



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)

("the Company")

ANNOUNCEMENT

Reference is made to the announcements of Qunxing Paper Holdings Company Limited (the "**Company**") dated 31 March 2014; 8 April 2014; 17 September 2014 and 21 January 2015 respectively regarding, among others (i) the appointment of interim receivers and managers (the "**Receivers**") of the Company and (ii) the reorganisation of Shandong Qunxing Paper Limited ("**Shandong QX**").

Pursuant to the continuing disclosure obligations under Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Receivers herein provide an update on the reorganisation plan of Shandong QX which was mentioned in the announcement of the Company dated 21 January 2015.

The reorganisation of Shandong QX was ordered by the Binzhou Intermediate People's Court ("**Binzhou Court**") on 21 February 2014 and was conducted under the Enterprise Bankruptcy Law of the People's Republic of China. The key terms of the reorganisation plan approved by the Binzhou Court are as follows:

1. The total claims of creditors of Shandong QX were preliminarily assessed at RMB 4,956,804,152.79. This comprises claims received by the Administrator of Shandong QX up to the second meeting of creditors of Shandong QX. A breakdown of this amount is as follows:

Nature	Number of Claims	Amount (RMB)
Employee claims	127	543,396.00
Secured claims	5	734,455,690.25
Unsecured claims	64	4,221,805,066.54
Total	196	4,956,804,152.79

Additionally, there were claims of RMB 142,563,112.78 which were subject to ongoing proceedings and accounts payable of RMB 174,565.93 which have not yet been claimed by the relevant creditors.

2. In order to protect creditors' interests and minimise further losses to creditors if Shandong QX becomes bankrupt, the Zouping government would establish a special entity to acquire the entire equity interests of Shandong QX (the "**Special Entity**"). The entire equity interests in Shandong QX held by Best Known Group Limited, a subsidiary of the Company, would be fully reduced and be conditionally transferred to

the Special Entity or its nominee(s).

3. The terms of payment to creditors were as follows:

Nature	Terms of Payment
Employee claims	All claims will be paid in full in cash within 30 days following approval of the reorganisation plan by the Binzhou Court.
Secured claims	Claims up to the security amount totalling RMB 31,356,067 will be paid in full in cash within 30 days following approval of the reorganisation plan by the Binzhou Court. The remainder of the secured claims will fall under the category of "unsecured claims".
Unsecured claims	Claims equal to or less than RMB 100,000 will receive 50 cents in the dollar. Claims over RMB 100,000 will receive 5.79 cents in the dollar. Payments will be made in cash within 30 days following approval of the reorganisation plan by the Binzhou Court.

4. The expenses incurred in relation to the reorganisation of Shandong QX as stated in the reorganisation plan amounted to RMB 8,970,000 and would be paid within 30 days following approval of the reorganisation plan by the Binzhou Court.
5. The period for implementing the reorganisation plan is two months commencing from the date of approval of the reorganisation plan by the Binzhou Court.

The Receivers are considering the impact of the reorganisation plan on the Company.

For and on behalf of
Qunxing Paper Holdings Company Limited
(Interim Receivers and Managers Appointed)
Roderick John Sutton, Fok Hei Yu and
John Howard Batchelor
Interim Receivers and Managers

Hong Kong, 3 February 2015.

At the date of this announcement, the executive directors of the Company are Mr. GUO Guang Quan (Chairman) and Mr. Yang Li Quan and the independent non-executive director of the Company is Mr. GUO Liang Yong.

On 20 December 2013, the Securities and Futures Commission issued a direction under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules, directing the Stock Exchange to suspend all dealings in the shares of the Company from 9:00 a.m. on 20 December 2013. Trading of the shares of the Company was previously suspended at the request of the Company on 30 March 2011. Trading will remain suspended until further notice.