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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **China Sunshine Paper Holdings Company Limited**, you should at once hand this circular together with the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSED GRANT OF THE SHARE BUY-BACK MANDATE  
AND  
THE ISSUE MANDATE, RE-ELECTION OF DIRECTORS,  
AND  
DECLARATION OF FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting (the “AGM”) of China Sunshine Paper Holdings Company Limited (the “Company”) to be held at China Sunshine Paper Office Tower, Changle Economic Development Zone, Weifang, Shandong, China on 30 May 2019 at 10:00 a.m. is set out on pages 20 to 24 of this circular. Resolutions will be proposed at the AGM to consider and, if thought fit, to approve, among other matters, the grant of the Share Buy-back Mandate and Issue Mandate, the re-election of Directors, and the declaration of final dividend.

A proxy form is enclosed with this circular. Whether or not you are intending to attend and vote at the AGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed on such form to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong, Investor Services Limited, at Shop 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the AGM or any adjournment of such meeting. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the AGM in person or any adjourned meeting, as the case may be, should you so desire.

\* *For identification purposes only*

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## RESPONSIBILITY STATEMENT

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This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2018 Annual Report”	the annual report of the Company for the financial year ended 31 December 2018
“AGM”	the annual general meeting of the Company to be convened and held at China Sunshine Paper Office Tower, Changle Economic Development Zone, Weifang, Shandong, China, on 30 May 2019 at 10:00 a.m. or any adjournment, the notice of which is set out on pages 20 to 24 of this circular
“AGM Notice”	a notice dated 23 April 2019 convening the AGM as set out on pages 20 to 24 of this circular
“Articles”	the articles of association of the Company
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“CG Code”	the Corporate Governance Code set out in appendix 14 to the Listing Rules
“China Sunrise”	China Sunrise Paper Holdings Limited (formerly known as China Sunshine Paper Holdings Limited), a company established under the laws of the Cayman Islands with limited liability on 3 April 2006, which is a wholly-owned subsidiary of China Sunshine and a controlling shareholder of the Company
“China Sunshine”	China Sunshine Paper Investments Limited (中國陽光紙業投資有限公司), a company established under the laws of the British Virgin Islands with limited liability on 14 March 2006 and which is wholly-owned by the Controlling Shareholders Group that includes certain Directors, namely, 王東興 (Mr. Wang Dongxing), 施衛新 (Mr. Shi Weixin), 張增國 (Mr. Zhang Zengguo), 王長海 (Mr. Wang Changhai) and 吳蓉 (Ms. Wu Rong), and a member of the senior management of the Group, namely, 陳效雋 (Mr. Chen Xiaojun)
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands

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## DEFINITIONS

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“Company”	China Sunshine Paper Holdings Company Limited (中國陽光紙業控股有限公司*), an exempted company incorporated in the Cayman Islands with limited liability on 22 August 2007, the shares of which are listed on the main board of the Stock Exchange
“Concert Parties Agreement”	an agreement entered into between the members of the Controlling Shareholders Group on 16 June 2006 and as amended by a supplemental agreement entered into by the same parties on 19 November 2007
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Controlling Shareholders Group”	a group of 18 individuals comprising 王東興 (Mr. Wang Dongxing), 施衛新 (Mr. Shi Weixin), 王益瓏 (Mr. Wang Yilong), 吳蓉 (Ms. Wu Rong), 汪峰 (Mr. Wang Feng), 桑自謙 (Mr. Sang Ziqian), 王永慶 (Mr. Wang Yongqing), 陳效雋 (Mr. Chen Xiaojun), 鄭法聖 (Mr. Zheng Fasheng), 左希偉 (Mr. Zuo Xiwei), 馬愛平 (Mr. Ma Aiping), 李仲翥 (Mr. Li Zhongzhu), 李華 (Ms. Li Hua), 郭建林 (Mr. Guo Jianlin), 孫清濤 (Mr. Sun Qingtao), 陸雨杰 (Mr. Lu Yujie), 張增國 (Mr. Zhang Zengguo) and 王長海 (Mr. Wang Changhai)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue and deal with new Shares during the period as set out in Ordinary Resolution 11 of the AGM Notice of not exceeding 20% of the total number of shares of the Company in issue as at the date of passing of the ordinary resolution approving the same
“Latest Practicable Date”	23 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

