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**玖龍紙業(控股)有限公司\***

**NINE DRAGONS PAPER (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2689)**

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

References are made to announcement and circular of the Company dated 8 May 2014 and 28 May 2014 respectively in relation to the continuing connected transactions of the Group under the 2014 Continuing Connected Transactions. As the current term of each of the agreements under the 2014 Continuing Connected Transactions will expire on 30 June 2017, the Company has on 8 May 2017 entered into renewal agreements to renew each of the 2014 Continuing Connected Transactions.

As the applicable percentage ratios for the transaction amounts of the Taicang Scrap Materials Purchase Agreement and the Taicang Utilities Supply Agreement are on an annual basis expected to be over 0.1% but less than 5%, the Taicang Scrap Materials Purchase Agreement and the Taicang Utilities Supply Agreement are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

The Longteng Packaging Materials and Chemicals Purchase Agreement and the Hong Kong International Paper Chemicals Purchase Agreement are similar in nature and related to the purchase of chemicals for the Group's production requirements from companies controlled by Mr. Zhang Cheng Ming and his family members. Accordingly, the Longteng Packaging Materials and Chemicals Purchase Agreement and the Hong Kong International Paper Chemicals Purchase Agreement would need to be aggregated for the calculation of the classification of the transactions. As the applicable ratios for the aggregated transaction amounts of the Longteng Packaging Materials and Chemicals Purchase Agreement and the Hong Kong International Paper Chemicals Purchase Agreement are on an annual basis expected to be over 5%, the Longteng Packaging Materials and Chemicals Purchase Agreement and the Hong Kong International Paper Chemicals Purchase Agreement will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

\* *For identification purposes only*

The Longteng Packaging Paperboard Supply Agreement, the Taicang Packaging Paperboard Supply Agreement and the Honglong Packaging Paperboard Supply Agreement are similar in nature and related to the supply of the Group's paperboard products to companies controlled by Ms. Cheung Yan, Mr. Liu Ming Chung and Mr. Zhang Cheng Fei, as the case may be, all being Directors and substantial shareholders of the Company, and their associates. Accordingly, the Longteng Packaging Paperboard Supply Agreement, the Taicang Packaging Paperboard Supply Agreement and the Honglong Packaging Paperboard Supply Agreement would need to be aggregated for the calculation of the classification of the transactions. As the applicable ratios for the aggregated transaction amounts of the Longteng Packaging Paperboard Supply Agreement, the Taicang Packaging Paperboard Supply Agreement and the Honglong Packaging Paperboard Supply Agreement are on an annual basis expected to be over 5%, the Longteng Packaging Paperboard Supply Agreement, the Taicang Packaging Paperboard Supply Agreement and the Honglong Packaging Paperboard Supply Agreement will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The applicable ratios for each of the ACN Recovered Paper Purchase Agreement and the Tianjin ACN Wastepaper Purchase Agreement are over 5%, each of the ACN Recovered Paper Purchase Agreement and the Tianjin ACN Wastepaper Purchase Agreement will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the terms of the Non-exempt Continuing Connected Transactions and an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Non-exempt Continuing Connected Transactions.

A circular containing, among other things, details of the Non-exempt Continuing Connected Transactions, a letter from the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Non-exempt Continuing Connected Transactions, and a notice of the special general meeting to be convened to approve the Non-exempt Continuing Connected Transactions will be despatched to the Shareholders on or before 29 May 2017.

## **INTRODUCTION**

References are made to announcement and circular of the Company dated 8 May 2014 and 28 May 2014 respectively in relation to the continuing connected transactions of the Group under the 2014 Continuing Connected Transactions. As the current term of each of the agreements under the 2014 Continuing Connected Transactions will expire on 30 June 2017, the Company has on 8 May 2017 entered into renewal agreements for each of the 2014 Continuing Connected Transactions.

## EXEMPT CONTINUING CONNECTED TRANSACTIONS

### (1) Taicang Scrap Materials Purchase Agreement

*Date:* 8 May 2017

*Parties:* the Company; and  
Taicang Packaging.

Taicang Packaging is a limited liability company established in the PRC which is principally engaged in the manufacture of paper carton boxes and processing of paper products. Taicang Packaging is held as to 100% by Ms. Cheung Yan, Mr. Liu Ming Chung and Mr. Zhang Cheng Fei, all being Directors and substantial shareholders of the Company. Taicang Packaging is therefore an associate of a connected person of the Company and the transactions between the Group and Taicang Packaging constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

*Subject:* Pursuant to the terms of the Taicang Scrap Materials Purchase Agreement, the Group will purchase scrap materials from Taicang Packaging from time to time.

*Term:* The Taicang Scrap Materials Purchase Agreement has a fixed term of three financial years ending on 30 June 2020.

*Price:* The purchase prices of the scrap materials supplied by Taicang Packaging will be determined with reference to the prevailing market prices and in accordance with the pricing policies of continuing connected transactions of the Group as detailed in the paragraph headed “Pricing Principles for Continuing Connected Transactions” below, and will be no less favourable to the Group than those offered by other independent suppliers of similar products. The terms of the Taicang Scrap Materials Purchase Agreement were concluded after arm’s length negotiations and were based on normal commercial terms in the parties’ ordinary course of business.

*Cap Amount:*

The transaction amount under the Taicang Scrap Materials Purchase Agreement for each of three financial years ending 30 June 2020 will not exceed the following annual cap:

	<b>Financial year ending 30 June 2018 RMB' million</b>	<b>Financial year ending 30 June 2019 RMB' million</b>	<b>Financial year ending 30 June 2020 RMB' million</b>
Annual cap	50	80	80

The caps under the Taicang Scrap Materials Purchase Agreement were determined with reference to the historical transaction amount of supplies from Taicang Packaging and the expected demand for the scrap materials by the Group for its production.

