
THIS CIRCULAR 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 the Company, you should at once hand this circular together with 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.

The Hong Kong Exchanges and Clearing Limited and Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CHINA SUNSHINE PAPER HOLDINGS COMPANY LIMITED

中國陽光紙業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2002)

**GRANT OF THE ISSUE MANDATE AND THE REPURCHASE MANDATE,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting ("AGM") of China Sunshine Paper Holdings Company Limited ("Company") to be held at China Sunshine Paper Office Tower, Changle Economic Development Zone, Weifang 262400, Shandong, China on 27 May 2010 at 10:00 am is set out on pages 14 to 17 of this circular. Resolutions will be proposed at the AGM to consider and, if thought fit, approve, among other things, the grant of the Issue Mandate and the Repurchase Mandate and the re-election of retiring Directors by way of ordinary resolutions.

A form of proxy is enclosed with this circular. Whether or not you are intending to attend and vote at the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the AGM in person or any adjourned meeting (as the case may be) should you so desire.

CONTENTS

	<i>Page</i>
Responsibility statement	ii
Definitions	1
Letter from the Board	3
Appendix I — Explanatory statement for the Repurchase Mandate	6
Appendix II — Particulars of Directors to be re-elected at the AGM	11
Notice of AGM	14

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:

“2009 Annual Report”	the annual report of the Company for the financial year ended 31 December 2009 despatched to the Shareholders together with this circular
“AGM”	the annual general meeting of the Company to be convened and held at China Sunshine Paper Office Tower, Changle Economic Development Zone, Weifang 262400, Shandong, China on 27 May 2010 at 10:00 am or any adjournment thereof, the notice of which is set out on pages 14 to 17 of this circular
“Articles”	the articles of association of the Company
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	China Sunshine Paper Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Companies Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) 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 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 approving the same
“Latest Practicable Date”	19 April 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Date”	12 December 2007, the date on which dealings in the Shares on the Stock Exchange commenced
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme of the Company adopted on 19 November 2007, under which no further options will be granted as from the Listing Date
“PRC”	The People’s Republic of China and for the purpose of this circular, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated 29 November 2007
“Repurchase Mandate”	a general and unconditional mandate to the Directors 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 an ordinary resolution approving the same
“RMB”	Renmibi, the lawful currency of the PRC
“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)
“Share Option Scheme”	the share option scheme adopted by the Company on 19 November 2007
“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 Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



CHINA SUNSHINE PAPER HOLDINGS COMPANY LIMITED

中國陽光紙業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2002)

Executive Directors:

Mr. Wang Dongxing (Chairman)
Mr. Shi Weixin
Mr. Zhang Zengguo
Mr. Wang Yilong

Non-executive Directors:

Mr. Xu Fang
Mr. Wang Junfeng

Independent non-executive Directors:

Ms. Wong Wing Yee, Jessie
Mr. Wang Zefeng
Mr. Xu Ye

Registered office:

Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of business
in the PRC:*

Changle Economic Development Zone
Weifang 262400
Shandong
China

Principal place of business in Hong Kong:

Unit 2202, 22/F., Causeway Bay Plaza I
489 Hennessy Road
Causeway Bay
Hong Kong

26 April 2010

*To the Shareholders and, for information only,
the holders of share options of the Company,*

Dear Sir or Madam,

**GRANT OF THE ISSUE MANDATE AND THE REPURCHASE MANDATE,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

At the AGM, resolutions will be proposed for the Shareholders to approve, among other things, (i) the grant of the Repurchase Mandate to the Directors; (ii) the grant of the Issue Mandate to the Directors; and (iii) the re-election of retiring Directors.

