

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

“Access Capital”	Access Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities under the SFO, and appointed as one of the Joint Sponsors
“Addinsight”	Addinsight Limited, a company incorporated under the laws of the BVI on 2 May 2006 with limited liability and owned as to 87.5% by Mr. Zhu and as to 12.5% by Mrs. Zhu, respectively
“Application Form(s)”	white application form(s) and yellow application form(s) or, where the context so requires, either of them that is used in connection with the Hong Kong Public Offer
“Application Lists”	the application lists for the Hong Kong Public Offer
“Articles of Association” or “Articles”	the articles of association of our Company as amended from time to time
“associate”	has the meaning ascribed to it under the Listing Rules
“Be Broad”	Be Broad Limited, a company incorporated under the laws of the BVI on 18 May 2006 with limited liability and wholly-owned by Mr. Zhu Mo Qun
“Best Known”	Best Known Group Limited (慧富集團有限公司), a company incorporated under the laws of Hong Kong on 21 April 2006 with limited liability and a wholly-owned subsidiary of Double Nation
“Board”	the board of Directors
“Boom Instant” or “Selling Shareholder”	Boom Instant Limited, a company incorporated under the laws of the BVI on 3 May 2006 with limited liability and owned as to 80% by Addinsight and as to 20% by Be Broad
“Business Day”	has the meaning ascribed to it under the Listing Rules
“BVI”	the British Virgin Islands
“Capitalisation Issue”	the issue of new Shares to be made upon the capitalisation of certain sums standing to the credit of the share premium account of our Company referred to in the paragraph headed “Resolutions in writing of the sole Shareholder passed on 8 September 2007” in Appendix VI to this prospectus

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“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Broker Participant”	a person admitted to participate in CCASS as a broker participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Broker Participant or a CCASS Custodian Participant or a CCASS Investor Participant
“China Paper Association”	中國造紙協會, a social entity founded in Beijing, the PRC in 1992 and established under guidance of relevant departments of the State Council of the PRC and officially registered with the Ministry of Civil Affairs of the PRC. To the best knowledge and belief of our Directors, China Paper Association is a national trade association, composed of industry organisations in various parts of the PRC, and serves as a bridge and link between the government and the paper industry in the PRC with the mission to enhance the quality and economic performance of the paper industry of the PRC. China Paper Association is an Independent Third Party
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	Qunxing Paper Holdings Company Limited (群星紙業控股有限公司), a company incorporated in the Cayman Islands on 5 September 2006 with limited liability
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and, in the context of this prospectus, means Mr. Zhu, Mrs. Zhu, Mr. Zhu Mo Qun, Addinsight, Be Broad and Boom Instant

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“Cornerstone Investors”	several investors which have entered into placing agreements with the Company and the Global Coordinator to subscribe for an aggregate of 96,000,000 Offer Shares, details of which are described in the paragraph headed “The cornerstone placing” in the section headed “Structure and conditions of the Share Offer” in this prospectus
“Director(s)”	the director(s) of our Company
“Double Nation”	Double Nation Limited, a company incorporated under the laws of the BVI on 18 May 2006 with limited liability and a wholly-owned subsidiary of our Company
“Electronic Application Instruction(s)”	instructions given by a CCASS Participant electronically via CCASS to HKSCC, being one of the methods to apply for the Hong Kong Public Offer Shares
“Group”, “our Company”, “we” or “us”	our Company and its subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, such subsidiaries as if they were the subsidiaries of our Company at the time
“Guang Hua”	鄒平光華板材有限公司 (Zouping Guang Hua Veneer Company Limited*), a limited liability company established under the laws of the PRC on 16 May 2001 and whose entire equity interest is owned by Mr. Zhu, Mr. Zhu Mo Qun and Mrs. Zhu as to approximately 50%, 33% and 17%, respectively
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Public Offer”	the offer of the Hong Kong Public Offer Shares for the subscription by the public in Hong Kong at the final Offer Price on and subject to the terms and conditions stated in this prospectus and in the related Application Forms as further described in the section headed “Structure and conditions of the Share Offer” in this prospectus
“Hong Kong Public Offer Shares”	the 30,000,000 New Shares initially offered for subscription under the Hong Kong Public Offer, (subject to reallocation as described in the section headed “Structure and conditions of the Share Offer” in this prospectus)

