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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)**

## **PROPOSED BONUS ISSUE OF SHARES**

### **PROPOSED BONUS ISSUE**

The Board is pleased to announce that, in celebration of the tenth anniversary of the establishment of the Group, on 15 October 2010, the Board has resolved to recommend the Bonus Issue, being a bonus issue of new Shares on the basis of ten Bonus Shares for every ten Shares for approval by the Shareholders at the EGM. An amount standing to the credit of the share premium account of the Company will be capitalised and applied in making payment in full, at par value, for the Bonus Shares. Upon issuance, the Bonus Shares will rank *pari passu* in all respects with the Shares.

To qualify for the Bonus Issue, any transfer of Shares must be lodged for registration by 4:30 p.m. on 17 November 2010. The register of members will be closed from 18 November 2010 to 22 November 2010, both days inclusive, during which period no transfers of Shares will be effected.

### **GENERAL INFORMATION**

A circular containing, amongst other things, further information on the Bonus Issue, and, where applicable, explanation for the exclusion of Overseas Shareholders, together with the notice of the EGM, will be dispatched to the Shareholders as soon as practicable.

### **PROPOSED BONUS ISSUE**

The Board is pleased to announce that, in celebration of the tenth anniversary of the establishment of the Group, the Board has resolved to recommend the Bonus Issue, being a bonus issue of new Shares on the basis of ten Bonus Shares for every ten Shares, to Shareholders who held Shares on the Record Date. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount of approximately HK\$40.1 million in the share premium account of the Company.

Assuming that no further Shares will be issued or repurchased before the Record Date, 401,044,000 Bonus Shares will be issued pursuant to the Bonus Issue. Upon issuance, the Bonus Shares will rank *pari passu* in all respects with the existing Shares. The Company will not allot any fractions of Bonus Shares.

### **Conditions of the Bonus Issue**

The Bonus Issue is conditional, among other things, upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM approving the Bonus Issue; and
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

Subject to fulfillment of the above conditions, certificates for the Bonus Shares are expected to be dispatched to the Shareholders by ordinary post at their own risk on or before 2 December 2010 and dealings in the Bonus Shares are expected to commence on 6 December 2010.

### **Reason for the Bonus Issue**

The Bonus Issue is a token of gratitude for the support of the Shareholders in celebration of the tenth anniversary of the establishment of the Group. The Board believes the Bonus Issue will also allow the Shareholders to participate in the growth of the Company by way of capitalisation of a portion of the share premium account of the Company.

### **Closure of register of members**

The register of members of the Company will be closed from 18 November 2010 to 22 November 2010, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the Bonus Issue, all transfers of Shares must be duly completed, accompanied by the relevant share certificates and lodged with the share registrar of the Company no later than 4:30 p.m. on 17 November 2010.

## Expected timetable

Task description	Time	Date (2010)
Circular relating to the Bonus Issue to be dispatched on or before		Thursday, 4 November
Last day of trading in Shares cum entitlements to the Bonus Issue		Monday, 15 November
First day of trading in Shares ex entitlements to the Bonus Issue		Tuesday, 16 November
Latest time for lodging transfer forms of Shares to qualify for entitlements to the Bonus Issue	4:30 p.m.	Wednesday, 17 November
Closure of register of members (both days inclusive)		
From		Thursday, 18 November
To		Monday, 22 November
Latest time for lodging forms of proxy for the EGM	10:30 a.m.	Sunday, 21 November
Record date for determination of entitlements to the Bonus Issue		Monday, 22 November
Register of members re-opens	9:00 a.m.	Tuesday, 23 November
EGM	10:30 a.m.	Tuesday, 23 November
Dispatch of share certificates for Bonus Shares		Thursday, 2 December
First day of trading in Bonus Shares on the Stock Exchange		Monday, 6 December

The expected timetable may be subject to change by the Company and is subject to fulfillment of all conditions. The Company will make further announcements in compliance with the Listing Rules as appropriate if such changes are made.

## Overseas Shareholders

The directors will seek advice from overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to the Overseas Shareholders, if any.

Overseas Shareholders will not be allotted the Bonus Shares if the law of the jurisdiction at which their registered address is located prohibits the Company from allotting Bonus Shares

to them, or requires the Company to comply with any requirements (such as the filing of any registration statement or prospectus or other special formalities) which the Directors consider to be impracticable. Instead, the Bonus Shares otherwise falling to be allotted to them will be sold in the market as soon as practicable after dealings in the Bonus Shares commence and the net proceeds of sale will be paid to the Shareholders affected. Where, however, the amount of the net proceeds payable to any particular Shareholder is less than HK\$100, the net proceeds will be paid to the Company instead for its own benefit and will not be paid to the Shareholder affected.

## GENERAL

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares.

A circular containing, amongst other things, further information on the Bonus Issue, the enquiry and, where applicable, explanation for the exclusion of Overseas Shareholders, together with a notice convening the EGM, will be dispatched to the Shareholders as soon as practicable.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

“Board”	board of Directors
“Bonus Issue”	the proposed issue of ten Bonus Shares for every ten Shares to the Shareholders whose names appear on the register of members of the Company on the Record Date
“Bonus Share(s)”	new Share(s) to be issued by way of Bonus Issue by the Company as described herein
“Company”	China Sunshine Paper Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 10:30 a.m. on Tuesday, 23 November 2010
“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 People’s Republic of China
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong

“Record Date”	22 November 2010, being the date for determining the entitlement to the Bonus Issue
“Share(s)”	existing ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 15 October 2010

*As at the date of this announcement, the Directors 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. Xu Fang and Mr. Wang Junfeng</i>
<i>Independent non-executive Directors:</i>	<i>Ms. Wong Wing Yee, Jessie, Mr. Wang Zefeng and Mr. Xu Ye</i>

\* *For identification purposes only*