* For identification purposes only

LETTER FROM THE BOARD

REPURCHASE MANDATE

At the Company's last annual general meeting held on 26 May 2009, 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. As at the Latest Practicable Date, the Company has an issued share capital of HK\$40,104,400 divided into 401,044,000 Shares of HK\$0.10 each. Subject to the passing of an ordinary resolution approving the Repurchase Mandate and on the basis that none of the outstanding share options is exercised and no further Shares will be issued or allotted by the Company prior to the AGM, exercise of the Repurchase Mandate in full would result in up to a maximum of 40,104,400 Shares, representing 10% of the total number of Shares in issue and a share capital of HK\$4,010,440, being repurchased by the Company. 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

At the AGM, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate in order to provide flexibility and discretion to the Directors to issue new Shares. As at the Latest Practicable Date, the Company has an issued share capital of HK\$40,104,400 divided into 401,044,000 Shares of HK\$0.10 each. Subject to the passing of an ordinary resolution approving the Issue Mandate and on the basis that no further Shares will be issued or allotted by the Company prior to the AGM, the exercise of the Issue Mandate in full would result in up to a maximum of 80,208,800 Shares, representing 20% of the total number of Shares in issue and a share capital of HK\$8,020,880, being issued by the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which the Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of 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 DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. Wang Dongxing, Mr. Shi Weixin, Mr. Zhang Zengguo and Mr. Wang Yilong, the non-executive Directors were Mr. Xu Fang and Mr. Wang Junfeng and the independent non-executive Directors were Ms. Wong Wing Yee, Jessie, Mr. Wang Zefeng and Mr. Xu Ye.

Pursuant to Article 87(1) of the Articles, Mr. Xu Fang, Ms. Wong Wing Yee, Jessie and Mr. Wang Zefeng shall retire from office, and being eligible, will offer themselves for re-election at the AGM.

Particulars of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

AGM

A notice convening the AGM to be held at China Sunshine Paper Office Tower, Changle Economic Development Zone, Weifang 262400, Shandong, China on 27 May 2010 at 10:00 am, is set out on pages 14 to 17 of this circular.

LETTER FROM THE BOARD

ACTIONS TO BE TAKEN

A form of proxy for use by the Shareholders 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 enclosed 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, Computershare Hong Kong Investor Services Limited at 17 M/F, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Such form of proxy for use at the AGM is also published on the website of the Stock Exchange at www.hkexnews.hk. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the AGM in person or any adjourned meeting (as the case may be) should you so desire.

VOTING BY POLL AT THE AGM

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll pursuant to Article 66 of the Articles.

RECOMMENDATION

At the AGM, resolutions will be proposed for the Shareholders to approve, among other things, (i) the grant of the Repurchase Mandate to the Directors; (ii) the grant of the Issue Mandate to the Directors; and (iii) the re-election of retiring Directors.

The Directors consider that (i) the grant of the Repurchase Mandate to the Directors; (ii) the grant of the Issue Mandate to the Directors; and (iii) the re-election of retiring Directors are in the best interests of the Company, the Group and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of the corresponding resolutions to be proposed at the AGM respectively.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM:

- (i) the memorandum of association of the Company and the Articles; and
- (ii) this circular.

Yours faithfully,
For and on behalf of
China Sunshine Paper Holdings Company Limited
Wang Dongxing
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 401,044,000 Shares in issue or an issued share capital of HK\$40,104,400. As at the Latest Practicable Date, there was outstanding share options granted under the Share Option Scheme entitling the holders thereof to subscribe for an aggregate of 1,600,000 Shares respectively.

Subject to the passing of the proposed ordinary resolution approving the Repurchase Mandate and on the basis that none of the outstanding share options is exercised and no further Shares is issued, allotted or repurchased by the Company prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to a maximum of 40,104,400 Shares, representing 10% of the total number of Shares in issue and a share capital of HK\$4,010,440 being repurchased by the Company during the period ending on the earlier of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by law; or (iii) the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

REASONS FOR REPURCHASE

Although the Directors have no present intention of exercising the Repurchase Mandate, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and the Shareholders as a whole. At any time in the future when the Shares are trading at a discount to their underlying value, the ability of the Company to repurchase the Shares will be beneficial to the Shareholders who retain their investment in the Company as their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company from time to time and thereby resulting in an increase in net assets and/or earnings per share of the Company. Such repurchases will only be made when the Directors believe that such exercises will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASE

The Directors propose that the repurchase of Shares under the Repurchase Mandate would be financed from the Company's internal resources.

In repurchasing the Shares, the Company may only apply funds legally available for such purposes in accordance with the memorandum of association and the Articles and the applicable laws of the Cayman Islands. Under the laws of the Cayman Islands, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of the Company's profits or share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of the Company's capital.

