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C&D Newin Paper & Pulp Corporation Limited

建發新勝漿紙有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 731)

INSIDE INFORMATION

PROPOSED CHANGE IN THE SHAREHOLDING STRUCTURE OF THE CONTROLLING SHAREHOLDER OF THE COMPANY

This announcement is made by C&D Newin Paper & Pulp Corporation Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).

As at the date of this announcement, NCD Investment Holding Limited (“**NCD**”) is the direct controlling shareholder (as defined under the Listing Rules) of the Company, holding 990,220,583 ordinary shares of the Company (the “**Shares**”), representing approximately 70.00% of the issued Shares. NCD is held as to 55% by Glenfor Investment Holding Limited which is in turn wholly owned by HONG KONG PAPER SOURCES CO., LIMITED (香港紙源有限公司) (“**HK Paper Sources**”) and as to 45% by XSD Investment Holding Limited (“**XSD**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) was informed by NCD that on 21 July 2023 (after trading hours), after arm’s length negotiation, HK Paper Sources and XSD entered into a share purchase agreement (the “**Agreement**”), pursuant to which HK Paper Sources has conditionally agreed to acquire, and XSD has conditionally agreed to sell, the 45% equity interests in NCD (the “**Proposed Acquisition**”). Immediately upon completion of the Proposed Acquisition (the “**Completion**”), XSD will cease to hold any shares in the capital of NCD, and HK Paper Sources will hold in aggregate, directly and indirectly, 100% of the equity interests in NCD. There will be no change in the shareholding of NCD in the Company. NCD will still remain a controlling shareholder of the Company upon Completion. The Board does not expect that the Proposed Acquisition, if materialises, will have any impact on the financial position or

operations of the Company and its subsidiaries. Completion shall be conditional upon, among other things, each of HK Paper Sources and XSD having obtained all external permission and approval in relation to the Agreement and the transactions contemplated thereunder, and such permission and approval remaining valid and effective.

HK Paper Sources is a company incorporated in Hong Kong Special Administrative Region (“**Hong Kong**”) of the People’s Republic of China (“**PRC**”) with limited liability. XSD is a company incorporated in the British Virgin Islands with limited liability.

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, as at the date of this announcement, (i) XSD is indirectly owned as to 99% by Mr. Li Shengfeng (being a non-executive Director) and 1% by Ms. Lu Chengying; and (ii) HK Paper Sources is indirectly wholly-owned by 廈門建發股份有限公司 (Xiamen C&D Inc.*), a joint stock limited company incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600153).

The Board has been informed by HK Paper Sources that it has made an application to the Executive Director of the Securities and Futures Commission (the “**Executive**”) requesting a confirmation (the “**Confirmation**”) from the Executive that no obligation to make a general offer for the Shares would arise on the part of HK Paper Sources and any parties acting in concert (within the meaning of the Code on Takeovers and Mergers (the “**Takeovers Code**”)) with it under Rule 26.1 of the Takeovers Code following the Completion and such Confirmation has been granted by the Executive.

As at the date of this announcement, the Proposed Acquisition is subject to, among other things, certain conditions as mentioned above and has not been completed. The Company will publish further announcement(s) in accordance with applicable laws, regulations and rules in due course when being informed of the progress of the Proposed Acquisition.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By Order of the Board
C&D Newin Paper & Pulp Corporation Limited
Mr. SHI Yaofeng
Executive Director

Hong Kong, 21 July 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. SHI Yaofeng, Mr. HUANG Tiansheng and Ms. SHI Chenye; three non-executive Directors, namely Mr. CHENG Dongfang, Mr. LI Shengfeng and Mr. CHOI Wai Hong, Clifford; and three independent non-executive Directors, namely Mr. ZHAO Lin, Mr. WONG Yiu Kit, Ernest and Mr. LAM John Cheung-wah.

* For identification purpose only