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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

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

On 18 May 2026, the Company entered into the Agreements to renew the 2023 Continuing Connected Transactions, as the current term for each of the agreements under the 2023 Continuing Connected Transactions will expire on 30 June 2026.

LISTING RULES IMPLICATIONS

Exempt continuing connected transaction

Dongguan Longteng is controlled by Mr. Zhang Cheng Ming and his family members. Mr. Zhang Cheng Ming is the brother of Ms. Cheung Yan and Mr. Zhang Cheng Fei, the uncle of Mr. Ken Liu and Mr. Zhang Lianpeng, all of whom are Directors and substantial shareholders of the Company. The transactions contemplated under the Packaging Materials Purchase Agreement and the Packaging Paper Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the annual transaction amount of each of the Packaging Materials Purchase Agreement and the Packaging Paper Supply Agreement is over 0.1% but less than 5%, each of the Packaging Materials Purchase Agreement and the Packaging Paper Supply Agreement is subject to the reporting, annual review and announcement requirements but exempt from the Independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

Non-exempt continuing connected transactions

Each of Cheng Ming Group and Guangdong Chengming is controlled by Mr. Zhang Cheng Ming and his family members. The transactions contemplated under the Chemical Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

ACN is an associate of Ms. Cheung Yan and Mr. Liu Ming Chung, both of whom are Directors and substantial shareholders of the Company while Tianjin ACN and Hainan ACN are companies indirectly owned by the Cheung Family as to 70%. The transactions contemplated under the Recovered Paper, Pulp Products and Woodchips Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the annual transaction amounts of each of the Chemical Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement is over 5%, each of the Chemical Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement is subject to the reporting, annual review, 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 Chemical Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Chemical Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement.

A circular containing, among other things, details of the Chemical Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement, a letter from the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Chemical Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement, and a notice of the Special General Meeting will be despatched to the Shareholders on or before 9 June 2026 in order to allow sufficient time for the Company to collate the necessary information to be included in the circular.

INTRODUCTION

On 18 May 2026, the Company entered into the Agreements to renew the 2023 Continuing Connected Transactions, as the current term for each of the agreements under the 2023 Continuing Connected Transactions will expire on 30 June 2026.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

(1) The Packaging Materials Purchase Agreement

(a) Principal terms

The principal terms of the Packaging Materials Purchase Agreement are set out below:

- Parties:** (i) the Company
(ii) Dongguan Longteng
- Subject:** The Group will purchase packaging materials from Dongguan Longteng and its subsidiaries to meet the Group's production requirements.
- Term:** A term of three financial years from 1 July 2026 to 30 June 2029.
- Price:** The purchase prices of the packaging materials to be purchased by the Group from Dongguan Longteng and its subsidiaries 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 independent suppliers of similar products.

The terms of the Packaging Materials Purchase Agreement were concluded after arm's length negotiations and were based on normal commercial terms in the parties' ordinary course of business.

The Company has relied on the de minimis exemption under Rule 14A.76(1)(a) of the Listing Rules and therefore was not required to issue any announcement or make relevant disclosures in respect of the packaging materials purchase agreement dated 20 January 2023 between the Company and Dongguan Longteng in relation to the purchase of packaging materials by the Group from Dongguan Longteng and its subsidiaries for a term of three financial years from 1 July 2023 to 30 June 2026. However, with the expansion of the Group's packaging business and the increase in the costs of packaging materials, the

renewal of such agreement would now be subject to the reporting, annual review and announcement requirements, but would be exempt from the Independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

Cap Amount:

The transaction amount under the Packaging Materials Purchase Agreement for each of the three financial years ending 30 June 2029 will not exceed the following annual cap:

	Financial year ending 30 June 2027 RMB' million	Financial year ending 30 June 2028 RMB' million	Financial year ending 30 June 2029 RMB' million
Annual cap	30	35	35

The annual caps were determined based on the historical transaction amounts, the Group's growing production capacity of paper products requiring packaging materials, as well as the expected growth in packaging paper prices due to inflation during the relevant period.