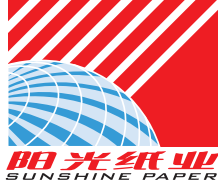
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“Memorandum”	the memorandum of association of the Company
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice
“PRC” or “China”	the People’s Republic of China and for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company
“Share Buy-back Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to buy back the fully paid up Shares during the period as set out in Ordinary Resolution 10 of the AGM Notice of up to 10% of the total number of shares of the Company in issue as at the date of passing of that resolution
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs in Hong Kong
“Target Entities”	China Sunshine, China Sunrise and any members of the Group
“%”	per cent

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Wang Dongxing (*Chairman*)  
Mr. Shi Weixin (*Vice Chairman*)  
Mr. Wang Changhai (*General Manager*)  
Mr. Zhang Zengguo (*Deputy General Manager*)  
Mr. Ci Xiaolei (*Deputy General Manager*)

*Non-executive Director:*

Ms. Wu Rong

*Independent non-executive Directors:*

Ms. Shan Xueyan  
Mr. Wang Zefeng  
Ms. Jiao Jie

*Registered office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of business  
in the PRC:*

Changle Economic Development Zone  
Weifang 262400  
Shandong  
China

*Principal place of business in Hong Kong:*

17/F  
Winsan Tower  
98 Thomson Road  
Wan Chai  
Hong Kong

29 April 2019

*To the Shareholders and, for information only,  
the holders of share options of the Company*

Dear Sir or Madam,

**PROPOSED GRANT OF THE SHARE BUY-BACK MANDATE  
AND  
THE ISSUE MANDATE, RE-ELECTION OF DIRECTORS,  
AND  
DECLARATION OF FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

\* For identification purposes only

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## LETTER FROM THE BOARD

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### INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

At the AGM, resolutions will be proposed for the Shareholders to approve, among other matters, (i) the grant of the Share Buy-back Mandate to the Directors; (ii) the grant of the Issue Mandate to the Directors and the extension of the Issue Mandate as set out in the AGM Notice; (iii) the re-election of Directors; and (iv) the declaration of final dividend.

### SHARE BUY-BACK MANDATE

At the last annual general meeting of the Company held on 31 May 2018, a general mandate was granted to the Directors to exercise the powers of the Company to buy-back Shares. Such mandate will lapse at the conclusion of the AGM. Ordinary Resolution 10 will be proposed at the AGM to grant the Share Buy-back Mandate to the Directors. As at the Latest Practicable Date, the Company had an issued share capital of HK\$81,936,200 divided into 819,362,000 Shares with par value of HK\$0.10 each. Subject to the passing of Ordinary Resolution 10 approving the Share Buy-back Mandate and no further Shares will be allotted or issued by the Company prior to the AGM, exercise of the Share Buy-back Mandate in full would result in up to a maximum of 81,936,200 Shares, representing 10% of the total number of Shares in issue and a share capital of HK\$8,193,620, to be bought back by the Company. An explanatory statement as required under the Listing Rules to provide the requisite information of the Share Buy-back Mandate is set out in Appendix I to this circular.

### ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate in order to provide flexibility and discretion to the Directors to exercise the power of the Company to issue new Shares. As at the Latest Practicable Date, the Company had an issued share capital of HK\$81,936,200 divided into 819,362,000 Shares with par value of HK\$0.10 each. Subject to the passing of Ordinary Resolution 9 approving the Issue Mandate and on the basis that no further Shares will be issued or allotted by the Company prior to the AGM, the exercise of the Issue Mandate in full would result in up to a maximum of 163,872,400 Shares, representing 20% of the total number of Shares in issue and a share capital of HK\$16,387,240, being issued by the Company. The Issue Mandate will lapse on the earlier of (i) the conclusion of the next annual general meeting of the Company, (ii) the date by which the next annual general meeting of the Company is required to be held by law or the Articles, or (iii) the date upon which the Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company. In addition, Ordinary Resolution 12 will also be proposed to extend the Issue Mandate by adding to it the number of such Shares bought back under the Share Buy-back Mandate.



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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. Wang Dongxing, Mr. Shi Weixin, Mr. Zhang Zengguo, Mr. Wang Changhai and Mr. Ci Xiaolei; the non-executive Director was Ms. Wu Rong and the independent non-executive Directors were Ms. Shan Xueyan, Mr. Wang Zefeng and Ms. Jiao Jie.

