
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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)

- (1) PROPOSED GRANT OF THE SHARE BUY-BACK MANDATE;
(2) PROPOSED GRANT OF THE ISSUE MANDATE;
(3) RE-ELECTION OF RETIRING DIRECTORS AND
RE-APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR;
(4) PROPOSED DECLARATION OF FINAL DIVIDEND OUT OF
THE SHARE PREMIUM ACCOUNT;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

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 20 June 2025 at 10:00 a.m. is set out on pages 21 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 and the re-election of retiring Directors.

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 17M 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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DEFINITIONS

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

“2024 Annual Report”	the annual report of the Company for the financial year ended 31 December 2024
“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 20 June 2025 at 10:00 a.m. or any adjournment, the notice of which is set out on pages 21 to 24 of this circular
“AGM Notice”	a notice dated 28 April 2025 convening the AGM as set out on pages 21 to 24 of this circular
“Articles”	the existing third amended and restated articles of association of the Company
“associate(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Auditors”	the auditors or independent financial advisor appointed by the Company
“Board”	the board of Directors
“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), 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 Act”	the Companies Act, Cap. 22 of the Cayman Islands as amended, supplemented and/or otherwise modified from time to time

DEFINITIONS

“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)”	shall have the same meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Controlling Shareholders Group”	a group of 17 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), 李仲鸞 (Mr. Li Zhongzhu), 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)
“core connected person(s)”	shall have the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Final Dividend”	the proposed final dividend of HK\$0.05 per Share as recommended by the Board
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“holding company”	shall have the same meaning ascribed to it under the Listing Rules
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“inside information”	shall have the same meaning ascribed to it under the Listing Rules

DEFINITIONS

“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 (including any sale or transfer of treasury Shares) during the period as set out in Ordinary Resolution 9 of the AGM Notice of not exceeding 20% of the total number of Shares in issue (excluding any treasury Shares) as at the date of passing of the ordinary resolution approving the same
“Latest Practicable Date”	22 April 2025, 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 as amended from time to time
“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 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 8 of the AGM Notice of up to 10% of the total number of Shares in issue (excluding any treasury Shares) as at the date of passing of that resolution
“Share Premium Account”	the share premium account of the Company, the amount standing to the credit of which was approximately RMB1,382 million as at 31 December 2024 based on the audited consolidated financial statement of the Group
“Share(s)”	the ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“substantial shareholder(s)”	shall have the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs in Hong Kong
“Target Entities”	China Sunshine, China Sunrise and any members of the Group
“treasury Shares”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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LETTER FROM THE BOARD



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. Ci Xiaolei (*Deputy General Manager*)

Non-executive Directors:

Ms. Wu Rong
Mr. Zhang Xiaohui

Independent non-executive Directors:

Ms. Zhang Tao
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:

Unit No. 1702, 17/F
Prosperity Millennia Plaza
663 King's Road
North Point
Hong Kong

28 April 2025

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF THE SHARE BUY-BACK MANDATE;
(2) PROPOSED GRANT OF THE ISSUE MANDATE;
(3) RE-ELECTION OF RETIRING DIRECTORS AND
RE-APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR;
(4) PROPOSED DECLARATION OF FINAL DIVIDEND OUT OF
THE SHARE PREMIUM ACCOUNT;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

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LETTER FROM THE BOARD

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 and re-appointment of retiring Directors; and (iv) the proposed declaration of Final Dividend out of the Share Premium Account.

SHARE BUY-BACK MANDATE

At the last annual general meeting of the Company held on 28 June 2024, 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 8 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\$106,514,436 divided into 1,065,144,359 Shares with par value of HK\$0.10 each, and the Company did not have any treasury Shares. Subject to the passing of Ordinary Resolution 8 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 106,514,435 Shares, representing approximately 10% of the total number of Shares in issue (excluding any treasury Shares) and a share capital of HK\$10,651,444, 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\$106,514,436 divided into 1,065,144,359 Shares with par value of HK\$0.10 each, and the Company did not have any treasury Shares. 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 213,028,871 Shares, representing approximately 20% of the total number of Shares in issue (excluding any treasury Shares) and a share capital of HK\$21,302,887, 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 8 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.

LETTER FROM THE BOARD

RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS

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

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

The nominations were made in accordance with the nomination policy of the Company and the objective criteria (including without limitation, skills, knowledge and experience), with due regard for the benefits of diversity as set out under the board diversity policy of the Company. The nomination committee of the Company had also taken into account the respective contributions of Mr. Wang Changhai, Mr. Wang Zefeng and Ms. Jiao Jie to the Board, their commitment to their roles and the independence of Mr. Wang Zefeng and Ms. Jiaojie.