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 the latest published audited consolidated financial statements of the Group contained in the 2009 Annual Report).

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or the gearing level of the Company (as compared with the position disclosed in the latest published audited consolidated financial statements of the Group contained in the 2009 Annual Report) which in the opinion of the Directors are from time to time appropriate for the Company. The number of the Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
2009		
April	1.55	0.96
May	1.90	1.32
June	2.50	1.75
July	2.31	1.89
August	2.60	1.85
September	2.04	1.84
October	2.15	1.85
November	2.46	1.87
December	2.37	2.09
2010		
January	3.38	2.18
February	3.09	2.75
March	3.45	2.89
April (up to the Latest Practicable Date)	3.27	2.95

DISCLOSURE OF INTERESTS

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.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, 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 or its subsidiaries (as defined in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)).

No connected person has notified the Company that he/she has a present intention to sell any Shares to the Company nor has undertaken not to sell any of the Shares held by him/her to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, as far as the Directors are aware, substantial Shareholders of the Company having an interest of 5% or more in the issued share capital of the Company are as follows:

Name	Notes	Number of Shares interested	Nature of interest	Total number of Shares	Percentage of the Company's issued share capital
Chen Xiaojun	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Guo Jianlin	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Hu Gang	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Li Hua	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Li Zhongzhu	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Lu Yujie	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Ma Aiping	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Sang Yonghua	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Sang Ziqian	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Shi Weixin	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Sun Qingtao	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Wang Changhai	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Wang Dongxing	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Wang Feng	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Wang Yilong	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Wang Yongqing	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Wu Rong	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Zhang Zengguo	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05

Name	Notes	Number of Shares interested	Nature of interest	Total number of Shares	Percentage of the Company's issued share capital
Zheng Fasheng	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
Zuo Xiwei	1	172,643,526	Interests of a party to an agreement to acquire interests in the Company	172,643,526	43.05
China Sunrise Paper Holdings Limited	2	172,643,526	Beneficial Owner	172,643,526	43.05
China Sunshine Paper Investments Limited	2	172,643,526	Interest of a controlled corporation	172,643,526	43.05
Chinese Academy of Sciences Holdings Co., Ltd.	3, 4	45,273,837	Interest of a controlled corporation	45,273,837	11.29
Employees' Shareholding Society of Legend Holdings Ltd	4	45,273,837	Interest of a controlled corporation	45,273,837	11.29
Legend Holdings Limited	5	45,273,837	Interest of a controlled corporation	45,273,837	11.29
Right Lane Limited	6	45,273,837	Interest of a controlled corporation	45,273,837	11.29
LC Fund III GP Limited	7	45,273,837	Interest of a controlled corporation	45,273,837	11.29
LC Fund III, L.P.	8	45,273,837	Interest of a controlled corporation	45,273,837	11.29
Good Rise Holdings Limited	9	45,273,837	Beneficial Owner	45,273,837	11.29
Wang Nengguang	10	45,273,837	Interest of a controlled corporation	45,273,837	11.29
China Everbright Limited	11	43,915,622	Interest of a controlled corporation	43,915,622	10.95
Seagate Global Advisors, LLC	11	43,915,622	Interest of a controlled corporation	43,915,622	10.95
Seabright Asset Management Limited	12	43,915,622	Interest of a controlled corporation	43,915,622	10.95
Seabright China Special Opportunities (I) Limited	13	43,915,622	Interest of a controlled corporation	43,915,622	10.95
Seabright SOF (I) Paper Limited	14	43,915,622	Beneficial owner	43,915,622	10.95

Notes:

