

**[For Immediate Release]**



**Qunxing Paper Holdings Company Limited**  
**群星紙業控股有限公司**

## **Acquisition of Equity Interest in Tongliao Changxing Wind Power Co., Ltd.**

### **Implement business diversification and enhance growth potential**

(24 September 2009 – Hong Kong) **Qunxing Paper Holdings Company Limited** (“QX Paper”, or the “Group”, HKEx stock code: 3868), the largest decorative base paper manufacturer in the PRC, is pleased to announce that its wholly-owned subsidiary Shandong Qunxing Paper Limited entered into an agreement in relation to the acquisition of the entire equity interests in Tongliao Changxing Wind Power Co., Ltd. (the “Target Company”) (the “Acquisition”). The total consideration is RMB24.2 million (approximately HK\$27.5 million), entirely settled in cash. The Acquisition will strengthen the Group’s business diversification, as well as riding the favourable long-term enterprise development policies implemented by the PRC Government, in order to create and enhance long-term value to shareholders.

The business scope of the Target Company is the operation of wind power generation business. It has obtained all relevant approval and consent for development and operation of wind farm. Currently, the Target Company is building a wind farm (the “Wind Farm”), which is located in Tongliao City in Eastern Inner Mongolia Autonomous Region, with abundant wind resources and adjoin to the Government’s northeastern powering network. The Wind Farm is building on a land with a planned site area of approximately 190,000 sq.m. with planned installed capacity of 49.3 MW and equipped with 58 sets of 850 KW wind turbines. The total investment of the project is estimated at RMB570.0 million (approximately HK\$646.7 million). The construction of the Wind Farm commenced in March 2009 and is expected to be completed in March 2010. Commercial operation of the Wind Farm is expected to commence in May 2010.

Besides, the Wind Farm’s business operated by the Target Company has been certified as a project under the clean development mechanism (“CDM”). Under the CDM, the Target Company can sell certain amount of certified emission reductions (“CERs”) in the form of carbon credits as supplied by the Wind Power Generation Business. The National Development and Reform Commission of the PRC has approved the Target Company to enter into an agreement with a European company for the sale of a maximum of 440,000 tonnes of CERs to the European company.

As part of its development plan, the Target Company has entered into certain business agreements with total contract sums of approximately RMB559.1 million (approximately HK\$634.4 million) for sourcing equipment, engineering services and other assets for its wind power generation business. The Group will, on completion of the Acquisition, become liable to pay all unpaid balances due under the business agreements.

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Commenting on the Group's acquisition, Dr. Zhu Yu Guo, Chairman of QX Paper said, "The Group has been putting great emphasis on implementing environmental protection and corporate social responsibility, with an aim to capture the opportunities from the PRC government's increasing concern on environment protection and the use of renewable energy. Increasing concern on environmental protection around the globe has motivated the development of environmental friendly renewable energy. The acquisition of wind power business enables the Group to capture the rising market demand of renewable energy. Taking advantage of the favourable long term national policies on renewable energy, the transaction enhances diversification of business and thus increases shareholder's value and return."

Dr. Zhu continued, "Production of decorative base paper products remains as the core business of the Group. After the completion of the Acquisition, the Group continues to make efforts in further expanding the business of production of decorative base paper products in order to consolidate the Group's leading market position of decorative base paper products in the PRC."

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#### **About QX Paper**

QX Paper (HKEx stock code: 3868) is listed on the Main Board of The Stock Exchange of Hong Kong Limited in October 2007. QX Group is specialized in the production and sale of decorative base paper products and printing paper product. The Group has been ranked by China Paper Association as the largest decorative base paper manufacturer in China for four consecutive years since 2005. QX Paper was accredited as one of the "Asia's 200 Best Under A Billion" (annual sales below US\$1 billion) in 2008 by *Forbes Asia*, an authoritative international financial magazine.

For further information, please visit QX Paper's website: <http://www.qxpaper.com>.

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