The nomination committee of the Company considered that in view of their diverse and different educational backgrounds, industry and professional experience as set out in Appendix II to this circular of Mr. Wang Changhai, Mr. Wang Zefeng and Ms. Jiao Jie will bring valuable perspectives, knowledge, skills and experience to the Board for its efficient and effective functioning and their appointments will contribute to the diversity of the Board appropriate to the requirements of the Group's business. The Company has received a written confirmation from Mr. Wang Zefeng and Ms. Jiao Jie, for his/her independence as regards each of the factors referred to in Rule 3.13 of the Listing Rules. The nomination committee of the Company has assessed and is satisfied of the independence of Mr. Wang Zefeng and Ms. Jiaojie. The nomination committee of the Company has therefore recommended to the Board on re-election or re-appointment of all the retiring Directors.

Mr. Wang Zefeng and Ms. Jiaojie have been serving as independent non-executive Directors for more than nine years since November 2007 and January 2014, respectively. Pursuant to code provision B.2.3 of the CG Code, 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 the Shareholders.

LETTER FROM THE BOARD

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

Despite the fact that Mr. Wang Zefeng and Ms. Jiaojie have served as an independent non-executive Director for more than nine years, the Board considers that this would not affect their exercising of independent judgment. Accordingly, each of Mr. Wang Zefeng and Ms. Jiaojie will be subject to retirement by rotation and re-election by way of a separate resolution 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.

PROPOSED DECLARATION OF FINAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

The Board recommended a Final Dividend of HK\$0.05 per Share for the year ended 31 December 2024, totaling approximately HK\$53.26 million, which is subject to the approval of the Shareholders at the AGM. Such Final Dividend will be distributed from share premium of the Company.

As at the Latest Practicable Date, there were a total of 1,065,144,359 Shares in issue. Based on the number of issued Shares as at the Latest Practicable Date, the Final Dividend, if declared and paid, will amount to approximately HK\$53.26 million in total. Subject to the fulfilment of the conditions set out in the section headed "Conditions of the Payment of the Final Dividend out of the Share Premium Account" below, the Final Dividend are intended to be paid out of the Share Premium Account pursuant to Article 137 of the Articles and in accordance with the Companies Act.

As at 31 December 2024, based on the audited consolidated financial statements of the Group, the amount standing to the credit of the Share Premium Account was approximately RMB1,382 million. Following the payment of the Final Dividend, there will be a remaining balance of approximately RMB1,332 million standing to the credit of the Share Premium Account.

LETTER FROM THE BOARD

Conditions of the Payment of the Final Dividend out of the Share Premium Account

The payment of the Final Dividend out of the Share Premium Account is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders declaring and approving the payment of the Final Dividend out of the Share Premium Account pursuant to Article 137 of the Articles of Association; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is or will be, immediately following the date on which the Final Dividend is paid, unable to pay its debts as they fall due in the ordinary course of business.

Subject to the fulfilment of the above conditions, it is expected that the Final Dividend will be paid in cash on or about Friday, 18 July 2025 to those Shareholders whose names appear on the register of members at close of business on Friday, 11 July 2025 being the record date of determination of entitlements of the Final Dividend.

The conditions set out above cannot be waived. If the conditions set out above are not satisfied, the Final Dividend will not be paid.

Reasons for and Effect of the Payment of the Final Dividend out of the Share Premium Account

To reward the Shareholders, the Board considers it appropriate to distribute the Final Dividend to repay the Shareholders' support.

After taking into account a number of factors including cash flow and financial condition of the Company, the Board considers it is appropriate and proposes that the Final Dividend be paid out of the Share Premium Account in accordance with Article 137 of the Articles and the Companies Act. The Board considers such arrangement to be in the interests of the Company and its Shareholders as a whole.

The Board believes that the payment of the Final Dividend out of the Share Premium Account will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

AGM

A notice convening the AGM to be held at China Sunshine Paper Office Tower, Changle Economic Development Zone, Weifang, Shandong, China on 20 June 2025 at 10:00 a.m., is set out on pages 21 to 24 of this circular.

LETTER FROM THE BOARD

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 17M 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 and on the website of the Company at 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.

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 and re-appointment of retiring Directors; and (iv) the proposed declaration of Final Dividend out of the Share Premium Account.

