

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Qunxing Paper Holdings Company Limited

群星紙業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3868)

UPDATE ON LEGAL PROCEEDINGS

Reference is made to an announcement (the “**Announcement**”) of Qunxing Paper Holdings Company Limited (the “**Company**”) dated 13 December 2013. Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

On 20 December 2013, the Court of First Instance (the “**Court**”) continued an interim injunction order (the “**Injunction**”) obtained by the Securities and Futures Commission (the “**SFC**”) on 12 December 2013 to freeze assets of the Company and Best Known up to HK\$1,968,000,000 but varied the Injunction to, among other things: (1) permit the Company to withdraw HK\$500,000 for legal advice and representation; (2) permit Best Known to spend a reasonable sum (not exceeding HK\$100,000) on legal advice and representation; and (3) extend the time for the Company and Best Known to comply with the Court Order for disclosure of their assets to 9 January 2014. In relation to High Court Action No. 2428 of 2013, the Court also granted time extension for the SFC to file its Statement of Claim by 7 February 2014 and for Company and Best Known to file their Defence by 4 April 2014.

The Company and Best Known will apply to discharge the Injunction as soon as practicable.

Further announcements will be made by the Company as and when appropriate.

SUSPENSION OF TRADING

On 20 December 2013, the SFC issued a direction under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules, directing The Stock Exchange of Hong Kong Limited to suspend all dealings in the shares of the Company from 9:00 a.m. on 20 December 2013.

Trading in the shares of the Company was suspended at the Company’s request on 30 March 2011 and will remain suspended until further notice.

By Order of the Board
ZHU Yu Guo
Chairman

Shandong, the PRC, 24 December 2013

At the date of this announcement, the executive directors of the Company are Dr. ZHU Yu Guo (Chairman), Mr. ZHU Mo Qun (Vice-Chairman) and Mr. SUN Zhen Shui; the non-executive director of the Company is Ms. SUN Rui Fang; the independent non-executive directors of the Company are Messrs. WANG Lu, KWONG Kwan Tong and GUO Liang Yong.