- The following individuals, namely, Chen Xiaojun, Guo Jianlin, Hu Gang, Li Hua, Li Zhongzhu, Lu Yujie, Ma Aiping, Sang Yonghua, Sang Ziqian, Shi Weixin, Sun Qingtao, Wang Changhai, Wang Dongxing, Wang Feng, Wang Yilong, Wang Yongqing, Wu Rong, Zhang Zengguo, Zheng Fasheng and Zuo Xiwei (collectively "the Controlling Shareholder Group") are the only shareholders of China Sunshine Paper Investments Limited ("China Sunshine"), the ultimate controlling shareholder of the Company. Pursuant to an agreement ("Concert Parties Agreement") dated 16 June 2006 (as amended by a supplemental agreement dated 19 November 2007) and entered into among the members of the Controlling Shareholder Group, each member confirmed, among other things, since he/she became interested in and possessed voting rights in China Sunshine, China Sunrise Paper Holdings Limited ("China Sunrise") and any members of the Group ("Target Entities") and participated in the management of the business of the Target Entities, each of them has been actively cooperating with each other and was acting in concert (for the purpose of the Takeovers Code), with an aim to achieve consensus and concerted action on all major affairs relating to the business of the Target Entities. In addition, each of them also agreed to keep the other group members informed of their direct or indirect interest in the Target Entities or changes thereof, so as to ensure due and prompt compliance of all applicable laws and regulations on disclosure of securities interests by shareholders.
- China Sunrise is interested in 172,643,526 Shares. China Sunrise is wholly owned by China Sunshine, and accordingly China Sunshine is deemed to be interested in the 172,643,526 Shares held by China Sunrise.
- The Chinese Academy of Science Holding Co., Ltd. is a state owned enterprise.

4. Each of the Employees' Shareholding Society of Legend Holdings Limited and the Chinese Academy of Sciences Holdings Co., Ltd. controls more than one third of the voting rights of Right Lane Limited. Accordingly, each of the Employees' Shareholding Society of Legend Holdings Limited and the Chinese Academy of Sciences Holding Co., Ltd. is deemed to be interested in the 45,273,837 Shares held by Good Rise Holdings Limited ("Good Rise") as set out in Notes 5, 6, 7, 8 and 9.
5. As Right Lane Limited is wholly-owned by Legend Holdings Limited, Legend Holdings Limited is deemed to be interested in the 45,273,837 Shares held by Good Rise as set out in Notes 6, 7, 8 and 9.
6. As Right Lane Limited controls more than one third of the voting rights of LC Fund III GP Limited, it is deemed to be interested in the 45,273,837 Shares held by Good Rise as set out in Notes 7, 8 and 9.
7. As LC Fund III GP Limited is the general partner of LC Fund III, it is deemed to be interested in the 45,273,837 Shares held by Good Rise as set out in Notes 8 and 9.
8. As Good Rise is wholly-owned by LC Fund III, LP, it is deemed to be interested in the 45,273,837 Shares held by Good Rise as set out in Note 9.
9. Good Rise is interested in 45,273,837 Shares.
10. As Good Rise is controlled by Wang Nenguang, he is deemed to be interested in the 45,273,837 Shares as set out in Note 9.
11. Each of China Everbright Limited and Seagate Global Advisors, LLC controls more than one third of the voting rights of Seabright Asset Management Limited. Accordingly, each of China Everbright Limited and Seagate Global Advisors, LLC is deemed to be interested in the 43,915,622 Shares held by Seabright SOF (I) Paper Limited ("SOF (I) Paper") as set out in Notes 12, 13 and 14.
12. As Seabright Asset Management Limited controls more than one third of the voting rights of SOF(I), it is deemed to be interested in the 43,915,622 Shares held by SOF(I) Paper as set out in Notes 13 and 14.
13. Seabright China Special Opportunities (I) Limited ("SOF (I)") owns the entire interest in SOF (I) Paper. Accordingly, SOF (I) is deemed to be interested in the 43,915,622 Shares held by SOF (I) Paper as set out in Note 14.
14. SOF (I) Paper is interested in 43,915,622 Shares.

Each of the members in the Controlling Shareholder Group is interested in the same 172,643,526 Shares, representing approximately 43.05% of the issued share capital of the Company.

In the event that the Directors should exercise the Repurchase Mandate in full to repurchase Shares, the aggregate shareholding of the Controlling Shareholder Group will be increased to approximately 47.83% of the issued share capital of the Company, resulting in an obligation on the part of the above-mentioned Controlling Shareholder Group to make a general offer under the Takeovers Code. However, the Directors have no present intention to exercise the Repurchase Mandate to the extent that the obligation to make a general offer on the part of the above-mentioned substantial Shareholders will be triggered.