Pursuant to Articles 87(1) and (2) of the Articles, Mr. Zhang Zengguo, Ms. Shan Xueyan and Mr. Wang Zefeng shall retire from office by rotation and being eligible, will offer themselves for re-election at the AGM.

Pursuant to Articles 86(3) of the Articles, Mr. Ci Xiaolei and Ms. Wu Rong shall being eligible, will offer themselves for re-election at the AGM.

Mr. Wang Zefeng has been serving as an independent non-executive Director for more than nine years since November 2007. Pursuant to code provision A.4.3 of the CG Code, (a) serving more than nine years could be relevant to the determination of a non-executive director's independence; and (b) if an independent non-executive director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

The Company has received a written confirmation from Mr. Wang Zefeng, for his independence pursuant to Rule 3.13 of the Listing Rules. Mr. Wang Zefeng has not engaged in any executive management of the Company and its subsidiaries. The Directors noted the positive contributions of Mr. Wang Zefeng to the development of the Company's strategy and policies through independent, constructive and informed contributions supported by his skills, expertises and qualifications and from his active participations at meetings. The nomination committee of the Company has assessed and is satisfied of the independence of Mr. Wang Zefeng. Taking into consideration his records of independence during his term of service, the Directors consider Mr. Wang Zefeng to be independent under the Listing Rules.

Despite the fact that Mr. Wang Zefeng has served as an independent non-executive Director of the Company for more than nine years, the Board considers that this would not affect his exercising of independent judgment. Accordingly, Mr. Wang Zefeng will be subject to retirement by rotation and re-election by way of separate resolutions to be approved by the Shareholders in the AGM.

Particulars of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

### FINAL DIVIDEND

As stated in the announcement of the Company dated 29 March 2019 relating to the annual results of the Group for the year ended 31 December 2018, the Board proposed the payment of a final dividend of HK4.0 cents per ordinary Share for the year ended 31 December 2018, subject to approval of the Shareholders of the Company at the AGM.

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## LETTER FROM THE BOARD

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Shareholders whose names appear on the Company's register of members on 11 June 2019 will qualify for the proposed final dividend. The register of members of the Company will be closed from 6 June 2019 to 11 June 2019, for the purpose of determining entitlement to the proposed final dividend, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 pm on 5 June 2019. The proposed final dividend (the payment of which is subject to the Shareholders' approval at the AGM) is payable on or about 20 June 2019 to the Shareholders whose names appear on the register of members of the Company on 11 June 2019.

### **AGM**

A notice convening the AGM to be held at China Sunshine Paper Office Tower, Changle Economic Development Zone, Weifang, Shandong, China on 30 May 2019 at 10:00 a.m., is set out on pages 20 to 24 of this circular.

### **ACTIONS TO BE TAKEN**

A proxy form for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed on such form and return it to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shop 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event no later than 48 hours before the time appointed for the holding of the AGM or any adjourned meeting. Such proxy form for use at the AGM is also published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.sunshinepaper.com.cn](http://www.sunshinepaper.com.cn). Completion and return of the proxy form will not preclude you from attending and voting at the AGM in person or any adjourned meeting, as the case may be, should you so desire.

### **VOTING BY POLL AT THE AGM**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll except where, the chairman, in good faith decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands. The chairman of the meeting will demand a poll for all resolutions put to the vote at the AGM pursuant to Article 66 of the Articles. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

At the AGM, resolutions will be proposed for the Shareholders to approve, among other matters, (i) the grant of the Share Buy-back Mandate to the Directors; (ii) the grant of the Issue Mandate to the Directors and the extension of the Issue Mandate as set out in the AGM Notice; (iii) the re-election of Directors; and (iv) the declaration of final dividend.

The Directors consider that (i) the grant of the Share Buy-back Mandate to the Directors; (ii) the grant of the Issue Mandate to the Directors and the extension of the Issue Mandate as set out in the AGM Notice; (iii) the re-election of Directors and (iv) the declaration of final dividend are in the best interests of the Company, the Group and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of the corresponding resolutions to be proposed at the AGM respectively.

### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM:

- (i) the Memorandum and the Articles; and
- (ii) this circular.

