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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)**

### PROFIT WARNING

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 six months ended 30 June 2009 may experience a substantial decline as compared to that for the corresponding period in 2008.

**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 six months ended 30 June 2009 may experience a substantial decline as compared to that for the corresponding period in 2008.

As a result of the global financial tsunami causing a contraction of the market which in turn led to a decrease in the average selling prices and the gross profit margins of the Group’s products, the Group recorded losses in the first quarter of 2009. The Board noted that the recent market environment is showing signs of recovery and there has been a steady improvement in the gross profit margins of the Group’s products since April 2009. However, the losses incurred in the first quarter of 2009 have eroded most of the profits generated in the second quarter of 2009, hence the results of the Group for the six months ended 30 June 2009 is expected to be substantially less than that for the corresponding period in 2008.

The Board considers that the overall financial position and operations of the Group remain sound and healthy, and remains optimistic to the long term growth and development of the Group.

As the Company is still in the process of finalizing the results of the Group for the six months ended 30 June 2009, the information contained in this announcement is only a preliminary assessment of the management accounts of the Group as at 30 June 2009 and the information currently available by the Board and is not based on any figures or information audited or reviewed by the Company's auditors.

Further details of the Group's result will be disclosed as and when the results of the Group for the six months ended 30 June 2009 is announced.

**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**  
**Wang Dongxing**  
*Chairman*

Shandong, PRC, 3 August 2009

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

<i>Executive directors:</i>	<i>Mr. Wang , 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, Ms. Wong Wing Yee, Jessie and Mr. Xu Ye</i>

\* *For identification purposes only*