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“Hong Kong Public Offer Underwriters”	the underwriters of the Hong Kong Public Offer whose names are set forth in the section headed “Underwriting” in this prospectus
“Hong Kong Public Offer Underwriting Agreement”	the conditional underwriting agreement dated 14 September 2007 relating to the Hong Kong Public Offer and entered into between our Company, the Controlling Shareholders, the Global Coordinator, the Lead Manager, the Joint Sponsors and the Hong Kong Public Offer Underwriters, details of which are set forth in the section headed “Underwriting” in this prospectus
“ICBC (Asia)”	Industrial and Commercial Bank of China (Asia) Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board
“ICBC Loan”	the loan facility in an aggregate amount of up to HK\$213,522,000 granted by ICBC (Asia) to Boom Instant pursuant to the terms and conditions of the ICBC Loan Agreement
“ICBC Loan Agreement”	the term loan agreement dated 2 February 2007 entered into between Boom Instant as borrower and ICBC (Asia) as lender, whereby ICBC (Asia) granted the ICBC Loan to Boom Instant
“ICEA” and/or “Global Coordinator” and/or “Sole Bookrunner”	ICEA Capital Limited, a corporation licensed under transitional arrangement to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO, and appointed as the global coordinator and sole bookrunner of the Share Offer and one of the Joint Sponsors
“Independent Third Party(ies)”	a person(s) or entity(ies) which is/are independent of and not connected with any member of our Group, our Directors, chief executive and substantial shareholder of our Company and its subsidiaries and their respective associates
“International Placing”	the conditional placing of the International Placing Shares by the International Placing Underwriters, acting on behalf of our Company and the Selling Shareholder, at the final Offer Price, with professional, institutional and individual investors in certain jurisdictions as described in the section headed “Structure and conditions of the Share Offer” in this prospectus

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“International Placing Shares”	the 220,000,000 New Shares being offered by our Company for subscription and the 50,000,000 Sale Shares being offered by the Selling Shareholder for purchase under the International Placing (subject to the reallocation as described in the section headed “Structure and conditions of the Share Offer” in this prospectus) together, where relevant, with any additional Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option
“International Placing Underwriters”	several underwriters of the International Placing, led by the Lead Manager, who are expected to enter into the International Placing Underwriting Agreement
“International Placing Underwriting Agreement”	the conditional underwriting agreement expected to be entered into on or around the Price Determination Date between our Company, the Selling Shareholder, the Global Coordinator, the Lead Manager, the Joint Sponsors and the International Placing Underwriters relating to the International Placing, details of which are set forth in the section headed “Underwriting” in this prospectus
“Joint Sponsors”	ICEA and Access Capital
“Latest Practicable Date”	10 September 2007, being the latest practicable date prior to the publication of this prospectus for ascertaining certain information contained in this prospectus
“Lead Manager”	ICEA Securities Limited, a corporation licensed under transitional arrangement to conduct Type 1 (dealing in securities) of the regulated activities under the SFO, and appointed as the lead manager of the Share Offer
“Listing”	listing of our Shares on the Main Board
“Listing Date”	the date on which dealings in our Shares first commence on the Main Board, which is expected to be on or around Tuesday, 2 October 2007
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange

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“Master Supply Agreement”	the master agreement for supply of decorative base paper products dated 3 September 2007 and entered into between Shandong Qunxing as supplier and Guang Hua as customer pursuant to which Shandong Qunxing has agreed to supply decorative base paper products to Guang Hua according to the terms stipulated in such agreement
“Mr. Zhu”	Mr. Zhu Yu Guo (朱玉國), our chairman, an executive Director and the father of Mr. Zhu Mo Qun and husband of Mrs. Zhu
“Mr. Zhu Mo Qun”	Mr. Zhu Mo Qun (朱墨群), an executive Director and the son of Mr. Zhu and Mrs. Zhu
“Mrs. Zhu”	Ms. Sun Rui Fang (孫瑞芳), a non-executive Director and the wife of Mr. Zhu and mother of Mr. Zhu Mo Qun
“New Issue”	the issue of New Shares under the Share Offer by our Company for subscription at the final Offer Price
“New Shares”	the 250,000,000 new Shares initially being offered at the final Offer Price by our Company under the Share Offer and, where relevant, any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option
“Offer Price”	the Hong Kong dollar price per Offer Share (excluding the Stock Exchange trading fee of 0.005%, the transaction levy of 0.004% imposed by the SFC and 1.0% of the related brokerage), which is expected to be not more than HK\$5.35 and not less than HK\$4.10 and the final price of which will be determined on or before the Price Determination Date
“Offer Shares”	the International Placing Shares and Hong Kong Public Offer Shares together, where relevant, with any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option to be granted by our Company to the International Placing Underwriters, exercisable by the Lead Manager (for itself and on behalf of the International Placing Underwriters), at any time from the Listing Date up to (and including) the date which is the 30th day after the last date for lodging the Application Forms, to require our Company to allot and issue up to 45,000,000 additional New Shares, representing 15% of the Shares initially available under the Share Offer, at the final Offer Price to cover over-allocations in the International Placing (if any) and/or the obligations of the Lead Manager to return securities borrowed under the Stock Borrowing Agreement

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“PRC” or “China”	the People’s Republic of China which, for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Price Determination Date”	the date on which the final Offer Price is to be determined by us (for ourselves and on behalf of the Selling Shareholder) and the Global Coordinator (acting on behalf of all the Underwriters), which is expected to be on Thursday, 20 September 2007 and in any event no later than Thursday, 27 September 2007
“Reorganisation”	the corporate reorganisation of our Group in preparation for the Listing, particulars of which are set forth under the paragraph headed “Corporate reorganisation” of Appendix VI to this prospectus
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	中國國家外匯管理局 (State Administration of Foreign Exchange of the PRC*)
“Sale Shares”	the 50,000,000 existing Shares being offered for sale by the Selling Shareholder at the final Offer Price under the International Placing
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“SD Changxing”	山東長星集團有限公司 (Shandong Changxing Group Limited*), a limited liability company established in the PRC on 8 March 2001 and owned by Mr. Zhu, Mr. Zhu Mo Qun and Mrs. Zhu as to 55%, 30% and 15% of its registered capital, respectively
“Shandong Qunxing”	山東群星紙業有限公司 (Shandong Qunxing Paper Limited*), a wholly foreign-owned enterprise established under the laws of the PRC on 16 August 2006 and a wholly-owned subsidiary of the Company; and where the context so requires in respect of any time prior to its conversion into a wholly foreign-owned enterprise, 山東群星紙業有限公司 (Shandong Qunxing Paper Limited*) (formerly known as 鄒平縣群星紙業有限公司 (Zouping County Qunxing Paper Co., Limited*)), a limited liability company established under the laws of the PRC on 16 June 1999 and owned as to 51% by Mr. Zhu Mo Qun and as to 49% by Mr. Zhu, respectively

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“Share(s)”	ordinary share(s) with a nominal value of HK\$0.1 each in the capital of our Company
“Shareholder(s)”	holder(s) of our Shares
“Share Offer”	the International Placing and the Hong Kong Public Offer
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 8 September 2007, the principal terms of which are set forth under the paragraph headed “Share option scheme” in Appendix VI to this prospectus
“Stock Borrowing Agreement”	a stock borrowing agreement to be entered into between the Lead Manager and Boom Instant on or around the Price Determination Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed thereto by the Listing Rules
“Track Record Period”	the three financial years ended 31 December 2006 and the four months ended 30 April 2007
“Underwriters”	the International Placing Underwriters and the Hong Kong Public Offer Underwriters
“Underwriting Agreements”	the International Placing Underwriting Agreement and the Hong Kong Public Offer Underwriting Agreement
“United States” or “US”	the United States of America
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“WTO”	World Trade Organisation
“%”	per cent.

In this prospectus, if there is any inconsistency between the Chinese names of the PRC entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The provision of English translation of company names in Chinese or another language which are marked with “*” is for identification purposes only.

Unless the context requires otherwise, translation of US\$ into HK\$ and HK\$ into RMB is made in this prospectus, for illustration purpose only, at the rates of US\$1.00 = HK\$7.80 and RMB1.00 = HK\$1.03.

No representation is made that any amount in US\$, HK\$ or RMB could have been or could be converted at the above rate or at any other rate or at all.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.