### GENERAL

In case of any discrepancies between the Chinese and English versions of this circular, the English version shall prevail.

Yours faithfully,  
For and on behalf of  
**China Sunshine Paper Holdings Company Limited**  
**Wang Dongxing**  
*Chairman*

*This appendix serves as an explanatory statement as required under the Listing Rules to provide the requisite information to you for consideration of the Share Buy-back Mandate.*

**SHARE CAPITAL**

As at the Latest Practicable Date, the Company had 819,362,000 Shares in issue or an issued share capital of HK\$81,936,200.

Subject to the passing of the proposed Ordinary Resolution 10 approving the Share Buy-back Mandate and on the basis that none of the outstanding share options is exercised and no further Shares is issued, allotted or repurchased by the Company prior to the AGM, the exercise of the Share Buy-back Mandate in full would result in up to a maximum of 81,936,200 Shares, representing 10% of the total number of Shares in issue and a share capital of HK\$8,193,620 to be bought back by the Company. The Share Buy-back Mandate will lapse during the period ending on the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the date by which the next annual general meeting of the Company is required to be held by law or the Articles; or
- (iii) the date upon which the Share Buy-back Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

**REASONS FOR SHARE BUY-BACK**

Although the Directors have no present intention of exercising the Share Buy-back Mandate, they believe that the flexibility afforded by the Share Buy-back Mandate would be beneficial to the Company and the Shareholders as a whole. At any time in the future when the Shares are trading at a discount to their underlying value, the ability of the Company to buy back the Shares will be beneficial to the Shareholders who retain their investment in the Company as their percentage interest in the assets of the Company would increase in proportion to the number of Shares bought back by the Company from time to time and thereby resulting in an increase in net assets and/or earnings per share of the Company. Such share buy-back will only be made when the Directors believe that such exercises will benefit the Company and the Shareholders as a whole.

**FUNDING OF SHARE BUY-BACK**

The Directors propose that the buy back of Shares under the Share Buy-back Mandate would be financed from internal resources of the Company.

In buying back the Shares, the Company may only apply funds legally available for such purposes in accordance with the Memorandum, the Articles and the applicable laws of the Cayman Islands. Under the laws of the Cayman Islands, share buy-back by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the

provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be bought back must be provided for out of the profits or share premium account of the Company, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of the capital of the Company.

The exercise of the Share Buy-back Mandate in full will not have a material adverse impact on the working capital or the gearing level of the Company, as compared with the position disclosed in the latest published audited consolidated financial statements of the Group contained in the 2018 Annual Report.

The Directors do not propose to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or the gearing level of the Company, as compared with the position disclosed in the latest published audited consolidated financial statements of the Group contained in the 2018 Annual Report, which in the opinion of the Directors are from time to time appropriate for the Company. The number of the Shares to be repurchased on any occasion and the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regard to the then pertaining circumstances.

## SHARE PRICES

The highest and lowest prices, to the nearest cents, at which the Shares have been traded on the Stock Exchange during each of the twelve months up to the Latest Practicable Date, were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2018</b>		
April	2.46	2.20
May	2.43	2.19
June	2.35	1.64
July	1.90	1.64
August	1.80	1.51
September	1.61	1.41
October	1.52	1.22
November	1.40	1.25
December	1.43	1.18
<b>2019</b>		
January	1.39	1.23
February	1.70	1.40
March	1.64	1.54
April (up to the Latest Practicable Date)	1.50	1.33

**Disclosure of interests**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the Share Buy-back Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)).

No core connected person has notified the Company that he or she has a present intention to sell any Shares to the Company nor has undertaken not to sell any of the Shares held by him or her to the Company in the event that the Share Buy-back Mandate is approved by the Shareholders.

