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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)

(1) COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE; (2) CHANGE OF DIRECTORS; AND (3) CHANGE OF COMPOSITION OF BOARD COMMITTEES

COMPLETION OF THE SUBSCRIPTION

Reference is made to the announcement of China Sunshine Paper Holdings Limited (the “**Company**”) dated 14 July 2023 (the “**Announcement**”) in relation to, among other matters, the Subscription under the General Mandate. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board is pleased to announce that as all the Conditions Precedent set out in the Subscription Agreement have been fulfilled, the Completion took place on 22 November 2023 in accordance with the terms and conditions of the Subscription Agreement. An aggregate of 162,000,000 Subscription Shares, representing approximately 14.34% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares, have been allotted and issued to the Subscriber at the Subscription Price of HK\$2.480 per Subscription Share. The net proceeds (after deduction of all relevant expenses) from the Subscription of approximately HK\$401.26 million will be applied as general working capital of the Group as disclosed in the Announcement.

Effect on Shareholding Structure of the Company

The 162,000,000 Subscription Shares represent (i) approximately 16.74% of the issued share capital of the Company immediately before the Completion; and (ii) approximately 14.34% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares immediately following the Completion.

The shareholding structure of the Company immediately before and following the Completion are as follows:

Name of Shareholders	Immediately before the Completion		Immediately upon the Completion	
	<i>Number of Shares</i>	<i>Approximate % of the total issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of the total issued Shares</i>
China Sunrise Paper Holdings Limited ⁽¹⁾	321,687,052	33.24%	321,687,052	28.47%
Wang Dongxing ⁽²⁾	18,425,500	1.90%	18,425,500	1.63%
Wang Changhai ⁽³⁾	3,840,000	0.40%	3,840,000	0.34%
Ci Xiaolei ⁽⁴⁾	929,000	0.10%	929,000	0.08%
The Subscriber	—	—	162,000,000	14.34%
Other public Shareholders	<u>622,972,807</u>	<u>64.37%</u>	<u>622,972,807</u>	<u>55.14%</u>
Total	<u>967,854,359</u>	<u>100.00%</u>	<u>1,129,854,359</u>	<u>100.00%</u>

Notes:

- China Sunrise Paper Holdings Limited is wholly owned by China Sunshine Paper Investments Limited, which in turn is wholly owned by a group of 17 individuals comprising Mr. Chen Xiaojun, Mr. Guo Jianlin, Mr. Li Zhongzhu, Mr. Lu Yujie, Mr. Ma Aiping, Mr. Sang Ziqian, Mr. Shi Weixin (an executive Director), Mr. Sun Qingtao, Mr. Wang Changhai (an executive Director), Mr. Wang Dongxing (an executive Director), Mr. Wang Feng, Mr. Wang Yilong, Mr. Wang Yongqing, Ms. Wu Rong (a non-executive Director), Mr. Zhang Zengguo, Mr. Zheng Fasheng and Mr. Zuo Xiwei (the “Shareholders Group”), who have been acting in concert pursuant to an acting in concert agreement dated 16 June 2006. Each of China Sunshine Paper Investments Limited and the members of the Shareholders Group is deemed to be interested in the 321,687,052 Shares beneficially owned by China Sunrise Paper Holdings Limited by virtue of the SFO.
- Such 18,425,500 Shares are directly and beneficially owned by Mr. Wang Dongxing, an executive Director and chairman of the Board. Under section 318 of the SFO, each other member of the Shareholders Group is deemed to be interested in such Shares held by Mr. Wang Dongxing.
- Such 3,840,000 Shares are directly and beneficially owned by Mr. Wang Changhai, an executive Director. Under section 318 of the SFO, each other member of the Shareholders Group is deemed to be interested in such Shares held by Mr. Wang Changhai.
- Such 929,000 Shares are directly and beneficially owned by Mr. Ci Xiaolei, an executive Director.

CHANGE OF DIRECTORS

Resignation of Executive Director

The Board further announces that Mr. Zhang Zengguo (“**Mr. Zhang ZG**”) has tendered his resignation as an executive Director with effect from 22 November 2023 due to work arrangement adjustments.

Mr. Zhang ZG has confirmed that (i) he has no claim against the Company in respect of his resignation; (ii) he has no disagreement with the Board; and (iii) there is no matter in relation to his resignation that needs to be brought to the attention of the Shareholders and the Stock Exchange.

The Board would like to express its gratitude to Mr. Zhang ZG for his valuable efforts and contributions to the Company during his tenure of office.

Appointment of Non-executive Director

Following the resignation of Mr. Zhang ZG, the Board is pleased to announce that Mr. Zhang Xiaohui (“**Mr. Zhang XH**”) has been appointed as a non-executive Director with effect from 22 November 2023.

The biographical details of Mr. Zhang XH are set out below:

Mr. Zhang Xiaohui (張曉暉), aged 47, has more than 20 years of experience in operation and management in pulp and paper industry. Mr. Zhang XH joined Xiamen C&D Inc.* (廈門建發股份有限公司) as a sales clerk in July 1998 and was then promoted to the position of deputy general manager of Xiamen C&D Paper & Pulp Group Co., Ltd.* (廈門建發漿紙集團有限公司, “**Xiamen C&D**”), being responsible for the operation and management of its paper pulp business. Mr. Zhang XH has been serving as the general manager of Xiamen C&D since July 2023 and as a non-executive director of C&D Newin Paper & Pulp Corporation Limited (建發新勝漿紙有限公司*, a company listed on the Stock Exchange, stock code: 731) since September 2023. He also serves as the vice chairman (副理事長) of China Paper Association (中國造紙協會) and the vice chairman (副會長) of All-China Paper and Pulp Industry Chamber of Commerce (全聯紙業商會). Mr. Zhang XH obtained a bachelor’s degree from Southeast University (東南大學) in 1998.

Save as disclosed above, as at the date of this announcement, Mr. Zhang XH (i) did not hold any directorships in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) does not have any other major appointments and professional qualifications; (iii) does not hold any other position with the Company or other members of the Group; (iv) does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company (as respectively defined in the Listing Rules); and (v) does

not have, and is not deemed to have, any interests in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Mr. Zhang XH has entered into a letter of appointment with the Company for a fixed term of three years commencing from 22 November 2023 and is subject to retirement by rotation and re-election in accordance with the Listing Rules and the articles of association of the Company. Mr. Zhang XH will not be entitled to any director's service fees.

Save as disclosed above, Mr. Zhang XH confirmed that there is no other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and the Company is not aware of any other matters in relation to his appointment that need to be brought to the attention of the Shareholder.

The Board would like to welcome Mr. Zhang XH to the Board.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

The Board hereby further announces that, with effect from 22 November 2023:

- (1) each of Mr. Zhang XH and Ms. Jiao Jie has been appointed as a member of the remuneration committee of the Company; and
- (2) each of Mr. Zhang XH and Ms. Zhang Tao has been appointed as a member of the nomination committee of the Company.

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

Weifang, Shandong Province, China, 22 November 2023

As at the date of this announcement, the Directors are:

Executive Directors: *Mr. Wang Dongxing, Mr. Shi Weixin, Mr. Wang Changhai and Mr. Ci Xiaolei*

Non-executive Directors: *Ms. Wu Rong and Mr. Zhang Xiaohui*

Independent non-executive Directors: *Mr. Wang Zefeng, Ms. Jiao Jie and Ms. Zhang Tao*

* *For identification purposes only*