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 and re-appointment of retiring Directors; and (iv) the proposed declaration of Final Dividend out of the Share Premium Account 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.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

In relation to the AGM

The register of members of the Company will be closed from 17 June 2025 to 20 June 2025, both days inclusive, for the purpose of determining entitlement to attend the AGM, during which no transfer of shares of the Company will be registered. The record date for entitlement to attend and vote at the AGM is 20 June 2025. In order to qualify for attending and voting at the AGM, shareholders must ensure that 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 16 June 2025.

In relation to the Final Dividend

The register of members of our Company will be closed from 8 July 2025 to 11 July 2025, both days inclusive, for the purpose of determining entitlement to the proposed Final Dividend, during which no transfer of shares of our Company will be registered. Shareholders whose names appear on the Company's register of members on 11 July 2025 will qualify for the proposed Final Dividend. In order to qualify for the proposed Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with our 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 7 July 2025. The proposed Final Dividend (the payment of which is subject to the Shareholders' approval at the AGM) is payable on or about 18 July 2025.

RESPONSIBILITY STATEMENT

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 Group. 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.

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.

SHAREHOLDERS' APPROVAL

The Listing Rules provide that all proposed share repurchase by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval of a particular transaction.

Such authority may only continue in force during the period from the passing of the resolution until the earlier of: (i) the conclusion of the next annual general meeting of the company; (ii) the expiry of the period within which the next annual general meeting of the company is required by law to be held; and (iii) the passing of an ordinary resolution by shareholders in general meeting of the company revoking or varying such mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the Company had 1,065,144,359 Shares in issue or an issued share capital of HK\$106,514,436, and the Company did not have any treasury Shares.

Subject to the passing of the proposed Ordinary Resolution 8 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 106,514,435 Shares, representing approximately 10% of the total number of Shares in issue (excluding any treasury Shares) and a share capital of HK\$10,651,444 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 position of the Company, as compared with the position disclosed in the latest published audited consolidated financial statements of the Group contained in the 2024 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 2024 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	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2024		
April	2.06	1.68
May	2.25	1.84
June	2.28	1.99
July	2.27	2.07
August	2.20	1.96
September	2.17	2.03
October	2.20	1.91
November	2.01	1.66
December	2.04	1.67
2025		
January	2.04	1.78
February	2.39	1.97
March	2.05	1.65
April (up to the Latest Practicable Date)	2.46	1.76

THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

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, to the best knowledge of the Directors, the Controlling Shareholders Group together control the exercise of approximately 30.20% voting rights in the general meeting of the Company. 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 32.29% 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.

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 35.88% 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.

GENERAL

The Directors 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).

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.

The Company confirms that neither this explanatory statement nor the proposed share repurchase has any unusual features.

The Company may cancel such repurchased Shares or hold them as treasury Shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

For any treasury Shares deposited with Central Clearing and Settlement System used within the market system of Hong Kong Exchanges and Clearing Limited (“CCASS”), the Company shall (i) procure its broker not to give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the treasury Shares from CCASS, and either re-register them in its own name as treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders’ rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury Shares.

RETIRING DIRECTORS SUBJECT TO RE-ELECTION OR RE-APPOINTMENT**Mr. Wang Changhai**

Mr. Wang changhai, aged 54, is an executive Director and the general manager of our Group. He has been appointed as a Director on 29 February 2016. Mr. Wang joined our Group in 2001 and he has about 20 years of experience in the paper products industry and is very familiar with the operations of the Group. Mr. Wang is currently a General Manager of the Group and is responsible for the overall management of the Group. He had been a manager and an assistant manager of the Group prior to the promotion to the deputy general manager of domestic sales in 2003.

Length of service

Pursuant to the existing service agreement between Mr. Wang and the Company, the appointment of Mr. Wang was for a fixed term of three years commencing on 28 February 2025, 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 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. 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 is interested in 343,952,552 Shares, of which 3,840,000 Shares are held by Mr. Wang as beneficial owner. Mr. Wang is a member of the Controlling Shareholders Group and is acting in concert (for the purpose of the Takeovers Code) with the other members of such group. Hence, under the SFO, Mr. Wang is deemed to be interested in the 321,687,052 Shares held by China Sunrise and 18,425,500 Shares held by Mr. Wang Dongxing.

Amount of emoluments

The current emolument payable to Mr. Wang comprises director's fees of RMB100,000 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 be subject to the review of the remuneration committee and the Board.