The historical transaction amounts of purchases by the Group from Dongguan Longteng and its subsidiaries for the two financial years ended 30 June 2025 and the six months ended 31 December 2025 are as follows:

	For the financial year ended 30 June 2024 RMB' million	For the financial year ended 30 June 2025 RMB' million	For the six months ended 31 December 2025 RMB' million
Annual cap	26 (<i>Note 1</i>)	26 (<i>Note 1</i>)	26 (<i>Note 1</i>)
Actual purchases	22	24	11 (<i>Note 2</i>)

Notes:

1. The annual cap of RMB26 million applied for the financial year ended 30 June 2024, the financial year ended 30 June 2025 and the financial year ending 30 June 2026 fell within the de minimis exemption under Rule 14A.76(1)(a) of the Listing Rules at the time when the original packaging materials purchase agreement was entered into on 20 January 2023.
2. The actual purchase figure for the six months ended 31 December 2025 was unaudited.

(b) Reasons for the Packaging Materials Purchase Agreement

The Group requires packaging materials for the production in its ordinary and usual course of business. As the existing agreement for the purchase of packaging materials by the Group from Dongguan Longteng and its subsidiaries is due to expire on 30 June 2026, the Company and Dongguan Longteng entered into the Packaging Materials Purchase Agreement to facilitate the continuous supply of packaging materials to the Group to satisfy the Group's production requirements.

As the Group's production capacity of paper products requiring packaging materials has increased substantially, the annual cap under the packaging materials purchase agreement has been raised compared with RMB26 million per annum for the three financial years ending 30 June 2026.

As the Packaging Materials Purchase Agreement was entered into in the ordinary and usual 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 but excluding the Interested Directors who have abstained from voting for the resolution to approve the Packaging Materials Purchase Agreement, consider that the transactions between the Company and Dongguan Longteng and the proposed annual caps for the transactions under the Packaging Materials Purchase Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

(c) Listing Rules Implications

Dongguan Longteng is wholly owned by Mr. Zhang Cheng Ming and his family members. Mr. Zhang Cheng Ming is the brother of Ms. Cheung Yan and Mr. Zhang Cheng Fei, the uncle of Mr. Ken Liu and Mr. Zhang Lianpeng, all of whom are the Directors and substantial shareholders of the Company. Dongguan Longteng is hence a connected person of the Company and the transactions contemplated under the Packaging Materials Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the annual transaction amount of the Packaging Materials Purchase Agreement is over 0.1% but less than 5%, the Packaging Materials Purchase Agreement is subject to the reporting, annual review and announcement requirements but exempt from the requirement of Independent Shareholders' approval under Chapter 14A of the Listing Rules.

(2) The Packaging Paper Supply Agreement

(a) Principal terms

The principal terms of the Packaging Paper Supply Agreement are set out below:

Parties:	(i) the Company (ii) Dongguan Longteng
Subject:	The Group will supply packaging paper products to Dongguan Longteng and its subsidiaries.
Term:	A term of three financial years from 1 July 2026 to 30 June 2029.
Price:	The selling prices of the packaging paper products to be supplied by the Group to Dongguan Longteng and its subsidiaries 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 independent purchasers of similar products.

The terms of the Packaging Paper 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 Packaging Paper Supply Agreement for each of the three financial years ending 30 June 2029 will not exceed the following annual cap:

	Financial year ending 30 June 2027 RMB’ million	Financial year ending 30 June 2028 RMB’ million	Financial year ending 30 June 2029 RMB’ million
Annual cap	900	1,000	1,200

The annual caps were determined based on the historical transaction amounts, the expected demand of Dongguan Longteng and its subsidiaries for the Group's packaging paper products, and the expected increases in the prices of raw materials and finished products during the period due to inflation. Dongguan Longteng plans to increase its production lines starting from 2027. It is expected that its annual consumption of packaging paper will rise significantly.