The historical transaction amount of supplies from Taicang Packaging for the three financial years ended 30 June 2016 and the six months ended 31 December 2016 are set out below:

	<b>For the year ended 30 June 2014 RMB' million</b>	<b>For the year ended 30 June 2015 RMB' million</b>	<b>For the year ended 30 June 2016 RMB' million</b>	<b>For the six months ended 31 December 2016 RMB' million</b>
Annual cap	50	20	20	20 <i>(Note 1)</i>
Actual purchases	12	14	18	11 <i>(Note 2)</i>

*Notes:*

1. Annual cap is for the entire financial year ended 30 June 2017
2. unaudited figures

*Reasons for the Taicang Scrap Materials Purchase Agreement*

Taicang Packaging generates a significant amount of scrap materials during its manufacturing of packaging materials, such scrap materials can be used by the Company for its manufacturing process. The Group and Taicang Packaging entered into an agreement on 16 May 2011 with respect to the purchase by the Group of scrap materials products from Taicang Packaging. The agreement was renewed on 8 May 2014. As the current term of the agreement is due to expire on 30 June 2017, the Taicang Scrap Materials Purchase Agreement is entered into to facilitate the continuous purchase by the Group of such scrap materials products from Taicang Packaging. Taicang Packaging will add certain production lines in mid of 2018 and the total annual design production capacity of Taicang Packaging will then be increased to 680 million sq.m. As a result, the purchase of such scrap materials products will increase substantially for the period ending 30 June 2020.

As the Taicang Scrap Materials Purchase Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Directors (including the independent non-executive Directors) consider that the transactions between the Company and Taicang Packaging and the proposed annual caps for the transactions under the Taicang Scrap Materials Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**(2) Taicang Utilities Supply Agreement**

*Date:* 8 May 2017

*Parties:* the Company; and  
Taicang Packaging.

*Subject:* Pursuant to the terms of the Taicang Utilities Supply Agreement, the Group will supply utilities (water, electricity and steam) to Taicang Packaging from time to time.

*Term:* The Taicang Utilities Supply Agreement has a fixed term of three financial years ending on 30 June 2020.

*Price:* The supply rates of the utilities services provided by the Group will be determined with reference to the prevailing market rates and in accordance with the pricing policies of continuing connected transactions of the Group as detailed in the paragraph headed "Pricing Principles for Continuing Connected Transactions" below, and will be no less favourable to the Group than those offered to other independent purchasers of the Group's products. The terms of the Taicang Utilities Supply Agreement were concluded after arm's length negotiations and were based on normal commercial terms in the parties' ordinary course of business.

*Cap Amount:*

The transaction amount under the Taicang Utilities Supply Agreement for each of three financial years ending 30 June 2020 will not exceed the following annual cap:

	<b>Financial year ending 30 June 2018 RMB' million</b>	<b>Financial year ending 30 June 2019 RMB' million</b>	<b>Financial year ending 30 June 2020 RMB' million</b>
Annual cap	50	60	60

The annual caps under the Taicang Utilities Supply Agreement were determined with reference to the historical transaction amount and the expected business growth of Taicang Packaging and its increased demand for utilities for its production.

The historical transaction amount of purchases by Taicang Packaging for the three financial years ended 30 June 2016 and the six months ended 31 December 2016 are set out below:

	<b>For the year ended 30 June 2014 RMB' million</b>	<b>For the year ended 30 June 2015 RMB' million</b>	<b>For the year ended 30 June 2016 RMB' million</b>	<b>For the six months ended 31 December 2016 RMB' million</b>
Annual cap (de minimis transaction)	20	20	20	32 <i>(Note 1)</i>
Actual purchases	5	7	8	6 <i>(Note 2)</i>

*Notes:*

1. Annual cap is for the entire financial year ended 30 June 2017
2. unaudited figures

#### *Reasons for the Taicang Utilities Supply Agreement*

The Group has been providing utilities services to Taicang Packaging since 2008, the Taicang Utilities Supply Agreement is to facilitate the continuous provision of such services to Taicang Packaging. Taicang Packaging will add certain production lines in mid of 2018 and the total annual design production capacity of Taicang Packaging will then be increased to 680 million sq.m. As a result, the requirement of utilities services will increase substantially for the period ending 30 June 2020.

As the Taicang Utilities Supply Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Directors (including the independent non-executive Directors) consider that the transactions between the Company and Taicang Packaging and the proposed annual caps for the transactions under the Taicang Utilities Supply Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

### **A. Purchase of chemicals and packaging materials**

#### ***(3) Longteng Packaging Materials and Chemicals Purchase Agreement***

*Date:* 8 May 2017

*Parties:* the Company; and

Dongguan Longteng.

Dongguan Longteng is a limited liability company established in the PRC which is principally engaged in the trading of packaging paperboard and production of packaging materials and chemicals. Dongguan Longteng is wholly-owned by Mr. Zhang Cheng Ming and his family members. Dongguan Longteng is therefore an associate of a connected person of the Company and the transactions between the Group and Dongguan Longteng constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

*Subject:* Dongguan Longteng will supply packaging materials and chemicals to the Group for the Group’s production requirements from time to time.

*Term:* The Longteng Packaging Materials and Chemicals Purchase Agreement has a fixed term of three financial years ending on 30 June 2020.

*Price:* The purchase prices of the products supplied by Dongguan Longteng will be determined with reference to the prevailing market prices and in accordance with the pricing policies of continuing connected transactions of the Group as detailed in the paragraph headed “Pricing Principles for Continuing Connected Transactions” below. The terms of the Longteng Packaging Materials and Chemicals Purchase Agreement were concluded after arm’s length negotiations and were based on normal commercial terms in the parties’ ordinary course of business.

