

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ADOPTION OF SHARE AWARD SCHEME

ADOPTION OF THE SCHEME

The Board is pleased to announce that, on 6 January 2025, it has adopted the Scheme, which is a scheme funded solely by the existing Shares and will not involve the issue of any new Shares and shall be valid and effective for a term of 10 years from the Adoption Date. The purposes and objectives of the Scheme are to (i) to recognise the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

LISTING RULES IMPLICATIONS

The Scheme was contemplated and adopted to be funded solely by existing Shares. The Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules. Therefore, no Shareholders' approval is required to adopt the Scheme.

ADOPTION OF THE SHARE AWARD SCHEME

The Board is pleased to announce that, on 6 January 2025, it has adopted the Scheme. A summary of the principal terms of the Scheme is set out below.

Purposes and Objectives

The purposes and objectives of the Scheme are (i) to recognise the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Duration of the Scheme

Subject to any early termination as may be determined by the Board pursuant to termination clauses in the Scheme Rules, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date, after which no further Awards will be granted. (the “**Scheme Period**”). Upon termination of the Scheme, all the Awarded Shares of the Selected Participants granted under the Scheme shall continue to be held by the Trustee and become vested in the Selected Participants according to the conditions of the Award(s), subject to the receipt by the Trustee of the required documents prescribed by the Trustee.

Eligible Participants

Pursuant to the Scheme, any Employee Participants or Related Entity Participants are eligible to participate in and be granted Awards under the Scheme.

Administration

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. Any decision of the Board made in accordance with the Scheme Rules shall be final and binding on all parties, provided that such decision is made in accordance with the Articles, the Listing Rules and any applicable laws. Without prejudice to any limitations of the Scheme Rules, the Board may delegate to Authorized Representative(s) the power to administer the Scheme (including the power to offer or grant Award under the Scheme), as it deemed appropriate at the sole discretion of the Board (the “**Scheme Administrator**”).

Subject to the Scheme Rules and any applicable laws, rules and regulations, the Scheme Administrator shall have the power to, among others, (i) construe and interpret the Scheme Rules and the terms of the Awards granted from time to time; (ii) grant Awards to those Eligible Participants whom they shall select from time to time; (iii) determine the terms and conditions of Awards granted under the Scheme; and (iv) take such other steps or actions as they deem necessary or prudent to give effect to the terms and intent of the Scheme Rules and/or Awards.

Scheme Limit

The Board or the Scheme Administrator shall not make any further award of Awarded Shares which will result in the aggregate number of the Shares awarded by the Board under the Scheme exceeding 9% of the issued share capital of the Company as at the Adoption Date (i.e. 1,065,144,359 Shares) (the “**Scheme Limit**”).

The Scheme Rules do not specify the maximum entitlement for an individual participant, and the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Awarded Shares to connected persons of the Company. Since any grant of Awarded Shares to a Director will form part of the remuneration of the relevant Director under his/her service contract, such grant of Awarded Shares will be exempted from all the reporting, announcement and independent Shareholders’ approval requirements under Rule 14A.95 of the Listing Rules.

Grant of Award

Subject to the provisions of the Scheme Rules, the Board or the Scheme Administrator may, from time to time, at its sole and absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the Scheme as a Selected Participant, and grant an Award to any Selected Participant at such consideration (if any) subject to such terms and conditions as the Board or the Scheme Administrator may in its sole and absolute discretion determine.

The Board or the Scheme Administrator shall procure the Company to issue to each Selected Participant a grant letter (the “**Grant Letter**”) specifying the date of grant, number of Awarded Shares, purchase price (if any), the vesting schedule and any other details, terms and conditions that they consider necessary. If an Eligible Participant fails to execute the Grant Letter within 28 Business Days after the Grant Date, the relevant Awarded Shares shall be considered as having never been granted to such Eligible Participant and the Awarded Shares shall remain as part of the Trust Fund.

Any Award granted to any connected person(s) of the Company must comply with the Listing Rules and any applicable laws and regulations.

Dealing in Shares by the Trustee

For the purpose of granting Awarded Shares, the Board or the Scheme Administrator may from time to time cause to be paid a Contributed Amount to the Trust. On each occasion when the Board or the Scheme Administrator instructs the Trustee to purchase Shares on the Stock Exchange, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Trustee may not incur more than the maximum amount of funds or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Board or the Scheme Administrator.

Vesting of Awarded Shares

Without unforeseen circumstances, the Board or the Scheme Administrator shall procure the Company to send to each Selected Participant a vesting notice (the “**Vesting Notice**”) at least 30 Business Days before the Vesting Date. The Board or the Scheme Administrator shall forward a copy of the Vesting Notice to the Trustee. In the event the Selected Participant (or his legal personal representative or lawful successor as the case may be) fails to execute the Vesting Notice at least 10 Business Days prior to the Vesting Date, the Awarded Shares which would have otherwise vested in such Selected Participant shall be automatically forfeited and remain as part of the Trust Fund. Subject to the receipt by the Trustee of the requisite information and documents within the period stipulated in the Scheme Rules and the Vesting Notice, the Trustee shall transfer the relevant Awarded Shares to the relevant Selected Participant and/or a vehicle controlled by him/her as instructed by the Board or the Scheme Administrator as soon as practicable on or after the Vesting Date and in any event not later than 10 Business Days after the Vesting Date.

