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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)

CLARIFICATION TO PRESS ARTICLE

The board of directors (the “**Board**”) of China Sunshine Paper Holdings Company Limited (the “**Company**”) noted a news article (the “**Article**”) dated on or about 6 January 2012 relating to, among other things, the recent acquisition of certain assets of Arjowiggins Chenming through open auction as disclosed in the announcements of the Company dated 19 December 2011 and 20 December 2011 (the “**Announcements**”). Unless specified otherwise herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

It was reported in the Article, among other matters, that:

1. Shandong Sunshine has successfully won the Auction for the Assets held on 8 December 2011 for a consideration of RMB203 million, whilst the value of the Assets was alleged to be lower than the total net asset value of Arjowiggins Chenming, which amounted to RMB72.17 million as at 31 December 2010 as reported in the 2010 annual report of Shandong Chenming Paper Holdings Limited, a company listed on the Stock Exchange; and
2. the main product of Shandong Sunshine is white cardboard.

CLARIFICATION

In relation to the above statements reported in the Article, the Board wishes to clarify that:

1. Shandong Sunshine has successfully won the Auction for the Assets held on 8 December 2011 for a total consideration of RMB203 million and that the subject matter of the Auction was not the equity interest of Arjowiggins Chenming. As such, the Board considers that the value of the Assets acquired has no direct relationship with the total net asset value of Arjowiggins Chenming and a simple comparison of the two figures would be misleading to the investors and shareholders of the Company in the assessment of the Acquisition; and

2. the main products of Shandong Sunshine are white top linerboard, light-coated linerboard and core board, other than white cardboard. Further, based on the “China Paper Industry 2010 Annual Report” issued by the China Paper Association, Shandong Sunshine is one of the key paper manufacturing enterprises in China, with a total production volume ranking among the top 20 in 2010.

By Order of the Board
China Sunshine Paper Holdings Company Limited
Ng Cheuk Him
Company Secretary

Hong Kong, 10 January 2012

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: Mr. Leung Ping Shing, Mr. Wang Zefeng and Mr. Xu Ye

* *for identification purpose only*