*Cap Amount:*

The transaction amount under the Longteng Packaging Materials and Chemicals Purchase Agreement for each of three financial years ending 30 June 2020 will not exceed the following annual cap:

	<b>Financial year ending 30 June 2018 RMB’ million</b>	<b>Financial year ending 30 June 2019 RMB’ million</b>	<b>Financial year ending 30 June 2020 RMB’ million</b>
Annual cap	150	100	100

The annual caps under the Longteng Packaging Materials and Chemicals Purchase Agreement were determined based on the historical transactional amounts between the Group and Dongguan Longteng and the expected production requirements of the Group. The reason for the decrease in the annual caps from that of RMB150 million to RMB100 million for the year ending 30 June 2018 to 30 June 2019 is due to Dongguan Longteng will transfer part of its chemical business to Guangdong Tenglong Chemicals. Guangdong Tenglong Chemicals is expected to commence production in July 2017. The historical amount of purchases by the Group from Dongguan Longteng for the three financial years ended 30 June 2016 and the six months ended 31 December 2016 are as follows:

	<b>For the year ended 30 June 2014 RMB' million</b>	<b>For the year ended 30 June 2015 RMB' million</b>	<b>For the year ended 30 June 2016 RMB' million</b>	<b>For the six months ended 31 December 2016 RMB' million</b>
Annual cap	2,200	600	600	600 <i>(Note 1)</i>
Actual purchases	226	234	213	110 <i>(Note 2)</i>

*Notes:*

1. The annual cap is for the entire financial year ended 30 June 2017
2. unaudited figures

*Reasons for the Longteng Packaging Materials and Chemicals Purchase Agreement*

The Group and Dongguan Longteng entered into an agreement on 12 February 2006 to regulate the supply of packaging materials and chemical products to the Group. Such agreement was renewed on 26 June 2008, 16 May 2011 and 8 May 2014 respectively, and the current term of the agreement is due to expire on 30 June 2017. As the Group requires packaging materials and chemicals for the production of paperboard products in its ordinary course of business, the Longteng Packaging Materials and Chemicals Purchase Agreement is entered into to facilitate the continuous supply of such packaging materials and chemical products to the Group.

As the Longteng Packaging Materials and Chemicals Purchase Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Directors consider that the transactions between the Company and Dongguan Longteng and the proposed annual caps for the transactions under the Longteng Packaging Materials and Chemicals Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The view of the independent non-executive Directors will be set out in the circular of the Company after taking advice from the independent financial adviser.

#### ***(4) Hong Kong International Paper Chemicals Purchase Agreement***

*Date:* 8 May 2017

*Parties:* the Company; and

Hong Kong International Paper.

Hong Kong International Paper is a company incorporated in Hong Kong with limited liability and is an investment holding company. It is wholly-owned by Mr. Zhang Cheng Ming and his family members. Hong Kong International Paper has several subsidiaries including Nantong Tenglong and Guangdong Tenglong Chemicals which are both engaged in the production of chemicals. Hong Kong International Paper is therefore deemed to be a connected person of the Company and the transactions between the Group and Hong Kong International Paper constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

*Subject:* The subsidiaries of Hong Kong International Paper will supply packaging materials and chemicals to the Group for the Group's production requirements time to time.

*Term:* The Hong Kong International Paper Chemicals Purchase Agreement has a fixed term of three financial years ending on 30 June 2020.

*Price:* The purchase prices of the products supplied by Hong Kong International Paper will be determined with reference to the prevailing market prices and in accordance with the pricing policies of continuing connected transactions of the Group as detailed in the paragraph headed "Pricing Principles for Continuing Connected Transactions" below, and will be no less favourable to the Group than those offered to independent purchasers of the Group's products. The terms of the Hong Kong International Paper Chemicals Purchase Agreement were concluded after arm's length negotiations and were based on normal commercial terms in the parties' ordinary course of business.

*Cap Amount:*

The transaction amount under the Hong Kong International Paper Chemicals Purchase Agreement for each of three financial years ending 30 June 2020 will not exceed the following annual cap:

	<b>Financial year ending 30 June 2018 RMB' million</b>	<b>Financial year ending 30 June 2019 RMB' million</b>	<b>Financial year ending 30 June 2020 RMB' million</b>
Annual cap	1,150	1,350	1,550

The caps under the Hong Kong International Paper Chemicals Purchase Agreement were determined with reference to the historical transaction amount between the Group and Nantong Tenglong. The reasons for the increase in the annual caps from that of RMB1,150 million to RMB1,500 million for the year ending 30 June 2018 to 30 June 2020 are due to (1) Dongguan Longteng will transfer part of its chemical business to Guangdong Tenglong Chemicals; (2) the Group is implementing new paper machines at its certain production bases in PRC and Vietnam, targeted to be all completed and commence production before the end of 2018. This is expected to bring the Group's total design production capacity to over 16 million tpa, and result in significant increase in the Group's annual production volume; (3) the Group is continuously implementing technological upgrading on its existing production lines, which is also expected to result in progressive increase in the Group's annual production volume in the next 3 years.

The historical amount of purchases by the Group from Nantong Tenglong for the two financial years ended 30 June 2016 and the six months ended 31 December 2016 are as follows:

	<b>For the year ended 30 June 2015 RMB' million</b>	<b>For the year ended 30 June 2016 RMB' million</b>	<b>For the six months ended 31 December 2016 RMB' million</b>
Annual cap	1,150	1,150	1,150 <i>(Note 1)</i>
Actual purchases	108	238	135 <i>(Note 2)</i>

*Notes:*

1. The annual cap is for the entire financial year ended 30 June 2017
2. unaudited figures

Nantong Tenglong commenced trial production in April 2014 and there have not been any previous transactions between the Group and Nantong Tenglong prior to April 2014.

### *Reasons for the Hong Kong International Paper Chemicals Purchase Agreement*

The Group requires chemical products for its production of paperboard products. The Hong Kong International Paper Chemicals Purchase Agreement is entered into to facilitate the supply of chemical products to the Group to satisfy the Group's production requirements.

As the Hong Kong International Paper Chemicals Purchase Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Directors consider that the transactions between the Company and Hong Kong International Paper and the proposed annual caps for the transactions under the Hong Kong International Paper Chemicals Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The view of the independent non-executive Directors will be set out in the circular of the Company after taking advice from the independent financial adviser.