The historical transaction amounts of purchases by Dongguan Longteng and its subsidiaries for the two financial years ended 30 June 2025 and the six months ended 31 December 2025 are as follows:

	For the financial year ended 30 June 2024 RMB' million	For the financial year ended 30 June 2025 RMB' million	For the six months ended 31 December 2025 RMB' million
Annual cap	800	800	800 (<i>Note 1</i>)
Actual sales	545	517	272 (<i>Note 2</i>)

Notes:

1. The annual cap of RMB800 million is for the financial year ended 30 June 2026.
2. The actual sales figure for the six months ended 31 December 2025 was unaudited.

(b) Reasons for the Packaging Paper Supply Agreement

The Group has been selling packaging paper products in its ordinary course of business to Dongguan Longteng and its subsidiaries since 2006. As the existing agreement for the supply of packaging paper products by the Group to Dongguan Longteng and its subsidiaries is due to expire on 30 June 2026, the Company and Dongguan Longteng entered into the Packaging Paper Supply Agreement to facilitate the continuous sale of the packaging paper products by the Group to Dongguan Longteng and its subsidiaries.

As the Packaging Paper Supply Agreement was entered into in the ordinary and usual 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 but excluding the Interested Directors who have abstained from voting for the resolution to approve the Packaging Paper Supply Agreement, consider that the transactions between the Company and Dongguan Longteng and the proposed annual caps for the transactions under the Packaging Paper Supply Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

(c) Listing Rules Implications

Dongguan Longteng is wholly owned by Mr. Zhang Cheng Ming and his family members. Dongguan Longteng is hence a connected person of the Company and the transactions contemplated under the Packaging Paper Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the annual transaction amount of the Packaging Paper Supply Agreement is over 0.1% but less than 5%, the Packaging Paper Supply Agreement is subject to the reporting, annual review and announcement requirements but exempt from the requirement of Independent Shareholders' approval under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

(1) The Chemicals Purchase Agreement

(a) Principal terms

The principal terms of the Chemicals Purchase Agreement are set out below:

Parties:	(i) the Company (ii) Cheng Ming Group (iii) Guangdong Chengming
Subject:	The Group will purchase chemicals from Cheng Ming Group and Guangdong Chengming and their subsidiaries to meet the Group's production requirements.
Term:	A term of three financial years from 1 July 2026 to 30 June 2029.
Price:	The purchase prices of the chemical products to be purchased by the Group from Cheng Ming Group and Guangdong Chengming and their subsidiaries 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 independent suppliers of similar products.

The terms of the 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 Chemicals Purchase Agreement for each of the three financial years ending 30 June 2029 will not exceed the following annual cap:

	Financial year ending 30 June 2027 RMB' million	Financial year ending 30 June 2028 RMB' million	Financial year ending 30 June 2029 RMB' million
Annual cap	2,000	2,500	3,000

The pulp production capacity of the Group in FY2027 is expected to increase by 2.0 million tonnes, representing a 36.8% growth compared with FY2026. This has driven higher demand for pulp-making chemicals and accordingly increased the transaction value. Besides, the major chemicals purchased by the Group from Cheng Ming Group and Guangdong Chengming and their subsidiaries include surface sizing agent and latex, both of which are petroleum derivatives, representing a substantial portion of the total transaction value between the two parties. Affected by the geopolitical situation and armed conflict in Iran, international oil prices and transportation costs have risen sharply, leading to a significant increase in the raw material prices of surface sizing agent and latex. As a result, the prices of papermaking chemicals increased substantially, leading to a significant rise in the transaction amount. The annual caps were determined based on historical transaction amounts, the expected demand for chemical products to meet the production requirements of the Group.

The historical transaction amounts of purchases by the Group from Cheng Ming Group and its subsidiaries for the two financial years ended 30 June 2025 and the six months ended 31 December 2025 are as follows:

	For the financial year ended 30 June 2024 RMB' million	For the financial year ended 30 June 2025 RMB' million	For the six months ended 31 December 2025 RMB' million
Annual cap	1,000	1,000	1,000 (<i>Note 1</i>)
Actual purchases	838	999	448 (<i>Note 2</i>)

Notes:

1. The annual cap of RMB1,000 million is for the financial year ending 30 June 2026.
2. The actual purchase figure for the six months ended 31 December 2025 was unaudited.