**Takeovers Code**

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises its powers to buy back Shares pursuant to the Share Buy-back Mandate, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, as far as the Directors are aware, substantial Shareholders of the Company having an interest of 5% or more in the issued share capital of the Company are as follows:

<b>Name</b>	<i>Notes</i>	<b>Number of Shares interested</b>	<b>Nature of interest</b>	<b>Total number of Shares</b>	<b>Percentage of the Company's issued share capital</b>
China Sunrise		321,687,052	Beneficial Owner	321,687,052	39.26
China Sunshine	1	321,687,052	Interest of a controlled corporation	321,687,052	39.26
Controlling Shareholders Group	2	321,687,052	Interests of a party to an agreement to acquire interests in the Company		
	2	22,265,500	Interest of a party to an agreement to acquire interests in the Company apart from such agreement	343,952,552	41.98

Name	Notes	Number of Shares interested	Nature of interest	Total number of Shares	Percentage of the Company's issued share capital
Wang Dongxing		18,425,500	Beneficial Owner		
	2	321,687,052	Interests of a party to an agreement to acquire interests in the Company		
	3	3,840,000	Interest of a party to an agreement to acquire interests in the Company apart from such agreement	343,952,552	41.98
Wang Changhai		3,840,000	Beneficial Owner		
	2	321,687,052	Interests of a party to an agreement to acquire interests in the Company		
	4	18,425,500	Interest of a party to an agreement to acquire interests in the Company apart from such agreement	343,952,552	41.98

*Notes:*

1. As China Sunshine owns the entire interest in China Sunrise, China Sunshine is deemed to be interested in the 321,687,052 Shares held by China Sunrise.
2. The members of 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 matters, since he or she became interested in and possessed voting rights in 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 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. 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 (for the purpose of the Takeovers Code), including Mr. Wang Dongxing, Mr. Shi Weixin, Mr. Zhang Zengguo, Mr. Wang Changhai and Ms. Wu Rong, is deemed to be interested in the same 321,687,052 Shares held by China Sunrise. Further, Mr. Wang Dongxing is interested in 18,425,500 Shares and Mr. Wang Changhai is interested in 3,840,000 Shares as

beneficial owners. Other members of the Controlling Shareholders Group, being parties to 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. Wang Dongxing is deemed to be interested in the 3,840,000 Shares held by Mr. Wang Changhai under section 318 of the SFO, being party to the Concert Parties Agreement.
4. Mr. Wang Changhai is deemed to be interested in the 18,425,500 Shares held by Mr. Wang Dongxing under section 318 of the SFO, being party to the Concert Parties Agreement.

In the event that the Directors should exercise the Share Buy-back Mandate in full to buy back the Shares, the aggregate shareholding of the Controlling Shareholders Group will be increased to approximately 46.64% of the issued share capital of the Company, resulting in an obligation on the part of the Controlling Shareholders Group to make a general offer under the Takeovers Code. However, the Directors have no present intention to exercise the Share Buy-back Mandate to the extent that the obligation to make a general offer on the part of the above-mentioned substantial Shareholders will be triggered.

Assuming that there is no further issue of Shares between the Latest Practicable Date and the date of share buy-backs, the exercise of the Share Buy-back Mandate in full will not result in less than 25% of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules. In any event, the Directors have no present intention to exercise the Share Buy-back Mandate to the extent that less than 25% of the issued share capital of the Company will be held by the public.

#### **SHARES BOUGHT BACK BY THE COMPANY**

The Company had not bought back any of its Shares, whether on the Stock Exchange or otherwise, during the previous six months preceding the Latest Practicable Date.



**DIRECTORS SUBJECT TO RE-ELECTION OR RE-APPOINTMENT****Mr. Zhang Zengguo**

Mr. Zhang Zengguo, aged 52, is an executive Director and the deputy general manager of our Group and is responsible for material management, fire control and external liaison affairs etc. Mr. Zhang was appointed as a Director on 19 November 2007. Mr. Zhang joined the Group in 2001. He is also the director of the technical department, assistant general manager and deputy general manager of Changle Sunshine since 2001. Further, Mr. Zhang is a director of China Sunshine and China Sunrise, controlling shareholders of the Company. He graduated from the Shandong Institute of Light Industry in 1988, with a major in pulp and paper manufacturing. Mr. Zhang was the department director and engineer of Jinguang Paper Mill from 1993 to 2000. During his tenure in office in Jinguang Paper Mill, Mr. Zhang was primarily responsible for the design, construction and test run of projects.

***Length of service***

Pursuant to the existing service agreement between Mr. Zhang and the Company, the appointment of Mr. Zhang was for a fixed term of three years commencing on 19 November 2016, renewable for another three years subject to the rotation and re-election under articles of association of the Company.