### *Listing Rule Implications*

The Longteng Packaging Materials and Chemicals Purchase Agreement and Hong Kong International Paper Chemicals Purchase Agreement are similar in nature and related to the purchase of chemicals for the Group's production requirements from companies controlled by Mr. Zhang Cheng Ming and his family members. Accordingly, the Longteng Packaging Materials and Chemicals Purchase Agreement and the Hong Kong International Paper Chemicals Purchase Agreement would need to be aggregated for the calculation of the classification of the transactions. As the applicable ratios for the aggregate transaction amount of the Longteng Packaging Materials and Chemicals Purchase Agreement and the Hong Kong International Paper Chemicals Purchase Agreement are on an annual basis over 5%, the Longteng Packaging Materials and Chemicals Purchase Agreement and the Hong Kong International Paper Chemicals Purchase Agreement will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **B. Supply of paperboard products**

### **(5) Longteng Packaging Paperboard Supply Agreement**

<i>Date:</i>	8 May 2017
<i>Parties:</i>	the Company; and Dongguan Longteng.
<i>Subject:</i>	The Group will supply packaging paperboard products to Dongguan Longteng.
<i>Term:</i>	The Longteng Packaging Paperboard Supply Agreement has a fixed term of three financial years ending on 30 June 2020.

*Price:* The selling prices of the products of the Group will be determined with reference to the prevailing market prices and in accordance with the pricing policies of continuing connected transactions of the Group as detailed in the paragraph headed “Pricing Principles for Continuing Connected Transactions” below, and will be no less favourable to the Group than those offered to independent purchasers of the Group’s products. The terms of the Longteng Packaging Paperboard Supply Agreement were concluded after arm’s length negotiations and were based on normal commercial terms in the parties’ ordinary course of business.

*Cap Amount:*

The transaction amount under the Longteng Packaging Paperboard Supply Agreement for each of three financial years ending 30 June 2020 will not exceed the following annual cap:

	<b>Financial year ending 30 June 2018 RMB’ million</b>	<b>Financial year ending 30 June 2019 RMB’ million</b>	<b>Financial year ending 30 June 2020 RMB’ million</b>
Annual cap	1,000	1,000	1,000

The annual caps under the Longteng Packaging Paperboard Supply Agreement were determined based on historical transaction amount, the expected business of Dongguan Longteng and its demand for packaging paperboard products from the Group as a result of the expected increases in the prices of raw materials and finished products during the period due to inflation.

The historical transaction amount of purchases by Dongguan Longteng for the three financial years ended 30 June 2016 and the six months ended 31 December 2016 are as follows:

	<b>For the year ended 30 June 2014 RMB’ million</b>	<b>For the year ended 30 June 2015 RMB’ million</b>	<b>For the year ended 30 June 2016 RMB’ million</b>	<b>For the six months ended 31 December 2016 RMB’ million</b>
Annual cap	1,100	610	800	1,000 <i>(Note 1)</i>
Actual sales	478	452	422	294 <i>(Note 2)</i>

*Notes:*

1. The annual cap is for the entire financial year ended 30 June 2017
2. unaudited figures

### *Reasons for the Longteng Packaging Paperboard Supply Agreement*

The Group and Dongguan Longteng entered into an agreement on 12 February 2006 to regulate the supply of packaging paperboard products manufactured by the Group to Dongguan Longteng. Such agreement was renewed on 26 June 2008, 16 May 2011 and 8 May 2014 respectively, and the current term of the agreement is due to expire on 30 June 2017. As the Group has been selling packaging paperboard products to Dongguan Longteng in the ordinary course of business of the Group for a long period of time, the Longteng Packaging Paperboard Supply Agreement is entered into to facilitate the continuous sale of the packaging paperboard products to Dongguan Longteng.

As the Longteng Packaging Paperboard Supply Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Directors consider that the transactions between the Company and Dongguan Longteng and the proposed annual caps for the transactions under the Longteng Packaging Paperboard Supply Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The view of the independent non-executive Directors will be set out in the circular of the Company after taking advice from the independent financial adviser.

#### **(6) Taicang Packaging Paperboard Supply Agreement**

*Date:* 8 May 2017

*Parties:* the Company; and

Taicang Packaging.

*Subject:* The Group will from time to time supply packaging paperboard products manufactured by the Group to Taicang Packaging.

*Term:* The Taicang Packaging Paperboard Supply Agreement has a fixed term of three financial years ending on 30 June 2020.

*Price:* The selling prices of the packaging paperboard products sold by the Group to Taicang Packaging will be determined with reference to the prevailing market prices and in accordance with the pricing policies of continuing connected transactions of the Group as detailed in the paragraph headed "Pricing Principles for Continuing Connected Transactions" below, and will be no less favourable to the Group than those offered to independent purchasers of the Group. The terms of the Taicang Packaging Paperboard Supply Agreement were concluded after arm's length negotiations and were based on normal commercial terms in the parties' ordinary course of business.

*Cap Amount:*

The transaction amount under the Taicang Packaging Paperboard Supply Agreement for each of three financial years ending 30 June 2020 will not exceed the following annual cap:

	<b>Financial year ending 30 June 2018 RMB' million</b>	<b>Financial year ending 30 June 2019 RMB' million</b>	<b>Financial year ending 30 June 2020 RMB' million</b>
Annual cap	600	1,200	1,320

The annual caps under the Taicang Packaging Paperboard Supply Agreement were determined by reference to the historical transaction amount and the expected business growth of Taicang Packaging and the increases in the price of the products as a result of inflation. Taicang Packaging will add certain production lines in mid of 2018 and the total annual design production capacity of Taicang Packaging will then be increased to 680 million sq.m. The historical amount of sales to Taicang Packaging for the three financial years ended 30 June 2016 and the six months ended 31 December 2016 are as follows:

