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)

20 December 2023

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

(1) RENEWED PAPERBOARD SALES FRAMEWORK AGREEMENT AND (2) PAPER PULP PROCUREMENT FRAMEWORK AGREEMENT

We refer to the circular of the Company to the Shareholders dated 20 December 2023 ("**Circular**"), in which this letter forms a part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as those defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Renewed Paperboard Sales Framework Agreement, the Paper Pulp Procurement Framework Agreement, the transactions contemplated thereunder and the Proposed Caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from the Independent Financial Adviser as set out on pages 26 to 52 of the Circular and the letter from the Board as set out on pages 5 to 23 of the Circular.

Having considered the information set out in the letter from the Board, the terms and conditions of the Renewed Paperboard Sales Framework Agreement and the Paper Pulp Procurement Framework Agreement, the factors and reasons considered by, and the opinion of Independent Financial Adviser as stated in its letter of advice, we consider that the terms of the Renewed Paperboard Sales Framework Agreement, the Paper Pulp Procurement Framework Agreement and the transactions contemplated thereunder (including the Proposed Caps) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of

business of the Group and in the interests of the Group and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favor of the ordinary resolutions in relation to the approval of the Renewed Paperboard Sales Framework Agreement, the Paper Pulp Procurement Framework Agreement and the transactions contemplated thereunder (including the Proposed Caps) to be proposed at the SGM.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. ZHAO Lin **Mr. WONG Yiu Kit, Ernest** **Mr. LAM John Cheung-wah**
Independent Non-executive Directors