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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)

PLACING OF EXISTING SHARES BY CONTROLLING SHAREHOLDER

Sole Placing Agent



證券(香港)有限公司 | SECURITIES (HONG KONG) LTD

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

The Board has been informed by China Sunrise that on 21 September 2010, China Sunrise and the Placing Agent entered into the Agreement pursuant to which China Sunrise has agreed to place through the Placing Agent up to an aggregate of 7,000,000 Shares, representing approximately 1.75% of the total issued share capital of the Company, to the Placees at a price of HK\$3.04 per Placing Share. The Placing Shares are to be placed on a best effort basis.

As at the date of the Agreement, China Sunrise directly held 172,693,526 Shares, representing approximately 43.06% of the total issued share capital of the Company. Upon completion of the Placing, assuming all 7,000,000 Shares are successfully placed, China Sunrise will hold 165,693,526 Shares, representing approximately 41.32% of the total issued share capital of the Company.

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

The Board announced that it has been informed by China Sunrise that on 21 September 2010, China Sunrise and the Placing Agent entered into the Agreement pursuant to which China Sunrise has agreed to place through the Placing Agent up to an aggregate of 7,000,000 Shares to Placees at a price of HK\$3.04 per Placing Share. Details of the Placing are set out below:

1. Parties

The parties to the Agreement are:

- (1) Seller: China Sunrise, a Controlling Shareholder of the Company;
- (2) Placing Agent.

2. Placing

The Placing Shares are to be placed on a best effort basis to not less than six Placees, who shall be third parties independent of the Company and its connected persons.

3. Number of Shares to be Placed

Up to 7,000,000 Shares, representing approximately 1.75% of the total issued share capital of the Company.

4. Placing Price

The placing price is HK\$3.04 per Placing Share.

5. Rights

The Placing Shares will be sold free of any third party rights and the holders of the Placing Shares will receive all dividends and distributions declared or distributed at any time on or after the Trade Date.

6. Completion of the Placing

Completion of the Placing is currently expected to take place on 24 September 2010, provided that the Agreement is not terminated in accordance with its terms.

7. Shareholding structure before and after the Placing

As at the date of the Agreement, China Sunrise directly held 172,693,526 Shares, representing approximately 43.06% of the total issued share capital of the Company. Upon completion of the Placing, assuming all 7,000,000 Shares are successfully placed, China Sunrise will hold 165,693,526 Shares, representing approximately 41.32% of the total issued share capital of the Company.

8. Definitions

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Agreement”	the placing agreement dated 21 September 2010 entered into between China Sunrise and the Placing Agent
“Board”	the board of Directors
“China Sunrise” or the “Seller”	China Sunrise Paper Holdings Limited, a company incorporated in the Cayman Islands, a controlling shareholder
“Company”	China Sunshine Paper Holdings Company Limited (中國陽光紙業控股有限公司*), a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Stock Exchange
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors 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 People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	the purchasers procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Agreement
“Placing”	the placing of the Placing Shares by China Sunrise through the Placing Agent at the Placing Price pursuant to the Agreement
“Placing Agent”	Guoyuan Securities Brokerage (Hong Kong) Limited, a licensed corporation licensed to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Price”	HK\$3.04 per Placing Share

“Placing Shares”	up to 7,000,000 existing Shares beneficially owned by China Sunrise and to be placed pursuant to the Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital 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, 21 September 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*