	<b>For the year ended 30 June 2014 RMB' million</b>	<b>For the year ended 30 June 2015 RMB' million</b>	<b>For the year ended 30 June 2016 RMB' million</b>	<b>For the six months ended 31 December 2016 RMB' million</b>
Annual cap	700	330	350	380 <i>(Note 1)</i>
Actual sales	181	185	218	160 <i>(Note 2)</i>

*Notes:*

1. Annual cap is for the entire financial year ended 30 June 2017
2. unaudited figures

*Reasons for the Taicang Packaging Paperboard Supply Agreement*

The Group and Taicang Packaging entered into an agreement on 12 February 2006 to regulate the supply of packaging products manufactured by the Group to Taicang Packaging. Such agreement was renewed on 26 June 2008, 16 May 2011 and 8 May 2014 respectively, and the current term of the agreement is due to expire on 30 June 2017. As the Group has been selling such products to Taicang Packaging in the ordinary course of business of the Group for a long period of time, the Taicang Packaging Paperboard Supply Agreement is entered into to facilitate the continuous sale of such products to Taicang Packaging.

As the Taicang Packaging Paperboard Supply Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Directors consider that the transactions between the Company and Taicang Packaging and the proposed annual caps for the transactions under the Taicang Packaging Paperboard Supply Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The view of the independent non-executive Directors will be set out in the circular of the Company after taking advice from the independent financial adviser.

**(7) Honglong Packaging Paperboard Supply Agreement**

*Date:* 8 May 2017

*Parties:* the Company; and  
Honglong Packaging.

*Subject:* The Group will from time to time supply packaging paperboard products manufactured by the Group to Honglong Packaging.

*Term:* Honglong Packaging Paperboard Supply Agreement has a fixed term of three financial years ending on 30 June 2020.

*Price:* The selling prices of the packaging paperboard products sold by the Group to Honglong Packaging will be determined with reference to the prevailing market prices and in accordance with the pricing policies of continuing connected transactions of the Group as detailed in the paragraph headed "Pricing Principles for Continuing Connected Transactions" below, and will be no less favourable to the Group than those offered to independent purchasers of the Group. The terms of the Honglong Packaging Paperboard Supply Agreement were concluded after arm's length negotiations and were based on normal commercial terms in the parties' ordinary course of business.

*Cap Amount:*

The transaction amount under the Honglong Packaging Paperboard Supply Agreement for each of three financial years ending 30 June 2020 will not exceed the following annual cap:

	<b>Financial year ending 30 June 2018 RMB' million</b>	<b>Financial year ending 30 June 2019 RMB' million</b>	<b>Financial year ending 30 June 2020 RMB' million</b>
Annual cap	280	300	320

The annual caps under the Honglong Packaging Paperboard Supply Agreement were determined based on the historical transactional amounts between the Group and Honglong Packaging and the expected business volume of Honglong Packaging. The historical amount of supplies by the Group to Honglong Packaging for the two financial years ended 30 June 2016 and the six months ended 31 December 2016 are as follows:

	<b>For the year ended 30 June 2015 RMB' million</b>	<b>For the year ended 30 June 2016 RMB' million</b>	<b>For the six months ended 31 December 2016 RMB' million</b>
Annual cap	110	150	210 <i>(Note 1)</i>
Actual supplies	80	132	89* <i>(Note 2)</i>

*Notes:*

1. The annual cap is for the entire financial year ended 30 June 2017
2. unaudited figures

#### *Reasons for the Honglong Packaging Paperboard Supply Agreement*

The Group and Honglong Packaging entered into an agreement on 8 May 2014 in respect of such sale of paperboard products by the Group to Honglong Packaging. The term of such agreement is due to expire on 30 June 2017. The Honglong Packaging Paperboard Supply Agreement is entered into to facilitate the continuous sale of paperboard products by the Group to Honglong Packaging in the ordinary course of business of the Group.

The Honglong Packaging Paperboard Supply Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms. The Directors thus consider that the transactions between the Company and Honglong Packaging and the proposed annual caps for the transactions under the Honglong Packaging Paperboard Supply Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The view of the independent non-executive Directors will be set out in the circular of the Company after taking advice from the independent financial adviser.

#### *Listing Rule Implications*

Longteng Packaging Paperboard Supply Agreement, the Taicang Packaging Paperboard Supply Agreement and the Honglong Packaging Paperboard Supply Agreement are similar in nature and related to the supply of the Group's paperboard products to companies controlled by Ms. Cheung Yan, Mr. Liu Ming Chung and Mr. Zhang Cheng Fei, as the case may be, all being Directors and substantial shareholders of the Company, and their associates. Accordingly, the Longteng Packaging Paperboard Supply Agreement, the Taicang Packaging Paperboard Supply Agreement and the Honglong Packaging Paperboard Supply Agreement would need to be aggregated for the calculation of the classification of the transactions. As

the applicable ratios for the aggregate annual transaction amount of the Longteng Packaging Paperboard Supply Agreement, the Taicang Packaging Paperboard Supply Agreement and the Honglong Packaging Paperboard Supply Agreement are over 5%, the Longteng Packaging Paperboard Supply Agreement, the Taicang Packaging Paperboard Supply Agreement and the Honglong Packaging Paperboard Supply Agreement will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **C. Purchase of wastepaper products**

#### ***(8) ACN Recovered Paper Purchase Agreement***

*Date:* 8 May 2017

*Parties:* the Company; and  
ACN.

ACN is the largest exporter of recovered paper in the United States and a leading exporter of recovered paper in Europe and Asia, is indirectly wholly owned by Ms. Cheung Yan and Mr. Liu Ming Chung, both being Directors and substantial shareholders of the Company. ACN is therefore a connected person of the Company and the transactions under the ACN Recovered Paper Purchase Agreement will constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

*Subject:* Pursuant to the terms of the ACN Recovered Paper Purchase Agreement, the Group will purchase recovered paper from ACN from time to time.

*Term:* The ACN Recovered Paper Purchase Agreement has a fixed term of three financial years ending on 30 June 2020.