(b) Reasons for the Chemicals Purchase Agreement

The Group requires chemicals for the production of its packaging paper products. As the existing agreement for the purchase of chemicals by the Group from Cheng Ming Group and its subsidiaries is due to expire on 30 June 2026, the Company, Cheng Ming Group and Guangdong Chengming entered into the Chemicals Purchase Agreement to facilitate the continuous supply of chemical products by Cheng Ming Group and Guangdong Chengming and their subsidiaries to the Group to satisfy the Group's production requirements.

Due to the geopolitical conflict in Iran, relevant shipping lanes have been blocked and closed, causing a severe impact on the global chemical supply chain and logistics transportation. This has driven a substantial surge in the prices of chemical raw materials and transportation costs. Accordingly, the annual cap under the Chemicals Purchase Agreement has been increased, as compared to RMB1,000 million for each of the three financial years ending 30 June 2026.

As the Chemicals Purchase Agreement was entered into in the ordinary and usual 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, except the Interested Directors who have abstained from voting for the resolution to approve the Chemicals Purchase Agreement and the independent non-executive Directors, consider that the terms of the Chemicals Purchase Agreement, including the annual caps, 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.

(c) Listing Rules Implications

Each of Cheng Ming Group and Guangdong Chengming is wholly owned by Mr. Zhang Cheng Ming and his family members. Each of Cheng Ming Group and Guangdong Chengming is hence a connected person of the Company and the transactions contemplated under the Chemicals Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the annual transaction amount of the Chemicals Purchase Agreement is over 5%, the Chemicals Purchase Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) Recovered Paper, Pulp Products and Woodchips Agreement

(a) *Principal terms*

The principal terms of the Recovered Paper, Pulp Products and Woodchips Agreement are set out below:

- Parties:**
- (i) the Company
 - (ii) ACN
 - (iii) Tianjin ACN
 - (iv) Hainan ACN
- Subject:** The Group will purchase recovered paper, pulp products, woodchips and related products and purchasing services from ACN, Tianjin ACN and/or Hainan ACN and their subsidiaries and respective designated agents from time to time.
- Term:** A term of three financial years from 1 July 2026 to 30 June 2029.
- Price:** The purchase prices of the products and services to be purchased by the Group from ACN, Tianjin ACN and/or Hainan ACN and their subsidiaries and their respective designated agents under the Recovered Paper, Pulp Products and Woodchips 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, subject to the additional principles of determining the pricing terms for individual orders of recovered paper, pulp products and woodchips by reference to:

- (a) the prevailing market price of similar recovered paper and pulp as publicly announced on the public website of <https://www.sci99.com> (the “**Reference Site**”). The Reference Site is widely used by paper manufacturers in the world and provides reliable price assessments in the paper and pulp products markets. www.sci99.com is the official website of Sublime China Information Co., Ltd. (SCI), a leading and trusted commodity market intelligence service provider in China, founded in 2004 and listed on the Shenzhen Stock Exchange. As a professional one-stop platform for bulk commodity market information, SCI99 focuses on delivering real-time, accurate price data, market dynamics, in-depth analysis and industry reports for a full range of commodities. It covers key sectors including recycled waste paper, pulp, paper products, chemicals, energy, non-ferrous metals, agricultural products and more, which highly matches the demand for waste paper and general commodity price inquiry. The platform has built a strict and mature SCI Price Assessment System (SPAS), with standardized processes for data collection, verification, analysis and release, ensuring the objectivity and reliability of market information. It serves millions of registered users, including many global Fortune 500 enterprises and industry-leading companies, and maintains long-term cooperative relations with national statistical and price monitoring authorities.
- (b) the prevailing market price of woodchips as published on the Forisk Wood Fiber Review (the “**Wood Fiber Review**”). The Wood Fiber Review is a quarterly market report on the forest industry. It includes pulplog, biomass, and wood chip prices, in addition to market information by region for Canada and the U.S. Timely knowledge of wood fiber costs and trends remains a cornerstone for strategic planning in the forest product industry. The Wood Fiber Review also offered subscribers the option to receive historic price data; or

- (c) the pricing terms of recovered paper and pulp products or woodchips (as the case may be) of comparable quality, specifications, quantities and required time of delivery offered by independent suppliers (the “**Independent Raw Materials Pricing Terms**”) to the Group based on the quotations obtained from at least three independent suppliers on the Group’s approved list of suppliers. The purchasing department of the Group will compare the prices quoted and ensure that the pricing terms of the recovered paper and pulp products or woodchips (as the case may be) are no less favourable to the Group than the prevailing market price or the Independent Raw Materials Pricing Terms available to the Group.