Assuming that there is no further issue of the Shares between the Latest Practicable Date and the date of repurchase, the exercise of the Repurchase Mandate in full will result in less than 25% of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules. However, the Directors have no present intention to exercise the Repurchase Mandate to the extent that less than 25% of the issued share capital of the Company will be held by the public.

SHARES REPURCHASED BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months preceding the Latest Practicable Date.

*Retiring Directors subject to re-election***Mr. Xu Fang (徐放)**

Mr. Xu Fang, aged 32, is a non-executive Director. Mr. Xu has been with the Group since 2006. He graduated from Jiangxi University of Finance and Economics (江西財經大學) in 1998, with a major in international finance. He is currently an executive director of China Everbright Investments Management Limited (中國光大控股投資管理有限公司), a subsidiary of China Everbright Limited, and is responsible for investment management and holds a leadership role in the investment process. He worked at Shenzhen UnionNet Company (深圳聚友網絡信息服務有限公司) between 1998 and 2001 and at Taiwan Securities Co (Hong Kong), Ltd. (台證證券(香港)有限公司) between 2001 and 2003.

Length of service

Pursuant to the existing service agreement between Mr. Xu and the Company, the appointment of Mr. Xu was for an initial fixed term of 3 years commencing from 12 December 2007.

Relationship with other Directors, senior management, substantial or controlling Shareholders of the Company

China Everbright Investments Management Limited is a wholly-owned subsidiary of China Everbright Limited. China Everbright Limited, through its interest in Seabright Asset Management Limited, Seabright China Special Opportunities (I) Limited and Seabright SOF (I) Paper Limited, is interested in 43,915,622 Shares as of the Latest Practicable Date. Save as disclosed above, Mr. Xu does not have any relationship with any Director, senior management, substantial or controlling Shareholders (as defined under the Listing Rules) of the Company.

Interests in shares

As at the Latest Practicable Date, Mr. Xu does not have any interest in Shares for the purposes of the SFO.

Amount of emoluments

The current emolument payable to Mr. Xu is RMB50,000 per year, and may, subject to the discretion of the Directors, be reviewed.

Other information

Save as disclosed above, Mr. Xu has no information to be disclosed pursuant to (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Ms. Wong Wing Yee, Jessie (黃詠怡)

Ms. Wong Wing Yee, Jessie, aged 44, is an independent non-executive Director. Ms. Wong joined the Group in 2007. Ms. Wong graduated from the University of Southern California with a bachelor's degree in accountancy in 1988 and from the University of Wolverhampton with an LLB degree in 1999. She is a member of the American Institute of Certified Public Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. She was the head of compliance of Guotai Junan Financial Holdings Limited from 2004 to 2007. Ms. Wong also worked at Grand Cathay Securities (Hong Kong) Limited as their head of compliance from 2000 to 2004, at the Securities and Futures Commission as an assistant manager and a manager from 1993 to 2000, and at Ernst & Young in Hong Kong as an auditor. Currently, she is also an independent non-executive Director of Shengli Oil & Gas Pipe Holdings Limited (stock code: 1080).

Length of service

Pursuant to the existing service agreement between Ms. Wong and the Company, the appointment of Ms. Wong was for an initial fixed term of 3 years commencing from 12 December 2007.

Relationship with other Directors, senior management, substantial or controlling Shareholders of the Company

Ms. Wong does not have any relationship with any Director, senior management, substantial or controlling Shareholders (as defined under the Listing Rules) of the Company.

Interests in shares

As at the Latest Practicable Date, Ms. Wong does not have any interest in Shares for the purposes of the SFO.

Amount of emoluments

The current emolument payable to Ms. Wong is HK\$100,000 per year and may, subject to the discretion of the Directors, be reviewed.

Other information

Save as disclosed above, Ms. Wong has no information to be disclosed pursuant to (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Mr. Wang Zefeng (王澤風)

Mr. Wang Zefeng, aged 49, is an independent non-executive Director. Mr. Wang joined the Group in 2007. Mr. Wang graduated from Shandong Institute of Light Industry (山東輕工業學院) in 1982 with a bachelor's degree in industrial art of pulp and paper manufacturing. He is currently the deputy general manager, chief engineer and senior engineer of Shandong Paper Industry Group (山東紙業集團), and is responsible for production management. He is also the vice chairman of Shandong Paper Manufacturing Industry Association (山東省造紙工業協會), Shandong Light Industry Machinery Association (山東省輕工機械協會) and Shandong Packaging Printing Association (山東省包裝印刷工業協會). He has worked in Shandong Light Industry Design Institute (山東輕工業設計院) from 1988 to 2001.

