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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 annual results of the Group for the year ended 31 December 2008 may experience a material decline as compared with those for the corresponding period in 2007.

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 annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2008 may experience a material decline as compared with those for the corresponding period in 2007. The decline in annual results of the Group for the year ended 31 December 2008 is mainly attributable to (i) the sharp decrease in selling prices of the Group’s products; (2) the increase in costs of raw materials; and (iii) recognition of share-based payments for the share options granted, which does not have an impact on the operating cash flows of the Group.

The Board considers that the overall financial position and operations of the Group remain sound and healthy.

As the Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2008, the information contained in this announcement is only a preliminary assessment of the management accounts of the Group as at 31 December 2008 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 annual result will be disclosed as and when the annual results of the Group for the year ended 31 December 2008 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, 25 March 2009

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 Nengguang 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*