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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that it is expected that the results of the Group for the year ended 31 December 2010 may reach its historical high and record an increase by not less than 250% as compared to that for the year ended 31 December 2009.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Sunshine Paper Holdings Company Limited (the “Company”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that it is expected that the results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2010 may reach its historical high and record an increase by not less than 250% as compared to that for the year ended 31 December 2009. The significant improvement in the results of the Group for the year ended 31 December 2010 was mainly attributable to the increase in sale volumes, average selling prices and gross profit margins of the Group’s paper products.

As the Company is still in the process of finalizing the results of the Group for the year ended 31 December 2010, the information contained in this announcement is only a preliminary assessment of the management accounts of the Group as at 31 December 2010 and the information currently available by the Board only, and is not based on any figures or information audited or reviewed by the Company’s auditors.

Further details of the Group's results for the year ended 31 December 2010 will be announced in due course.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in shares of the Company.

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

Shandong, PRC, 18 January 2011

As at the date of this announcement, the directors of the Company are:

<i>Executive directors:</i>	<i>Mr. Wang Dongxing, Mr. Shi Weixin, Mr. Zhang Zengguo and Mr. Wang Yilong</i>
<i>Non-executive directors:</i>	<i>Mr. Wang Junfeng and Mr. Xu Fang</i>
<i>Independent non-executive directors:</i>	<i>Mr. Wang Zefeng, Mr. Leung Ping Shing and Mr. Xu Ye</i>

* *For identification purposes only*