*Price:* The purchase prices of the products under the ACN Recovered Paper Purchase Agreement will be determined with reference to the prevailing market prices in the PRC and overseas markets and in accordance with the pricing policies of continuing connected transactions of the Group as detailed in the paragraph headed "Pricing Principles for Continuing Connected Transactions" below, and will be no less favourable to the Group than those offered by independent suppliers of similar products. The terms of the ACN Recovered Paper Purchase Agreement were concluded after arm's length negotiations and were based on normal commercial terms in the parties' ordinary course of business.

*Cap Amount:*

The transaction amount under the ACN Recovered Paper Purchase Agreement for each of three financial years ending 30 June 2020 will not exceed the following annual cap:

	<b>Financial year ending 30 June 2018 RMB' million</b>	<b>Financial year ending 30 June 2019 RMB' million</b>	<b>Financial year ending 30 June 2020 RMB' million</b>
Annual cap	19,000	21,000	23,000

The annual caps under the ACN Recovered Paper Purchase Agreement were determined by reference to the historical transaction amount and the expected demand of recovered paper by the Group. The historical amount of purchases from ACN for the three financial years ended 30 June 2016 and the six months ended 31 December 2016 are as follows:

	<b>For the year ended 30 June 2014 RMB' million</b>	<b>For the year ended 30 June 2015 RMB' million</b>	<b>For the year ended 30 June 2016 RMB' million</b>	<b>For the six months ended 31 December 2016 RMB' million</b>
Annual cap	23,500	15,000	17,000	19,000 <i>(Note 1)</i>
Actual purchases	13,268	6,955	9,013	4,408 <i>(Note 2)</i>

*Notes:*

1. The annual cap is for the entire financial year ended 30 June 2017
2. unaudited figures

*Reasons for the ACN Recovered Paper Purchase Agreement*

ACN is our major supplier of recovered paper. ACN and the Company entered into an agreement on 12 February 2006 to regulate the supply of recovered paper to the Group. Such agreement was renewed on 26 June 2008, 30 June 2008, 16 May 2011 and 8 May 2014 respectively, and the current term of the agreement is due to expire on 30 June 2017. The Group is implementing new paper machines at its certain production bases in PRC and Vietnam, targeted to be all completed and commence production before the end of 2018, this is expected to bring the Group's total design production capacity to over 16 million tpa, and result in significant increase in the Group's annual production volume. Furthermore, the Group is continuously implementing technological upgrading on its existing production lines, which is also expected to result in progressive increase in the Group's annual production volume in the next 3 years.

As the Group has been purchasing recovered paper from ACN for the production of paperboard products for a long period of time, the ACN Recovered Paper Purchase Agreement is entered into to facilitate the continuous supply of such products to the Group.

As the ACN Recovered Paper Purchase Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Directors consider that the transactions between the Company and ACN and the proposed annual caps for the transactions under the ACN Recovered Paper Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The view of the independent non-executive Directors will be set out in the circular of the Company after taking advice from the independent financial adviser.

**(9) *Tianjin ACN Wastepaper Purchase Agreement***

*Date:* 8 May 2017

*Parties:* the Company; and  
Tianjin ACN.

Tianjin ACN is a company established in the PRC and is principally engaged in the business of the sourcing of wastepaper in PRC. Tianjin ACN is indirectly owned as to 30% by the Company and as to 70% beneficially owned by Ms. Cheung Yan and Mr. Liu Ming Chung, both are Directors and substantial shareholders of the Company. Accordingly, Tianjin ACN is a connected subsidiary of the Company and the transactions under the Tianjin ACN Wastepaper Purchase Agreement will constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

*Subject:* Pursuant to the terms of the Tianjin ACN Wastepaper Purchase Agreement, the Group will purchase recovered paper from Tianjin ACN from time to time.

*Term:* The Tianjin ACN Wastepaper Purchase Agreement has a fixed term of three financial years ending on 30 June 2020.

*Price:* The purchase prices of the products under the Tianjin ACN Wastepaper Purchase Agreement will be determined with reference to the prevailing market prices of waste paper in the PRC and in accordance with the pricing policies of continuing connected transactions of the Group as detailed in the paragraph headed “Pricing Principles for Continuing Connected Transactions” below, and will be no less favourable to the Group than those offered by independent suppliers of similar products. The terms of the Tianjin ACN Wastepaper Purchase Agreement were concluded after arm’s length negotiations and were based on normal commercial terms in the parties’ ordinary course of business.

*Cap Amount:*

The transaction amount under the Tianjin ACN Wastepaper Purchase Agreement for each of three financial years ending 30 June 2020 will not exceed the following annual cap:

	<b>Financial year ending 30 June 2018 <i>RMB’ million</i></b>	<b>Financial year ending 30 June 2019 <i>RMB’ million</i></b>	<b>Financial year ending 30 June 2020 <i>RMB’ million</i></b>
Annual cap	12,000	14,000	16,000

The annual caps under the Tianjin ACN Wastepaper Purchase Agreement were determined by reference to the historical transaction amount and the expected demand of recovered paper by the Group. The Group is implementing new paper machines at its certain production bases in PRC and Vietnam, targeted to be all completed and commence production before the end of 2018, this is expected to bring the Group’s total design production capacity to over 16 million tpa, and result in significant increase in the Group’s annual production volume. Furthermore, the Group is continuously implementing technological upgrading on its existing production lines, which is also expected to result in progressive increase in the Group’s annual production volume in the next 3 years.

The historical amount of purchases from Tianjin ACN for the two financial years ended 30 June 2016 and the six months ended 31 December 2016 are as follows:

	<b>For the year ended 30 June 2015 RMB' million</b>	<b>For the year ended 30 June 2016 RMB' million</b>	<b>For the six months ended 31 December 2016 RMB' million</b>
Annual cap	7,600	8,900	10,000 <i>(Note 1)</i>
Actual purchases	5,784	4,773	3,302 <i>(Note 2)</i>

*Notes:*

1. The annual cap is for the entire financial year ended 30 June 2017
2. unaudited figures

Tianjin ACN was established in 2013.