Restrictions

No Award shall be made by the Board or the Scheme Administrator pursuant to the Scheme Rules and no instructions to acquire any Shares shall be given to the Trustee under the Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

Voting Rights and Entitlements

The Trustee shall not exercise the voting rights in respect of any Shares held directly or indirectly by it under the Trust. A Selected Participant shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares by virtue of the grant of an Award pursuant to the Scheme, unless and until the Awarded Shares are actually transferred to the Selected Participant and/or a vehicle controlled by him/her upon vesting of the Awards on the Vesting Date.

Termination

The Scheme shall terminate on the earlier of:

- (i) the tenth anniversary date of the Adoption Date; and
- (ii) such date of early termination as determined by the Board by a resolution of the Board,

provided that such termination shall not affect any subsisting rights of any Selected Participant under the Scheme Rules.

LISTING RULES IMPLICATIONS

The Scheme was contemplated and adopted to be funded solely by existing Shares. The Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules. Therefore, no Shareholders' approval is required to adopt the Scheme.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Adoption Date”	6 January 2025, being the date on which the Scheme is adopted by the Company
“Authorized Person(s)”	any one or more of the Directors or person of the Company delegated with the power and authority by the Board to administer the Scheme
“Award”	an award of the Awarded Shares by the Board or the Scheme Administrator to a Selected Participant in accordance with the Scheme Rules
“Awarded Shares”	such Shares granted to a Selected Participant when making granting an Award to him/her
“Board”	the board of Directors
“Company”	China Sunshine Paper Holdings Company Limited (中國陽光紙業控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 2002)
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company, any subsidiary, any significant Shareholder, and/or any party designated by the Company as permitted under the Scheme as determined by the Board or the Scheme Administrator from time to time
“Director(s)”	director(s) of the Company
“Eligible Participant”	any individual being an Employee Participant or Related Entity Participant

“Employee Participant”	a director or an employee of the Company or any of its subsidiaries (including a person who is granted Awards as an inducement to enter into employment contracts with these companies) selected by the Board or the Scheme Administrator for participation in the Scheme, provided always that such term shall exclude any person who at the relevant time has tendered his/her resignation or who is working out his/her period of notice pursuant to his employment contract or otherwise
“Excluded Participant”	any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Scheme Administrator or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, modified or supplemented from time to time
“Related Entity Participant”	directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company
“Residual Cash”	(a) any Contributed Amount, if received by the Trust for the purchase of Shares, which is unutilized and, if applicable, un-refunded to the Company or such other person who contributed the Contributed Amount; and (b) other cash in the Trust Fund (including without limitation (i) any cash income or dividends derived from or in respect of Shares held under the Trust; (ii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Shares held under the Trust; and (iii) all interest or income derived from deposits maintained with licensed or regulated banks in Hong Kong or elsewhere)
“Scheme”	the share award scheme approved and adopted by the Board on the Adoption Date or as amended from time to time

“Scheme Rules”	the rules governing the Scheme, as restated, supplemented or amended from time to time
“Selected Participant(s)”	Eligible Participant(s) selected by the Board or the Scheme Administrator pursuant to the Scheme Rules for participation in the Scheme (or his/her legal personal representative or lawful successor as the case may be)
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust constituted under the Trust Deed
“Trust Deed”	a trust deed to be entered into between the Company as settlor and the Trustee as trustee of the Trust (as restated, supplemented and amended from time to time)
“Trust Fund”	the funds and properties held directly or indirectly under the Trust and managed by the Trustee for the benefit of the Selected Participants (other than the Excluded Participants), including, among other things, all Shares acquired by the Trustee for the purpose of the Trust (including but not limited to any Awarded Shares whether or not vested in a Selected Participant) and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust and any cash (including Residual Cash)
“Trustee(s)”	the trustee as appointed under the Trust Deed to act as trustee of the Trust, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed; as at the Adoption date Futu Trustee Limited is appointed as the initial Trustee. To the best knowledge, information and belief of the Board after making reasonable enquiries, the initial Trustee and its ultimate beneficial owner(s) are Independent Third Parties

“Vesting Date” in respect of a Selected Participant, the date on which his/her entitlement to the relevant Award is vested in such Selected Participant in accordance with the Scheme Rules and other terms of the Scheme

“%” per cent

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

Weifang, China, 6 January 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 Director: Ms. Wu Rong and Mr. Zhang Xiaohui

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

* For identification purposes only