The terms of the Recovered Paper, Pulp Products and Woodchips 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 Recovered Paper, Pulp Products and Woodchips Agreement for each of the three financial years ending 30 June 2029 will not exceed the following annual cap:

	Financial year ending 30 June 2027 <i>RMB’ million</i>	Financial year ending 30 June 2028 <i>RMB’ million</i>	Financial year ending 30 June 2029 <i>RMB’ million</i>
Annual cap	15,000	20,000	30,000

The annual caps under the Recovered Paper, Pulp Products and Woodchips Agreement were determined by reference to the expected demand for recovered paper and pulp products and woodchips by the Group.

The historical transaction amounts of purchases from ACN, Tianjin ACN and Hainan ACN and their subsidiaries and their respective designated agents for the two financial years ended 30 June 2025 and the six months ended 31 December 2025 are as follows:

	For the financial year ended 30 June 2024 RMB' million	For the financial year ended 30 June 2025 RMB' million	For the six months ended 31 December 2025 RMB' million
Annual cap	40,000	50,000	60,000 (<i>Note 1</i>)
Actual purchases	20,437	7,982	2,265 (<i>Note 2</i>)

Notes:

1. The annual cap of RMB60,000 million is for the financial year ending 30 June 2026.
2. The actual purchase figure for the six months ended 31 December 2025 was unaudited.

(b) Reasons for the Recovered Paper, Pulp Products and Woodchips Agreement

Recycled paper, pulp products and woodchips are the primary raw materials used by the Group in its production operations. ACN is a major supplier of recovered paper, pulp products and woodchips in the world, while Tianjin ACN and Hainan ACN and their respective agents are major suppliers of domestic recovered paper in the PRC. The Company has been trading with ACN since the listing of the Shares of the Company on the Stock Exchange in 2006, with Tianjin ACN since its establishment in 2013, and with Hainan ACN since 2021.

As the existing purchase agreement with ACN, Tianjin ACN and Hainan ACN is due to expire on 30 June 2026, the Company, ACN, Tianjin ACN and Hainan ACN entered into the Recovered Paper, Pulp Products and Woodchips Agreement to facilitate the continuous supply of recovered paper, pulp products and woodchips to the Group to meet the Group's production requirements.

As the Recovered Paper, Pulp Products and Woodchips Agreement was entered into in the ordinary and usual 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, except the Interested Directors who have abstained from voting for the resolution to approve the Recovered Paper, Pulp Products and Woodchips Agreement and the independent non-executive Directors, consider that the terms of the Recovered Paper, Pulp Products and Woodchips Agreement, including the annual caps, 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.

(c) Listing Rules Implications

ACN is indirectly wholly-owned by Ms. Cheung Yan and Mr. Liu Ming Chung. Each of Tianjin ACN and Hainan ACN is indirectly owned as to 70% and 30% by the Cheung Family and the Company respectively.

Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Ken Liu and Mr. Zhang Lianpeng are Directors and substantial shareholders of the Company. ACN, Tianjin ACN and Hainan ACN are therefore connected persons of the Company and the transactions contemplated under the Recovered Paper, Pulp Products and Woodchips Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the annual transaction amount of the Recovered Paper, Pulp Products and Woodchips Agreement is over 5%, the Recovered Paper, Pulp Products and Woodchips Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

The Company

The Group is engaged in the production and sale of a broad variety of quality packaging paper products, printing writing paper (uncoated woodfree paper and office paper), specialty paper and pulp. The packaging paper products mainly cover linerboard (kraftlinerboard, testlinerboard, white top linerboard and coated linerboard), bleached folding boxboard, high performance corrugating medium and coated duplex board.