Other information

Save as disclosed above, Mr. Wang has not been a director of any other company listed in Hong Kong or overseas for the last three years. 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.

Mr. Wang Zefeng

Mr. Wang Zefeng, aged 64, 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 Vice President of China Paper Association. He previously served as the principal of Shandong Papermaking Industry Research and Design Institute and the chairman of Shandong Paper Manufacturing Industry Association, 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 2022, 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 RMB100,000 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 be subject to the review of the remuneration committee and the Board.

Other information

Save as disclosed above, Mr. Wang has not been a director of any other company listed in Hong Kong or overseas for the last three years. 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.

Ms. Jiao Jie

Ms. Jiao Jie (“Ms. Jiao”), aged 44, joined the Company as Independent Non-executive Director in January 2014. Ms. Jiao first joined our Group in 2007 and subsequently left our Group in 2010. The last position held by Ms. Jiao was as a joint company secretary of our Company and the special assistant to the chairman of our Board. Ms. Jiao holds a Bachelor of Laws degree and a Bachelor of Economics degree from Peking University in the People’s Republic of China (the “PRC”) and a degree of Magister Juris from University of Oxford in the United Kingdom. Ms. Jiao is a CFA charterholder and has obtained the Legal Professional Qualification Certificate from the Ministry of Justice of the PRC. Ms. Jiao has extensive experience in initial public offerings, private equity financing and corporate legal affairs. Ms. Jiao currently serves as an adviser to Play for Dream Inc. She is an independent non-executive director of EPI (Holdings) Limited (HKEX stock code: 689), LVGEM (China) Real Estate Investment Limited (HKEX stock code: 95), Palasino Holdings Limited (HKEX stock code: 2536) and Tianli Holdings Group Limited (HKEX stock code: 117). All these companies are listed on the Main Board of the Hong Kong Stock Exchange. Ms. Jiao is also an independent non-executive director of TradeGo FinTech Limited (HKEX stock code: 8017), a company listed on the GEM of the Hong Kong Stock Exchange. She is an independent director of Quhuo Limited (NASDAQ stock code: QH), a company listed on Nasdaq.

Length of service

Pursuant to the existing letter of appointment between Ms. Jiao and the Company, the appointment of Ms. Jiao was for a period of three years commencing on 27 January 2023.

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

Ms. Jiao 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. Jiao does not have any interest in the Shares for the purposes of the SFO.

Amount of emoluments

The current emolument payable to Ms. Jiao comprises director's fees of RMB100,000 per year, and may, subject to the discretion of the Directors, be reviewed from time to time.

Other information

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

NOTICE OF AGM

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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 20 June 2025 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 “Director(s)”) and the auditors of the Company (the “Auditors”) for the year ended 31 December 2024.
2. To declare a final dividend of HK5 cents per share in respect of the year ended 31 December 2024 out of the share premium account of the Company.
3. To re-elect Mr. Wang Changhai as an executive Director.
4. To re-appoint Mr. Wang Zefeng, who has served as an independent non-executive Director for more than nine years, as an independent non-executive Director.
5. To re-appoint Ms. Jiaojie, who has served as an independent non-executive Director for more than nine years, as an independent non-executive Director.
6. To authorise the board of Directors (the “Board”) to fix the remuneration of the Directors.

* For identification purposes only

NOTICE OF AGM

7. 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

8. 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 (excluding the treasury shares (if any)) 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;
- (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.”

NOTICE OF AGM

9. 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 (including any sale or transfer of treasury shares (if any)) 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) (including any sale or transfer of treasury shares (if any)) 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 (excluding the treasury shares (if any)) 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. 8 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 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).”

NOTICE OF AGM

10. 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. 8 and 9 as set out in the notice convening the Meeting, the general mandate granted to the Directors pursuant to resolution no. 9 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. 8 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 (excluding the treasury shares (if any)) 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, 28 April 2025

Notes:

1. The register of members of the Company will be closed from 17 June 2025 to 20 June 2025, both days inclusive, during which no transfer of shares of the Company will be registered. The record date for entitlement to attend and vote at the Meeting is 20 June 2025. 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 16 June 2025.
2. 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.
3. 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.
4. 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, 17M 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.
5. Please refer to Appendix II to the circular of the Company dated 28 April 2025 for the details of the retiring Directors subject to re-election at the Meeting.

As at the date of this notice, 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: Ms. Zhang Tao, Mr. Wang Zefeng and Ms. Jiao Jie