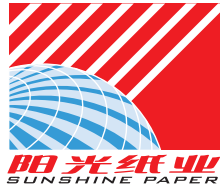


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CHINA SUNSHINE PAPER HOLDINGS COMPANY LIMITED

中國陽光紙業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2002)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Yuet Sheung International Securities Limited

The Board is pleased to announce that all conditions to the Placing Agreement have been fulfilled and completion of the Placing took place on 28 April 2021. A total of 85,802,000 Placing Shares have been successfully placed by the Placing Agent to not fewer than six Places at the Placing Price of HK\$1.5 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

Reference is made to the announcement of the Company dated 8 April 2021 in respect of the placing of new Shares under the General Mandate (the “**Announcement**”). Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all conditions to the Placing Agreement have been fulfilled and completion of the Placing took place on 28 April 2021. A total of 85,802,000 Placing Shares have been successfully placed by the Placing Agent to not fewer than six Placees at the Placing Price of HK\$1.5 per Placing Share pursuant to the terms and conditions of the Placing Agreement, representing approximately 9.48% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately upon completion of the Placing.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placees and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. None of the Placees and their ultimate beneficial owners has become a substantial shareholder (as defined under the Listing Rules) of the Company upon completion of the Placing.

The net proceeds from the Placing, after deduction of the placing commission and other related expenses, amounted to approximately HK\$125.9 million. The Company intends to use such net proceeds for the general working capital of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY IMMEDIATELY BEFORE AND UPON COMPLETION OF THE PLACING

The shareholding structure of the Company immediately before and upon completion of the Placing is as follows:

Shareholders	Immediately before completion of the Placing		Immediately upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
China Sunrise Paper Holdings Limited (<i>Note 1</i>)	321,687,052	39.26	321,687,052	35.54
Wang Dongxing (<i>Note 2</i>)	18,425,500	2.25	18,425,500	2.04
Wang Changhai (<i>Note 2</i>)	3,840,000	0.47	3,840,000	0.42
Ci Xiaolei (<i>Note 3</i>)	929,000	0.11	929,000	0.10
Public				
Placees	—	—	85,802,000	9.48
Other public Shareholders	<u>474,480,448</u>	<u>57.91</u>	<u>474,480,448</u>	<u>52.42</u>
Total	<u>819,362,000</u>	<u>100.00</u>	<u>905,164,000</u>	<u>100.00</u>

Note:

1. As China Sunshine Paper Investments Limited (“**China Sunshine**”) owns the entire interest of China Sunrise Paper Holdings Limited (“**China Sunrise**”), China Sunshine is deemed to be interested in the 321,687,052 Shares held by China Sunrise. A group of 18 individuals comprising Mr. Chen Xiaojun, Mr. Guo Jianlin, Ms. Li Hua, Mr. Li Zhongzhu, Mr. Lu Yujie, Mr. Ma Aiping, Mr. Sang Ziqian, Mr. Shi Weixin, Mr. Sun Qingtao, Mr. Wang Changhai, Mr. Wang Dongxing, Mr. Wang Feng, Mr. Wang Yilong, Mr. Wang Yongqing, Ms. Wu Rong, Mr. Zhang Zengguo, Mr. Zheng Fasheng and Mr. Zuo Xiwei (the “**Controlling Shareholders Group**”) entered into an agreement on 16 June 2006 and as amended by a supplemental agreement on 19 November 2007 (the “**Concert Parties Agreement**”), pursuant to which each of the members of the Controlling Shareholders Group has confirmed that, among other things, since he or she became interested in and possessed voting rights in China Sunshine, China Sunrise and any members of our Group (with China Sunshine and China Sunrise, collectively, the “**Target Entities**”) and participated in the management of the business of the Target Entities, each of them has been actively cooperating with each other and has been acting in concert (for the purpose of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”)), with an aim to achieve consensus and concerted action on major affairs relating to the business of the Target Entities. In addition, each of the members of the Controlling Shareholders Group has also agreed to keep the other members informed of their direct or indirect interest in the Target Entities or changes to such interest, so as to ensure due and prompt compliance of all applicable laws and regulations on disclosure of securities interests by shareholders. On 14 April 2021, Ms. Li Hua transferred all of her interest in China Sunshine to Mr. Wang Dongxing and the Concert Parties Agreement is no longer binding on Ms. Li Hua. As China Sunrise is wholly-owned by China Sunshine, and China Sunshine is wholly-owned by the Controlling Shareholders Group, each of China Sunshine and members of the Controlling Shareholders Group except Ms. Li Hua (for the purpose of the Takeovers Code), is deemed to be interested in the 321,687,052 Shares held by China Sunrise.
2. Each of Mr. Wang Dongxing and Mr. Wang Changhai is an executive director of the Company. Other members of the Controlling Shareholder Group, being member of the Concert Parties Agreement, are deemed to be interested in such Shares held by Mr. Wang Dongxing and Mr. Wang Changhai under section 318 of the SFO.
3. Mr. Ci Xiaolei is an executive director of the Company

By order of the Board
China Sunshine Paper Holdings Company Limited
Wang Dongxing
Chairman

Weifang, Shandong Province, China, 28 April 2021

As at the date of this announcement, the executive Directors are Mr. Wang Dongxing (Chairman), Mr. Shi Weixin, Mr. Wang Changhai, Mr. Zhang Zengguo and Mr. Ci Xiaolei; the non-executive Director is Ms. Wu Rong; and the independent non-executive Directors are Ms. Shan Xueyan, Mr. Wang Zefeng and Ms. Jiao Jie.

* *For identification purposes only*