***Relationship with other Directors, senior management, substantial or controlling Shareholders of the Company***

Mr. Zhang is a member of the Controlling Shareholders Group. Pursuant to the Concert Parties Agreement, each of the members of the Controlling Shareholders Group confirmed that, among other matters, since he or she became interested in and possessed voting rights in 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 Takeovers Code), with an aim to achieve consensus and concerted action on major affairs relating to the business of the Target Entities.

Except as disclosed above, Mr. Zhang does not have any relationship with any Director, senior management, substantial or controlling Shareholders of the Company.

***Interests in Shares***

Mr. Zhang is a member of the Controlling Shareholders Group and is acting in concert (for the purpose of the Takeovers Code) with other members of such group. Hence, under the SFO, Mr. Zhang is deemed to be interested in the 321,687,052 Shares held by China Sunrise, 18,425,500 Shares held by Mr. Wang Dongxing and 3,840,000 Shares held by Mr. Wang Changhai as at the Latest Practicable Date. Save as disclosed, Mr. Zhang did not have any other interests (within the meaning of Part XV of the SFO) in the Shares or underlying Shares.

*Amount of emoluments*

The current emolument payable to Mr. Zhang comprises director's fees of RMB50,000 per year and annual bonus and allowance, which is determined with reference to his duties and responsibilities in the Company and the remuneration policy of the Company, and may, subject to the review of the remuneration committee and the Board.

*Other information*

Save as disclosed above, Mr. Zhang has no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

**Ms. Shan Xueyan**

Ms. Shan Xueyan, aged 41, is an independent non-executive Director. Ms. Shan joined the Group in 2016 and was appointed as a Director on 15 December 2016. Ms. Shan is also the chairlady of the audit committee and a member of the remuneration committee of the Company. Ms. Shan has over 15 years of experience in accounting and auditing. Currently, Ms. Shan is the audit supervisor of Shouguang Shengcheng Certified Public Accountants ("Shouguang Shengcheng") (壽光聖誠有限責任會計師事務所), which she joined in July 2001. At Shouguang Shengcheng, Ms. Shan is mainly responsible for auditing sizeable enterprises and government projects, and providing finance and tax consultancy services to enterprises in China. Ms. Shan graduated with a Bachelor of Engineering degree from the Tsingtao Polytechnic University in July 2001. She is a member of the Chinese Institute of Certified Public Accountants and has been qualified as a senior accountant since 2011.

*Length of service*

Pursuant to the existing letter of appointment between Ms. Shan and the Company, the appointment of Ms. Shan was for a period of three years commencing on 15 December 2016, renewable for another three years subject to the rotation and re-election under articles of association of the Company.

*Relationship with other Directors, senior management, substantial or controlling Shareholders of the Company*

Ms. Shan does not have any relationship with any Director, senior management, substantial or controlling Shareholders of the Company.

*Interests in Shares*

As at the Latest Practicable Date, Ms. Shan does not have any interest in the Shares for the purposes of the SFO.

*Amount of emoluments*

The current emolument payable to Ms. Shan comprises director's fees of RMB50,000 per year, which is determined with reference to her duties and responsibilities in the Company and the remuneration policy of the Company, and may, subject to the review of the remuneration committee and the Board.

*Other information*

Ms. Shan has not been a director of any other company listed in Hong Kong or overseas for the last three years. Save as disclosed above, Ms. Shan has no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

**Ms. Wu Rong**

Ms. Wu, aged 55, is a non-executive Director of our Group. Ms. Wu has more than 20 years experience in financial management. She is the chairman of board of supervisors in Shandong Century Sunshine Paper Co. Ltd, a subsidiary of the Group. She is also the chief financial officer of Shanghai SIED Electric Drive Co., Ltd,. Ms. Wu graduated from Shanghai University in July 1987, majoring in electric automation, and graduated from China Central Radio and Television University in July 2005, majoring in finance. Between August 1987 and December 1992, Ms. Wu served as a designer in the Research Institute of Shanghai Papermaking Machinery General Factory, and then joined Shanghai SIED Electric Drive Co., Ltd. (former Shanghai Paper Mechanical Electric Control Technology Institute) in January 1993, where she held the roles of administrative director and chief financial officer. Ms. Wu received the certificate of accounting professional in China in May 2002.