#### *Reasons for the Tianjin ACN Wastepaper Purchase Agreement*

The Group and Tianjin ACN entered into an agreement on 8 May 2014 in respect of purchases of wastepaper by the Group from Tianjin ACN. The term of such agreement is due to expire on 30 June 2017 and the Tianjin ACN Wastepaper Purchase Agreement is entered into to facilitate the continuous purchase by the Group of wastepaper products in the PRC.

As the Tianjin ACN Wastepaper Purchase Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Directors consider that the transactions between the Company and Tianjin ACN and the proposed annual caps for the transactions under the Tianjin ACN Wastepaper Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The view of the independent non-executive Directors will be set out in the circular of the Company after taking advice from the independent financial adviser.

#### *Listing Rule Implications*

The ACN Recovered Paper Purchase Agreement and the Tianjin ACN Wastepaper Purchase Agreement are similar in nature and related to the purchase of waste paper for the Group's production requirements from companies controlled by or associated with Ms. Cheung Yan and Mr. Liu Ming Chung, both being Directors and substantial shareholders of the Company. Accordingly, the ACN Recovered Paper Purchase Agreement and the Tianjin ACN Wastepaper Purchase Agreement would need to be aggregated for the calculation of the classification of the transactions. As the applicable ratios for the aggregated annual transaction amount of the ACN Recovered Paper Purchase Agreement and the Tianjin ACN Wastepaper Purchase Agreement are over 5%, the ACN Recovered Paper Purchase Agreement and the Tianjin ACN Wastepaper Purchase Agreement will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **PRICING PRINCIPLES FOR CONTINUING CONNECTED TRANSACTIONS**

The basis of determining the prices of the products to be supplied or purchased by the Group under the respective agreement of the continuing connected transactions of the Group will be in accordance with the prevailing market prices of similar products and on the following principles:

- (i) by reference to the prevailing market price of the same or substantially similar products, taking into account of the price of the same or substantially similar products with comparable order quantities and quality offered by other suppliers/purchasers;
- (ii) if there are not sufficient comparable transactions in (i) above, on normal commercial terms comparable to those offered to/received from independent third parties in respect of the same or substantially similar products with comparable quantities; and
- (iii) if both (i) and (ii) above are not applicable, by reference to the average price of similar products previously supplied or purchased by a party, and on normal commercial terms comparable to those offered by the relevant party to independent third parties.

In determining the prevailing market price for the products for a particular contract, the Company will:

- (a) in respect of procurement of products from a connected person or his/her associates, invite quotations from independent suppliers to give a reference on the prevailing market prices for the relevant products to be procured. Such quotations will be reviewed and evaluated from both the technical and commercial perspectives by qualified personnel of the Company to ensure that the products to be procured from a connected person or his/her associates are comparable to the prices for such products being offered by independent third parties; and
- (b) in respect of provision of products to be sold to a connected person or his/her associates, evaluate and assess the scope of the relevant order and prepare a detailed cost calculation by reference to cost of materials, products and labors, quotes of the Group to other independent third party customers and the level of fees charged by competitors of the Group in the market (if available) to ensure that the prices of the products of the Group are competitive and comparable to those being offered to independent third party customers of the Group.

To ensure that the actual prices for the continuing connected transactions of the Group are on normal commercial terms and on terms no less favourable to the Group than that available from independent third party suppliers/customers, the Group will conduct regular checks to review and assess whether the products have been supplied/purchased in accordance with the terms of the relevant agreement. In addition, the Company will engage the auditors of the Company to conduct an annual review of the continuing connected transactions of the Company to assess whether such transactions have been carried out in accordance with the relevant terms of the agreement and pricing policies of the Company.

## GENERAL

The Group is mainly engaged in the manufacture and sales of packaging paper, recycled printing and writing paper and high value specialty paper products in the PRC. The Company will comply with the relevant provisions under Chapter 14A of the Listing Rules governing connected transactions in the event that the annual caps in any of the above agreements are exceeded or that there is any material amendment to their terms.

Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei and Mr. Lau Chun Shun are considered to be interested in the Taicang Scrap Materials Purchase Agreement, the Taicang Utilities Supply Agreement, the Longteng Packaging Materials and Chemicals Purchase Agreement, the Hong Kong International Paper Chemicals Purchase Agreement, the Longteng Packaging Paperboard Supply Agreement, the Taicang Packaging Paperboard Supply Agreement, the Honglong Packaging Paperboard Supply Agreement, the ACN Recovered Paper Purchase Agreement and the Tianjin ACN Wastepaper Purchase Agreement, and have abstained from voting for the approval of such agreements at the Board meeting held to approve these agreements.

Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun and their respective associates will abstain from voting on the resolutions proposed at the Special General Meeting to approve the Non-exempt Continuing Connected Transactions.

An Independent Board Committee comprising the independent non-executive Directors have been formed to advise the Independent Shareholders on the terms of the Non-exempt Continuing Connected Transactions and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Non-exempt Continuing Connected Transactions.

A circular containing, among other things, details of the Non-exempt Continuing Connected Transactions, a letter from the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Non-exempt Continuing Connected Transactions, and a notice of the special general meeting to be convened to approve the Non-exempt Continuing Connected Transactions will be despatched to the Shareholders on or before 29 May 2017.

