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**ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES
AND
ANNOUNCEMENT RELATING TO FINANCING FACILITY UP TO AN
AGGREGATE AMOUNT OF USD400,000,000**

The Board would like to announce that on 20 August 2015, the Company as borrower entered into a Facility Agreement with China Development Bank Corporation Hong Kong Branch as lender, pursuant to which loan facilities of USD250,000,000 with a term of three years have been made available to the Company.

The Board would also like to announce that Bank of Communications Co., Ltd. Hong Kong Branch as lender, has made available to Nine Dragons Worldwide Investment Limited, a wholly owned subsidiary of the Company, loan facilities of USD400,000,000 with a term of three years at preferential market rates.

(1) DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

The board of directors ("Board") of Nine Dragons Paper (Holdings) Limited (the "Company" and together with its subsidiaries, the "Group") makes the following disclosure in accordance with Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Reference was made to a facility agreement ("CDB Facility Agreement") dated 20 August 2015 entered into between the Company as borrower and China Development Bank Corporation Hong Kong Branch as lender. Pursuant to the CDB Facility Agreement, a term loan facility of USD250,000,000 (the "CDB Facility") was made available by China Development Bank Corporation Hong Kong Branch to the Company on the terms contained therein. The CDB Facility has a term of three years from the utilisation date of the facility.

Under the terms of the CDB Facility Agreement, it will be an event of default if (i) any one of Ms. Cheung Yan, Mr. Liu Ming Chung and Mr. Zhang Cheng Fei ceases to be a director of the Company; or (ii) Ms. Cheung Yan, Mr. Liu Ming Chung and Mr. Zhang Cheng Fei cease to have joint management control of the Company; or (iii) the family members of Ms. Cheung Yan, Mr. Liu Ming Chung and Mr. Zhang Cheng Fei cease to beneficially own in aggregate, directly or indirectly, at least 51% of the issued share capital (which carries full voting rights) of the Company. Upon the occurrence of any of the above events, the CDB Facility will become immediately repayable.

The Company will make continuing disclosure requirement pursuant to Rule 13.21 of the Listing Rule.

(2) **TERM LOAN FACILITY UP TO AN AGGREGATE AMOUNT OF USD400,000,000**

The Board would also like to update the shareholders and potential investors of the Company that Bank of Communications Co., Ltd. Hong Kong Branch as lender, has made available to Nine Dragons Worldwide Investment Limited, a wholly-owned subsidiary of the Company, loan facilities of USD400,000,000 (the “BOCC Facility”) with a term of three years at preferential market rates. Amounts drawn on the BOCC Facility can be in US Dollars or Euro depending on the interest rates and financial market environment at the discretion of the Company.

Pursuant to the CDB Facility and BOCC Facility as mentioned above, the Group has financing facilities of up to an aggregate amount of USD650,000,000. The Company will apply all amounts drawn under the CDB Facility and BOCC Facility for the repayment of outstanding indebtedness of higher interest rates and financing the general working capital requirements of the Group. It is expected to result in a reduction in the finance costs of the Group.

The Group will closely monitor any changes in the Renminbi against foreign currencies (mainly US Dollars and Euro) exchange rates and financial market conditions, and will consider adjusting its debt portfolio for an appropriate balance between financial cost reduction and currency risk exposure, including but not limited to the use of appropriate hedging tools, where appropriate.

By order of the Board
Nine Dragons Paper (Holdings) Limited
Cheung Yan
Chairlady

Hong Kong, 21 August, 2015

As at the date of this announcement, Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun and Mr. Zhang Yuanfu are Executive Directors, and Ms. Tam Wai Chu, Maria, Mr. Ng Leung Sing and Dr. Cheng Chi Pang are Independent Non-Executive Directors.

** For identification purposes only*