*Length of service*

Pursuant to the service agreement entered into between Ms. Wu and the Company, the appointment of Ms. Wu will be for an initial period of three years commencing on 15 April 2019, renewable for another three years subject to the rotation and re-election under articles of association of the Company.

*Relationship with other Directors, senior management, substantial or controlling shareholders of the Company*

Ms. Wu is a member of the Controlling Shareholders Group. Pursuant to the Concert Parties Agreement, each of the members of the Controlling Shareholders Group confirmed that, among other matters, since he or she became interested in and possessed voting rights in 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 Takeovers Code), with an aim to achieve consensus and concerted action on major affairs relating to the business of the Target Entities.

Except as disclosed above, Ms. Wu does not have any relationship with any Director, senior management, substantial or controlling Shareholders of the Company.

***Interests in Shares***

Ms. Wu is a member of the Controlling Shareholders Group and is acting in concert (for the purpose of the Takeovers Code) with other members of such group. Hence, under the SFO, Ms. Wu is deemed to be interested in the 321,687,052 Shares held by China Sunrise, 18,425,500 Shares held by Mr. Wang Dongxing and 3,840,000 Shares held by Mr. Wang Changhai as at the Latest Practicable Date. Save as disclosed, Ms. Wu did not have any other interests (within the meaning of Part XV of the SFO) in the Shares or underlying Shares.

***Amount of emoluments***

The emolument payable to Ms. Wu comprises director's fees of RMB50,000 per year, which is determined with reference to her duties and responsibilities in the Company and the remuneration policy of the Company, and may, subject to the review of the remuneration committee and the Board.

***Other information***

Ms. Wu has not been a director of any company listed in Hong Kong or overseas for the last three years. Ms. Wu has no information to be disclosed pursuant to Rules 13.51 of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Ci Xiaolei**

Mr. Ci Xiaolei, aged 43, is an executive Director and the production investment director of the Group and is responsible for the operation of Changle Shengshi Thermoelectricity Co., Ltd., a subsidiary of the Group. Mr. Ci graduated from Anhui University of Technology and Science with a bachelor of engineering in July 1998 and joined the Group in March 2003. Mr. Ci has been the project manager, deputy general engineer and general engineer and general manager of the Group. Mr. Ci previously served as an executive Director of the Company from 24 May 2012 to 29 February 2016. Prior to joining the Group, Mr. Ci worked at Shandong Chenming Paper Industry Group Co., Ltd and was responsible for equipment management and maintenance.

***Length of service***

Pursuant to the service agreement entered into between Mr. Ci and the Company, the appointment of Mr. Ci will be for an initial period of three years commencing on 15 April 2019, renewable for another three years subject to the rotation and re-election under articles of association of the Company.

***Relationship with other Directors, senior management of the Company, substantial or controlling Shareholders***

As at the date of this announcement, Mr. Ci does not have any relationship with any Directors, senior management of the Company, substantial or controlling Shareholders.

***Interests in Shares***

As at the date of this announcement, Mr. Ci beneficially holds 929,000 Shares. Save as disclosed, Mr. Ci did not have any other interests (within the meaning of Part XV of the SFO) in the Shares or underlying Shares.

***Amount of emoluments***

The emolument payable to Mr. Ci comprises director's fees of RMB50,000 per year, which is determined with reference to his duties and responsibilities in the Company and the remuneration policy of the Company, and may, subject to the review of the remuneration committee and the Board.

***Other information***

Save as disclosed, Mr. Ci has not been a director of any company listed in Hong Kong or overseas for the last three years. Save as disclosed above, Mr. Ci has no information to be disclosed pursuant to Rules 13.51 of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

***Mr. Wang Zefeng***

Mr. Wang Zefeng, aged 58, is an independent non-executive Director. Mr. Wang joined the Group in 2007 and was appointed as a Director on 19 November 2007. Mr. Wang is also the chairman of the remuneration committee, a member of the audit committee and a member of the nomination committee of our Board. Mr. Wang graduated from Shandong Institute of Light Industry in 1982 with a Bachelor's degree in industrial art of pulp and paper. He is currently the principal of Shandong Papermaking Industry Research and Design Institute and the chairman of Shangdong Paper Manufacturing Industry Association. He previously served as the deputy general manager, chief engineer and senior engineer of Shandong Paper Industry Group.

