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阳光纸业
SUNSHINE PAPER

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)

TERMINATION AGREEMENT AND UPDATE ON PROFIT GUARANTEE

This announcement is made by China Sunshine Paper Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rules 14.36 and 14.36B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to (i) the announcement of the Company dated 10 November 2021 in relation to the acquisition of 45% shareholding interest in the Target Company, (ii) the supplemental announcement of the Company dated 4 January 2022, (iii) the announcement of the Company dated 21 January 2022 in relation to the completion of the acquisition, (iv) the announcement of the Company dated 26 January 2023 in relation to the expected failure of the Target Group to meet the profit guarantee, (v) the announcement of the Company dated 17 August 2023 in relation to the repurchase as a result of the failure of the Target Group to meet the profit guarantee; and (vi) the announcement of the Company dated 14 February 2025 (the "**Repurchase Termination Agreement**") in relation to the update on profit guarantee (collectively, the "**Announcements**"). Unless otherwise stated, terms defined in the Announcements shall have the same meanings when used in this announcement.

ACQUISITION OF THE SALE SHARES

On 5 December 2025, the Purchaser and the Vendors' Guarantor A and Vendors' Guarantor B entered into sale and purchase agreement separately (the "**Sale and Purchase Agreements**"), pursuant to which the Purchaser agreed to conditionally purchase and the Vendors' Guarantor A agreed to conditionally sell 3,023 ordinary shares with a par value of US$1 each (the "**Sale Shares**") in the capital of the Target Company (the "**Sale and Purchase**"), at the total consideration of US$1, and the Purchaser agreed to conditionally purchase and the Vendors' Guarantor B agreed to conditionally sell 2,477 ordinary shares with a par value of US$1 each (the "**Sale Shares**") in the capital of the Target Company (the "**Sale and Purchase**"), at the total consideration of US$1. Pursuant to the Sale and Purchase Agreements, the Target Company committed to repayment the borrowings of the Target Company and its subsidiaries from the Vendors' Guarantor A with a total amount of US$974,690.98 within three business days after the execution of sale and purchase agreement, and the Target Company committed to repayment the borrowings of the Target Company and its subsidiaries from the Vendors' Guarantor B with an amount of US$2,000,000 within ten business days after the execution of sale and purchase agreement and shall repay amount of US$1,087,983.11 on the 5th calendar year from the execution date of this Agreement or any other date otherwise agreed by the Vendors' Guarantor B.

Upon completion of such Acquisition, the Group's equity interest in the Target Company will increase from 45.00% to 100% and the Target Company will become a wholly owned subsidiary of the Company, and its financial results will be consolidated into the financial results of the Group, while the Vendors' Guarantor A and Vendors' Guarantor B will cease to hold any equity interest in the Target Company.

As all of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are below 5%, the Sale and Purchase Agreements does not constitute a discloseable transaction of the Company under the Listing Rules, therefore is not subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

TERMINATION OF THE ADJUSTED PROFIT GUARANTEE

As disclosed in the Repurchase Termination Agreement, the Purchaser entered into the Termination Agreement with the Vendors and the Vendors' Guarantors pursuant to which the parties agreed to terminate the Repurchase Agreement and adjust the profit guarantee concerning the Target Group (the "**Adjusted Profit Guarantee**").

On 5 December 2025, the Purchaser entered into the Profit Guarantee Termination Agreement with the Vendors and the Vendors' Guarantors to terminate the Adjusted Profit Guarantee.

REASONS FOR ENTERING INTO THE AGREEMENTS

As disclosed in the Repurchase Termination Agreement, the Target Group has shifted its business directions from LNG Business to IDC Electricity Business which has been generating a steady source of income for the Target Group. In particular, based on the unaudited financial information of the Target Group, the Target Group recorded total revenue of approximately US$9.99 million and a net operating profit after tax of approximately US$0.57 million for the six months ended 30 June 2025, although not having exceed 50% of the 2025 Guaranteed Profit as disclosed in the Repurchase Termination Announcement, the Acquisition will enhance the operational efficiency and flexibility of the Target Group. The Directors believe that the Acquisition will provide an opportunity for the Group to broaden the income base of the Group, thereby enhancing the Group's financial position and profitability in the future.

As such, Company still believes that the Target Group is in a promising industry and the IDC Electricity Business will continue to grow with potential business opportunities that may further improve the operation results of the Target Group. Due to certain personal reasons, the Vendors' Guarantor A and Vendors' Guarantor B are positively seeking an opportunity to exit the Target Group and the Group considers it an excellent opportunity to acquire the Target Group and consolidate its financial information into that of the Group, further contributing to the financial performance of the Group. Therefore the Company has been negotiating with the Vendors' Guarantor A and the Vendors' Guarantor B on the terms and conditions of the Acquisition instead of relying on the Adjusted Profit Guarantee. Considering the above factors and the uncertainties of the execution of the Adjusted Profit Guarantee, the Company has, upon arm's length negotiations with the Vendors' Guarantor A and the Vendors' Guarantor B, decided to terminate the Adjusted Profit Guarantee and enter into the Sale and Purchase Agreements. The Directors, including independent non-executive Directors, are of the view that the terms of the Sale and Purchase Agreements, the Profit Guarantee Termination Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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

Weifang, Shandong Province, China, 5 December 2025

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

Executive Directors:	*Mr. Wang Dongxing, Mr. Shi Weixin, Mr. Wang Changhai and Mr. Ci Xiaolei*
Non-executive Directors:	*Ms. Wu Rong and Mr. Zhang Xiaohui*
Independent non-executive Directors:	*Ms. Zhang Tao, Mr. Wang Zefeng and Mr. Sun Junchen*

* *For identification purposes only*