Length of service

Pursuant to the existing service agreement between Mr. Wang and the Company, the appointment of Mr. Wang was for an initial fixed term of 3 years commencing from 12 December 2007.

Relationship with other Directors, senior management, substantial or controlling Shareholders of the Company

Mr. Wang does not have any relationship with any Director, senior management, substantial or controlling Shareholders (as defined under the Listing Rules) of the Company.

Interests in shares

As at the Latest Practicable Date, Mr. Wang does not have any interest in Shares for the purposes of the SFO.

Amount of emoluments

The current emolument payable to Mr. Wang is RMB50,000 per year and may, subject to the discretion of the Directors, be reviewed.

Other information

Save as disclosed above, Mr. Wang has no information to be disclosed pursuant to (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

NOTICE OF AGM

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA SUNSHINE PAPER HOLDINGS COMPANY LIMITED

中國陽光紙業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2002)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**Meeting**”) of China Sunshine Paper Holdings Company Limited (the “**Company**”) will be held at China Sunshine Paper Office Tower, Changle Economic Development Zone, Weifang 262400, Shandong, China on 27 May 2010 at 10:00 am for the following purposes:

As Ordinary Business

ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements and the reports of the directors (“**Directors**”) and the auditors (“**Auditors**”) of the Company for the year ended 31 December 2009.
2. To declare a final dividend of RMB2.1 cents (equivalent to approximately HK\$2.4 cents) per share of the Company for the year ended 31 December 2009.
3. To re-elect the retiring Directors and to authorise the board of Directors (“**Board**”) to fix the remuneration of the Directors.
4. To re-appoint the Auditors and to authorise the Board to fix their remuneration.

* For identification purposes only

NOTICE OF AGM

As Special Business

ORDINARY RESOLUTIONS

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“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 of HK\$0.10 each 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 on the Stock Exchange (“Listing Rules”) or of any other stock exchange as amended from time to time and the manner of any such repurchase be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the shares of the Company which are authorised to be repurchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% 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 purposes of this resolution:

“Relevant Period” means the period from the 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 laws or the Company’s articles of association 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. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“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 in the share capital of the Company 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;

NOTICE OF AGM

- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and 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) the share option scheme of the Company approved by the Stock Exchange; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company from time to time, shall not exceed 20% 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
- (d) for the purposes of this resolution:

“**Relevant Period**” shall have the same meaning as that ascribed to it under resolution no. 5 as set out in the notice convening the Meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to the holders of shares of the Company 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. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 5 and 6 as set out in the notice convening the Meeting, the general mandate granted to the Directors pursuant to resolution no. 6 as set out in the notice convening the Meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 as set out in the notice convening the Meeting, provided that such amount shall not exceed 10% 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 of
China Sunshine Paper Holdings Company Limited
Wang Dongxing
Chairman

Shandong, the PRC, 26 April 2010

NOTICE OF AGM

Notes:

1. The register of members of the Company will be closed from 20 May 2010 (Thursday) to 26 May 2010 (Wednesday) (both days inclusive) during which no transfer of share(s) will be registered. Members whose names appear on the register of members of the Company at the close of business on 19 May 2010 (Wednesday) will be entitled to attend and vote at the Meeting.
2. Any shareholder entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
3. Where there are joint registered holders of any shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand in the register in respect of the relevant joint holding.
4. In order 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 branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the annual general meeting or any adjournment thereof.
5. Please refer to Appendix II to the circular of the Company dated 26 April 2010 for the details of the retiring Directors subject to re-election at the Meeting.

As at the date of this announcement, the Directors are:

Executive Directors: Mr. Wang Dongxing, Mr. Shi Weixin, Mr. Zhang Zengguo and Mr. Wang Yilong

Non-executive Directors: Mr. Xu Fang and Mr. Wang Junfeng

Independent non-executive Directors: Ms. Wong Wing Yee, Jessie, Mr. Wang Zefeng and Mr. Xu Ye