Dongguan Longteng

Dongguan Longteng is a company incorporated in the PRC. Its subsidiaries are mainly engaged in the manufacturing of packaging materials, packaging paper boxes and retailing of packaging paper.

Cheng Ming Group

Cheng Ming Group is a company incorporated in Hong Kong with limited liability and is an investment holding company. Its subsidiaries are engaged in the production of chemicals products.

Guangdong Chengming

Guangdong Chengming is a company incorporated in the PRC with limited liability. Guangdong Chengming and its subsidiaries are engaged in the production of chemical products.

ACN

ACN is a company established in California, the United States, and is the leading exporter of recovered paper, pulp products and woodchips in the United States, Europe and Asia. ACN has a strong and long term relationship and connection with OCC pulp major exporter worldwide.

Tianjin ACN

Tianjin ACN is a company incorporated in the PRC, principally engaged in the procurement of recovered paper and the provision of related recovered paper procurement services in China.

Hainan ACN

Hainan ACN is a company incorporated in the PRC, principally engaged in the procurement of recovered paper and the provision of related recovered paper procurement services in China.

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 this connection, the purchasing department of the relevant member of the Group would obtain the relevant historical prices as described above and based on which, it would determine the basis of the prices for the relevant products and report to the senior management team (comprising the director, general manager and senior manager of the purchasing department) for approval in accordance with the Group's internal pricing policies for continuing connected transactions.

When determining the prevailing market price in respect of paragraph (i) above:

- (a) in respect of procurement of recovered paper and pulp or woodchips (as the case may be) under the Recovered Paper, Pulp Products and Woodchips Agreement, the Company will strictly apply the pricing policy set out above;
- (b) in respect of procurement of products from a connected person or his/her associates, the Company will invite quotations from at least 3 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
- (c) 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.

INTERNAL CONTROL POLICIES FOR CONTINUING CONNECTED TRANSACTIONS

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 those available from independent third party suppliers/customers, the relevant personnel from the finance department of the Group and the management of the Group will conduct regular checks on a monthly basis to review and assess whether the transactions contemplated under the relevant continuing connected transaction are conducted in accordance with the terms of its respective agreement and will also regularly update the market price for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy.

In addition, a designated finance officer (the “**Officer**”) will submit a prescribed monthly report containing the following information to the company secretarial division of the Group within 15 business days after each month ends: (i) the total purchase quantity

during the month; (ii) the price comparison of the relevant products during the month; (iii) the supply of products during the month; and (iv) the transaction amount of the continuing connected transactions during the month and the cumulative figures as at the end of the month. The Officer will also prepare a quarterly consolidated report on the continuing connected transactions which will be reviewed by the company secretarial division. The company secretarial division will consolidate all information received from the Officer and report to the Board so that the Board could keep abreast of the continuing connected transactions conducted by the Group (including the utilization rate of the annual caps).

The independent non-executive Directors will review the transactions under the relevant continuing connected transaction and 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

Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Ken Liu and Mr. Zhang Lianpeng (the “**Interested Directors**”) are considered to be interested in the Agreements and have abstained from voting for the approval of the Agreements at the Board meeting convened for such purposes.

The Interested Directors and their respective associates will abstain from voting on the resolution to be proposed at the Special General Meeting to approve the Chemicals Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement. An Independent Board Committee comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the terms of the Chemicals Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Chemicals Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement.

A circular containing, among other things, details of the Chemicals Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement, a letter from the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Chemicals Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement, and a notice of the Special General Meeting will be despatched to the Shareholders on or before 9 June 2026 in order to allow sufficient time for the Company to collate the necessary information to be included in the circular.

