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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)

FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2009 IN THE FORM OF SCRIP DIVIDEND CALCULATION OF MARKET VALUE

The market value of a Scrip Share to be allotted pursuant to the Scrip Dividend Scheme has been calculated at HK\$3.0837. This announcement is to advise the Shareholders how the scrip entitlements to the 2009 Final Dividend being arrived at.

References are made to a circular (the “**Circular**”) and an announcement of Qunxing Paper Holdings Company Limited (the “**Company**”) both dated 31 March 2010 in relation to, inter alia, the Scrip Dividend Scheme. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 17 March 2010, the Board announced the annual results of the Company for the year ended 31 December 2009 and resolved to recommend the payment of the 2009 Final Dividend wholly in scrip form equivalent to HK7.403 cents per Share to the Shareholders whose names appear in the Register of Members of the Company on 5 May 2010 (the “**Record Date**”). At the annual general meeting of the Company held on 5 May 2010, the payment of the 2009 Final Dividend was approved by the Shareholders.

As stated in the Circular, the number of Scrip Shares to be allotted pursuant to the Scrip Dividend Scheme would be calculated by reference to the market value of a Scrip Share based on the average closing price of HK\$3.2460 per Share for the five trading days (on which such price is available) up to and including the Record Date less a discount of 5% and rounding such figure to four decimal places. It is now determined that the market value of a Scrip Share is HK\$3.0837. Accordingly, the number of Scrip Shares which the Shareholders will receive in respect of the existing Shares registered in their names as at the Record Date will be calculated as follows:

$$\begin{array}{rcccl} \text{Number of Scrip Shares} & & \text{Number of existing} & & \\ \text{to be received} & = & \text{Shares held on} & \times & \frac{\text{HK\$0.07403}}{\text{HK\$3.0837}} \\ & & \text{the Record Date} & & \end{array}$$

Scrip Shares will rank pari passu in all respects with the existing issued Shares, and will rank in full for all future dividends and distribution which may be declared, made or paid (except for the 2009 Final Dividend) by the Company.

The number of Scrip Shares to be issued will be rounded down to the nearest whole number. Fractional entitlements to Scrip Shares will be disregarded and the benefit thereof will accrue to the Company.

Application has been made to the Listing Committee of the Stock Exchange for the grant of the listing of and permission to deal in Scrip Shares. It is expected that share certificates for Scrip Shares will be posted to the Shareholders at the risk of those entitled thereto on or about Tuesday, 8 June 2010. Dealings in Scrip Shares on the Stock Exchange are expected to commence on or about Thursday, 10 June 2010.

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

Hong Kong, 7 May 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.