

The forecast of our combined profit attributable to equity holders of the Company for the financial year ending 31 December 2007 is set forth in the section headed "Financial information" in this prospectus.

(A) BASES AND ASSUMPTIONS

Our Directors have prepared the forecast of our combined profit attributable to equity holders of the Company for the financial year ending 31 December 2007 based on the audited combined results of the Group for the four months ended 30 April 2007, the unaudited combined results based on management accounts of the Group for the three months ended 31 July 2007 and a forecast of the combined results of the Group for the remaining five months ending 31 December 2007.

The profit forecast has been prepared on the basis of accounting policies consistent in all material respects with those currently adopted by our Group as summarised in the accountants' report, the text of which is set out in Appendix I to this prospectus.

Our Directors have made the following principal assumptions in the preparation of the profit forecast:—

- there will be no material change in the existing political, legal, fiscal or economic conditions in the PRC, Hong Kong or any of the countries in which we carry on our business;
- there will be no material changes in the bases or rates of taxation or duties in the PRC or any of the countries in which we operate or in which we are incorporated or registered;
- there will be no material changes in foreign currency exchanges rates, interest rates and inflation rates from those currently prevailing; and
- there will be no material changes in the legislation or regulations in the PRC and Hong Kong or any of the countries in which we operate or in which we are incorporated or registered, which will affect our business.

(B) LETTER FROM THE REPORTING ACCOUNTANTS

Set out below is the text of a letter from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong for the purpose of incorporation in this prospectus in connection with the profit forecast for the financial year ending 31 December 2007.



8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong

The Directors
Qunxing Paper Holdings Company Limited
ICEA Capital Limited
Access Capital Limited

17 September 2007

Dear Sirs,

We have reviewed the accounting policies and calculations adopted in arriving at the forecast combined profit attributable to the equity holders of Qunxing Paper Holdings Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the financial year ending 31 December 2007 (the "Forecast"), for which the directors of the Company (the "Directors") are solely responsible, as set out under "Profit forecast for the financial year ending 31 December 2007" in the section headed "Financial Information" in the prospectus of the Company dated 17 September 2007 (the "Prospectus").

The Forecast has been prepared by the Directors based on the audited combined results of the Group for the four months ended 30 April 2007, the unaudited management accounts of the Group for the three months ended 31 July 2007 and a forecast of the combined results of the Group for the remaining five months ending 31 December 2007.

In our opinion, so far as the accounting policies and calculations are concerned, the Forecast has been properly compiled on the bases and assumptions adopted by the Directors as set out in Appendix III to the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our Accountants' Report dated 17 September 2007, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully,
KPMG
Certified Public Accountants
Hong Kong

(ii) Letter from the Joint Sponsors



17 September 2007

The Directors
Qunxing Paper Holdings Company Limited

Dear Sirs,

We refer to the forecast of the combined profit attributable to the equity holders of Qunxing Paper Holdings Company Limited (the “Company”) for the financial year ending 31 December 2007 (the “Forecast”) as set out in the paragraph headed “Profit forecast for the financial year ending 31 December 2007” under the section headed “Financial information” in the prospectus of the Company dated 17 September 2007 (the “Prospectus”).

The Forecast, for which you as the directors of the Company (the “Directors”) are solely responsible, has been prepared based on the audited combined accounts of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the four months ended 30 April 2007, the unaudited combined management accounts of the Group for the three months ended 31 July 2007 and a forecast of the combined results of the Group for the remaining five months ending 31 December 2007.

We have discussed with you the bases and assumptions, as set forth in part (A) of Appendix III to the Prospectus, upon which the Forecast has been made. We have also considered the letter dated 17 September 2007 addressed to yourselves and ourselves from KPMG regarding the accounting policies and calculations upon which the Forecast has been made.

On the basis of the foregoing, the bases and assumptions made by you and the accounting policies and calculations adopted by you and reviewed by KPMG, we are of the opinion that the Forecast, for which you as the Directors are solely responsible, has been made after due and careful enquiry and consideration.

Yours faithfully,
For and on behalf of
ICEA Capital Limited
Adrian Tsang
Executive Director

Yours faithfully,
For and on behalf of
Access Capital Limited
Ambrose Lam
Chairman