DEFINITIONS

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

“2023 Continuing Connected Transactions”	<ol style="list-style-type: none">(1) the continuing connected transaction of the Company entered into on 25 May 2023 between the Company and Dongguan Longteng in relation to the supply of packaging paperboard products by the Group to Dongguan Longteng and its subsidiaries;(2) the continuing connected transaction of the Company entered into on 25 May 2023 between the Company and Cheng Ming Group in relation to purchase of chemicals from Cheng Ming Group and its subsidiaries;(3) the continuing connected transaction of the Company entered into on 25 May 2023 amongst the Company and ACN, Tianjin ACN and Hainan ACN in relation to the purchase of recovered paper, pulp products and woodchips by the Group; and(4) the continuing connected transaction of the Company entered into on 20 January 2023 between the Company and Dongguan Longteng in relation to the purchase of packaging materials by the Group from Dongguan Longteng and its subsidiaries, which was fully exempt from the reporting, annual review, announcement, circular and independent shareholders’ approval requirements pursuant to Rule 14A.76(1)(a) of the Listing Rules;
“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, both of whom are Directors and substantial shareholders of the Company;
“Agreements”	the Packaging Materials Purchase Agreement, the Packaging Paper Supply Agreement, the Chemicals Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement;
“associate”	has the same meaning as given to it under the Listing Rules;
“Board”	the board of the Company;

“Chemicals Purchase Agreement”	the agreement dated 18 May 2026 between the Company, Cheng Ming Group and Guangdong Chengming in relation to the purchase of chemicals products by the Group from Cheng Ming Group and Guangdong Chengming and their subsidiaries;
“Cheng Ming Group”	Cheng Ming Group (H.K.) Co., Ltd., a company incorporated in Hong Kong and which is beneficially owned by Mr. Zhang Cheng Ming and his family members;
“Cheung Family”	Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun, Mr. Zhang Lianpeng and Ms. Zhang Lianru;
“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;
“connected person”	has the same meaning as given to it under the Listing Rules;
“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 which is beneficially owned by Mr. Zhang Cheng Ming and his family members;
“FY”	financial year;
“Group”	the Company and its subsidiaries;
“Guangdong Chengming”	Guangdong Chengming Chemical Co., Ltd. (廣東誠銘化學品有限公司), a limited liability company established in the PRC and which is beneficially owned by Mr. Zhang Cheng Ming and his family members;
“Hainan ACN”	Hainan ACN Resources Co., Ltd. (海南中南再生資源有限公司), a company established in the PRC and which is indirectly owned as to 70% and 30% by the Cheung Family and the Company, respectively;
“Independent Board Committee”	the independent board committee of the Board;
“Independent Shareholders”	Shareholders of the Company who have no material interest in the Agreements;

“Interested Directors”	has the meaning given to such term in the section headed “General” of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Packaging Materials Purchase Agreement”	the agreement dated 18 May 2026 between the Company and Dongguan Longteng in relation to the purchase of packaging materials by the Group from Dongguan Longteng and its subsidiaries;
“Packaging Paper Supply Agreement”	the agreement dated 18 May 2026 between the Company and Dongguan Longteng in relation to the supply of packaging paper products by the Group to Dongguan Longteng and its subsidiaries;
“PRC”	the People’s Republic of China;
“Recovered Paper, Pulp Products and Woodchips Agreement”	the agreement dated 18 May 2026 between the Company, ACN, Tianjin ACN and Hainan ACN in relation to the supply of recovered paper, pulp products and woodchips by ACN, Tianjin ACN and/or Hainan ACN and their subsidiaries and their respective designated agents to the Group;
“RMB”	Renminbi, the lawful currency of the PRC;
“Special General Meeting”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Chemicals Purchase Agreement and the Recovered Paper, Pulp Products and Woodchips Agreement;
“substantial shareholder”	has the same meaning as given to it under the Listing Rules;
“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 which is indirectly owned as to 70% and 30% by the Cheung Family and the Company, respectively; and

“%”

per cent

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

Hong Kong, 18 May 2026

As at the date of this announcement, the Board of the Company comprises five Executive Directors, being Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Ken Liu and Mr. Zhang Lianpeng; and four Independent Non-Executive Directors, being Ms. Chan Man Ki, Maggie, Dr. Li Huiqun, Dr. Cao Zhenlei and Mr. Sun Po Yuen.

* *For identification purposes only*