## DEFINITIONS

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

“2014 Continuing Connected Transactions”	the continuing connected transactions of the Company entered into on 8 May 2014 between the Company and (a) Dongguan Longteng in relation to (i) the purchase of packaging materials and chemicals by the Group, and (ii) the supply of paperboard products by the Group to Dongguan Longteng; (b) Taicang Packaging in relation to (i) the supply of paperboard products by the Group to Taicang Packaging, and (ii) the purchase by the Group of scrap materials products from Taicang Packaging; (c) Honglong Packaging in relation to (i) the purchase of packaging materials by the Group, and (ii) the supply of paperboard products by the Group to Honglong Packaging; (d) Nantong Tenglong in relation to the supply of packaging materials and chemicals to the Group; (e) ACN in relation to the purchase by the Group of wastepaper products; and (f) Tianjin ACN in relation to the purchase by the Group of wastepaper products (the details of which were set out in the announcement of the Company dated 8 May 2014 and the circular of the Company dated 28 May 2014;
“ACN”	America Chung Nam, Inc., a corporation established with limited liability under the laws of the State of California in the United States, which is indirectly wholly-owned by Ms. Cheung Yan and Mr. Liu Ming Chung, Directors and substantial shareholders of the Company;
“ACN Recovered Paper Purchase Agreement”	the agreement entered into between the Company and ACN on 8 May 2017 in relation to the purchase by the Group of recovered paper from ACN;
“associate”	has the same meaning as given to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Nine Dragons Paper (Holdings) Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Dongguan Longteng”	Dongguan Longteng Industrial Co., Ltd. (東莞市龍騰實業有限公司), a limited liability company established in the PRC and is wholly-owned by Mr. Zhang Cheng Ming and his family members;
“Group”	the Company and its subsidiaries;
“Guangdong Tenglong Chemicals”	Guangdong Tenglong Chemicals Technology Co., Ltd. (廣東騰龍化工科技有限公司), a company established in the PRC which is indirectly owned by Mr. Zhang Cheng Ming and his family members;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Hong Kong International Paper”	Hong Kong International Paper Manufacturing Chemical Technology Limited (香港國際造紙化學品科技有限公司), a company incorporated in Hong Kong and is beneficially owned by Mr. Zhang Cheng Ming and his family members;
“Hong Kong International Paper Chemicals Purchase Agreement”	the agreement entered into between the Company and Hong Kong International Paper on 8 May 2017 in relation to the purchase of chemicals by the Group for its production of paperboard products;
“Honglong Packaging”	Dongguan Honglong Packaging Co., Ltd. (東莞弘龍包裝有限公司), a company established in the PRC which is beneficially owned as to 60% by Ms. Cheung Yan, Mr. Liu Ming Chung and Mr. Zhang Cheng Fei, all being Directors and substantial shareholders;
“Honglong Packaging Paperboard Supply Agreement”	the agreement entered into between the Company and Honglong Packaging on 8 May 2017 in relation to the sale of paperboard products by the Group to Honglong Packaging;
“Independent Board Committee”	the independent board committee of the Company;
“Independent Shareholders”	Shareholders who are not interested in the transactions described in this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Longteng Packaging Materials and Chemicals Purchase Agreement”	the agreement entered into between the Company and Dongguan Longteng on 8 May 2017 in relation to the purchase of packaging materials and chemicals by the Group for its production of paperboard products;
“Longteng Packaging Paperboard Supply Agreement”	the agreement entered into between the Company and Dongguan Longteng on 8 May 2017 in relation to the sale of paperboard products by the Group to Dongguan Longteng;
“Mr. Zhang Cheng Ming”	Mr. Zhang Cheng Ming is a brother of Ms. Cheung Yan and Mr. Zhang Cheng Fei, both being Directors and substantial shareholders of the Company. He is deemed to be a connected person of the Company according to the Listing Rules;
“Nantong Tenglong”	Nantong Tenglong Chemical Technology Co., Ltd. (南通騰龍化工科技有限公司), a company established in the PRC which is indirectly owned by Mr. Zhang Cheng Ming and his family;
“Non-exempt Continuing Connected Transactions”	the continuing connected transactions contemplated under the Longteng Packaging Materials and Chemicals Purchase Agreement, the Hong Kong International Paper Chemicals Purchase Agreement, the Longteng Packaging Paperboard Supply Agreement, the Taicang Packaging Paperboard Supply Agreement, the Honglong Packaging Paperboard Supply Agreement, the ACN Recovered Paper Purchase Agreement and the Tianjin ACN Wastepaper Purchase Agreement;

“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of the Company’s share(s);
“Special General Meeting”	the special general meeting to be convened to approved the Non-exempt Continuing Connected Transactions;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Taicang Packaging”	Nine Dragons Packaging (Taicang) Company Limited (玖龍包裝(太倉)有限公司), a wholly foreign-owned enterprise established in the PRC, which is wholly-owned by Ms. Cheung Yan, Mr. Liu Ming Chung and Mr. Zhang Cheng Fei, all being Directors and substantial shareholders of the Company;
“Taicang Packaging Paperboard Supply Agreement”	the agreement entered into between the Company and Taicang Packaging on 8 May 2017 in relation to the sale of packaging paperboard products by the Group to Taicang Packaging;
“Taicang Scrap Material Purchase Agreement”	the agreement entered into between the Company and Taicang Packaging on 8 May 2017 in relation to the purchase of scrap materials by the Group from Taicang Packaging;
“Taicang Utilities Supply Agreement”	the agreement entered into between the Company and Taicang Packaging on 8 May 2017 in relation to the supply of utilities services by the Group to Taicang Packaging;
“Tianjin ACN”	ACN (Tianjin) Resources Co., Ltd.(中南(天津)再生資源有限公司), a company established in the PRC and is indirectly owned as to 30% by the Company and as to 70% beneficially owned by Ms. Cheung Yan and Mr. Liu Ming Chung;
“Tianjin ACN Wastepaper Purchase Agreement”	the agreement entered into between the Company and Tianjin ACN on 8 May 2017 in relation to the purchase of wastepaper by the Group from Tianjin ACN;
“tpa”	unit of production capacity in tonnes per annum; and
“%”	per cent

By order of the Board  
**NINE DRAGONS PAPER (HOLDINGS) LIMITED**  
**Cheung Yan**  
*Chairlady*

8 May 2017

*As at the date of this announcement, the executive directors are Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun and Mr. Zhang Yuanfu; the independent non-executive directors are Ms. Tam Wai Chu, Maria, Mr. Ng Leung Sing and Mr. Lam Yiu Kin.*

\* *For identification purposes only*