing from 1 October 2007 and the term of his service as a Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. He is entitled to a director's fee of HK\$720,000 per annum and a discretionary management bonus in an amount to be determined by the Board. Such emoluments are determined with reference to his experience and contributions to the Group, the Group's performance and profitability, as well as the prevailing market conditions.

Mr. SUN Zhen Shui, aged 53, joined the Group as an executive Director in September 2007 and is responsible for managing the financial and administrative aspects of the Group. Mr. Sun has gained over 20 years of experiences in the financial industry through his position as the supervising accountant of 長山鎮經濟委員會 (Changshan Town Economy Committee*) from 1983 to 2004. Mr. Sun completed tertiary education in business management in 山東省經濟管理幹部學院 (Shandong Province Economic Management Official Institute*) in the PRC in May 1994 and obtained from 山東省濱州地區職稱改革領導小組 (Shandong Province Binzhou District Professional Title Reform Leader Group*) the qualification as a qualified accountant in the PRC in 1994. Save for the Company, Mr.

Sun did not hold directorship in any listed public companies in the last 3 years. As at the Latest Practicable Date, Mr. Sun did not have any interests in the securities of the Company within the meaning of Part XV of the SFO. Mr. Sun does not have any relationship with any Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Mr. Sun has entered into a service agreement with the Company for a term of 3 years commencing from 1 October 2007 and the term of his service as a Director is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. He is entitled to a director's fee of HK\$360,000 per annum and a discretionary management bonus in an amount to be determined by the Board. Such emoluments are determined with reference to his experience and contributions to the Group, the Group's performance and profitability, as well as the prevailing market conditions.

Save as disclosed above, there are no other matters concerning the above Directors that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

* *for identification purpose only*

NOTICE OF THE AGM



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Meeting”) of Qunxing Paper Holdings Company Limited (the “Company”) will be held at Salon 6, Level 3, JW Marriot Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 29 April 2008 at 11:00 a.m. for the following purposes:

As Ordinary Business:

1. To receive and consider the audited financial statements and the reports of the directors (the “Directors”) and auditors (the “Auditors”) of the Company for the year ended 31 December 2007.
2. To approve the declaration of a final dividend for the year ended 31 December 2007;
3. To re-elect the retiring Directors and to authorise the board (the “Board”) of the Directors (or, if so delegated by the Board, its remuneration committee) to determine the remuneration of the Directors.
4. To re-appoint the Auditors and to authorise the Board to determine the remuneration of the Auditors.

As Special Business, to consider and, if thought fit, to pass, with or without amendments, the following Resolution nos. 5, 6 and 7 as Ordinary Resolutions:

5. **“THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares (“Shares”) in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to repurchase Shares at a price determined by the Directors;

NOTICE OF THE AGM

- (c) the aggregate nominal amount of Shares which are authorised to be repurchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution, “Relevant Period” means the period from the date of passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company (the “Articles of Association”) or any applicable laws to be held; or
 - (iii) the date upon which the authority set out in this Resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting.”

6. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any option scheme or similar arrangement of the Company for the granting or issuance of Shares or rights to acquire Shares; or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued or to be issued by the Company or any securities which are convertible into Shares; or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF THE AGM

(d) for the purposes of this Resolution:

“Relevant Period” shall have the same meaning as that ascribed to it under the Resolution no. 5 above; and “Rights Issue” means an offer of shares open for a period fixed by the Directors to the holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

7. “**THAT** conditional upon the passing of the Resolutions nos. 5 and 6 above, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to the Resolution no. 6 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to the Resolution no. 5 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution.”

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

Hong Kong, 31 March 2008

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong:*
Unit 3103-5
Enterprise Square Two
No. 3 Sheung Yuet Road
Kowloon Bay
Hong Kong

NOTICE OF THE AGM

Notes:

1. In relation to the Resolution no. 2 as set out in this notice, the Register of Members of the Company will be closed from Tuesday, 22 April 2008 to Tuesday, 29 April 2008 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited (the "Hong Kong Branch Share Registrar") at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Monday, 21 April 2008.
2. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
3. In case of the joint registered holders of any Shares, any one of such persons may vote at any meeting, either in person or by proxy; but if more than one of such joint holders be present at any meeting in person or by proxy, the said person whose name stands first on the Register of Members of the Company shall alone be entitled to vote in respect thereof.
4. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the Hong Kong Branch Share Registrar, not less than 48 hours before the time fixed for holding the Meeting.
5. With respect to the Resolution no. 3 as set out in this notice, Dr. Zhu Yu Guo, Mr. Zhu Mo Qun and Mr. Sun Zhen Shui will retire upon the conclusion of the Meeting and, being eligible, will offer themselves for re-election at the Meeting. The profiles of the above retiring Directors have been set out in a circular (the "Circular") of the Company dated 31 March 2008 containing details of the Meeting.
6. The Circular and the accompanying proxy form have been sent to the shareholders of the Company together with the 2007 Annual Report of the Company.

As at the date of this notice, the executive Directors are Dr. ZHU Yu Guo (Chairman), Mr. ZHU Mo Qun (Vice-Chairman) and 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.