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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 DISCLOSEABLE TRANSACTION ACQUISITION OF 45% SHAREHOLDING INTEREST IN THE TARGET COMPANY AND THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

Financial Adviser to the Company



隹匯國際金融有限公司
Jun Hui International Finance Limited

Reference is made to the announcements of China Sunshine Paper Holdings Company Limited (the “**Company**”) dated 10 November 2021 and 4 January 2022 in relation to the acquisition of 45% shareholding interest in the Target Company and the issue of Consideration Shares under General Mandate (the “**Announcements**”). Unless defined otherwise, all capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Company is pleased to announce that all the conditions precedent under the Sale and Purchase Agreement have been fulfilled and Completion took place on 21 January 2022. Following Completion, the Company will indirectly hold 45% of the total issued share capital in the Target Company. The Target Company will become an associate company of the Company.

The Company allotted and issued 8,481,173 and 107,171,186 Consideration Shares to Vendor A and Vendor B respectively. The shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion is set out as follows:

Shareholders	Immediately before Completion		Immediately after Completion	
	Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding
China Sunrise Paper Holdings Limited (Note 1)	321,687,052	35.54%	321,687,052	31.51%
Wang Dongxing (Note 2)	18,425,500	2.04%	18,425,500	1.80%
Wang Changhai (Note 2)	3,840,000	0.42%	3,840,000	0.38%
Ci Xiaolei (Note 3)	929,000	0.10%	929,000	0.09%
Vendor A (Note 4)	—	—	8,481,173	0.83%
Vendor B (Note 4)	—	—	107,171,186	10.50%
Public Shareholders	<u>560,282,448</u>	<u>61.90%</u>	<u>560,282,448</u>	<u>54.89%</u>
Total	<u>905,164,000</u>	<u>100.00%</u>	<u>1,020,816,359</u>	<u>100.00%</u>

Notes:

- 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 the Group (with China Sunshine and China Sunrise, collectively, the “**Entities**”) and participated in the management of the business of the 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 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 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.
- Each of Mr. Wang Dongxing and Mr. Wang Changhai is an executive Director. 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 Securities and Futures Ordinance.

3. Mr. Ci Xiaolei is an executive Director.
4. The sole ultimate shareholder of each of Vendor A and Vendor B is Mr. Huang. Upon Completion, the Vendors will hold an aggregate of 115,652,359 Shares, representing approximately 11.33% of the issued share capital of 1,020,816,359 Shares as enlarged by the allotment and issue of the Consideration Shares. Mr. Huang is deemed to be interested in 115,652,359 Shares by virtue of his interests in the Vendors.

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

Weifang, Shandong Province, China, 21 January 2022

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*