***Length of service***

Pursuant to the existing letter of appointment between Mr. Wang and the Company, the appointment of Mr. Wang was for a term of three years commencing on 12 December 2016, renewable for another three years subject to the rotation and re-election under articles of association of the Company.

***Relationship with other Directors, senior management, substantial or controlling Shareholders of the Company***

Mr. Wang does not have any relationship with any Director, senior management, substantial or controlling Shareholders of the Company.

***Interests in Shares***

As at the Latest Practicable Date, Mr. Wang does not have any interest in the Shares for the purposes of the SFO.

***Amount of emoluments***

The current emolument payable to Mr. Wang is RMB50,000 per year and may, which is determined with reference to his duties and responsibilities in the Company and the remuneration policy of the Company, and may, subject to the review of the remuneration committee and the Board.

***Other information***

Save as disclosed above, Mr. Wang has no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“Meeting”) of China Sunshine Paper Holdings Company Limited (the “Company”) will be held at China Sunshine Paper Office Tower, Changle Economic Development Zone, Weifang, Shandong, China, on 30 May 2019 at 10:00 a.m. for the following purposes:

#### **As ordinary business**

#### **ORDINARY RESOLUTIONS**

1. To receive and consider the audited financial statements and the reports of the directors of the Company (the “Directors”) and the auditors of the Company (the “Auditors”) for the year ended 31 December 2018.
2. To declare a final dividend of HK4 cents per share of the Company for the year ended 31 December 2018.
3. To re-elect Mr. Zhang Zengguo as an executive director of the Company (the “Director”).
4. To re-elect Ms. Shan Xueyan as an independent non-executive director of the Company.
5. To re-elect Mr. Ci Xiaolei as an executive Director of the Company.
6. To re-elect Ms. Wu Rong as a non-executive director of the Company.

\* *For identification purposes only*

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7. To re-elect Mr. Wang Zefeng, who has served as an independent non-executive Director for more than nine years, as an independent non-executive Director.
8. To authorise the board of directors of the Company (the “Board”) to fix the remuneration of the Directors.
9. To re-appoint Grant Thornton Hong Kong Limited as the Auditors and to authorise the Board to fix their remuneration.

### As special business

### ORDINARY RESOLUTIONS

10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back issued shares with par value of HK\$0.10 each in the share capital of the Company subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) or of any other stock exchange as amended from time to time and the manner of any such buy-back be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as defined below) to procure the Company to buy back its shares at a price determined by the Directors;
- (c) the total number of shares of the Company which are authorised to be bought back by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;



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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by laws or the articles of association of the Company to be held; or
  - (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting of the Company.”
11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as defined below) to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company from time to time, shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” shall have the same meaning as ascribed to it under resolution no. 10 as set out in the notice convening the Meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary

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or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

12. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 10 and 11 as set out in the notice convening the Meeting, the general mandate granted to the Directors pursuant to resolution no. 11 as set out in the notice convening the Meeting be and is hereby extended by the addition of an amount representing the total number of shares of the Company bought back by the Company under the authority granted pursuant to resolution no. 10 as set out in the notice convening the Meeting, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

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

Weifang, China, 29 April 2019

*Notes:*

1. The register of members of the Company will be closed from 27 May 2019 to 30 May 2019, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be entitled to attend and vote at the Meeting, shareholders of the Company must ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 pm on 24 May 2019.
2. Shareholders whose names appear on the Company’s register of members on 11 June 2019 will qualify for the proposed final dividend. The register of members of the Company will be closed from 6 June 2019 to 11 June 2019, for the purpose of determining entitlement to the proposed final dividend, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Center, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 pm on 5 June 2019.
3. Any shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his or her proxy to attend and vote on his or her behalf. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.

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4. Where there are joint registered holders of any shares of the Company, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he or she was solely entitled to do so. However, if more than one of such joint holders be present at any Meeting personally or by proxy, the joint holder whose name stands first on the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect of such joint holding.
5. In order to be valid, a proxy form in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shop 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 48 hours before the time fixed for holding the annual general meeting or any adjournment of such meeting.
6. Please refer to Appendix II to the circular of the Company dated 23 April 2019 for the details of the retiring Directors subject to re-election or re-appointment at the Meeting.

*As at the date of this notice, the Directors are:*

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

*Non-executive Director: Ms. Wu Rong*

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