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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)**

## **ANNOUNCEMENT**

### **(1) VOLUNTARY PREPAYMENT OF SYNDICATED LOANS AND AMENDMENT TO TERMS OF THE LOANS (2) REPURCHASE OF SENIOR NOTES**

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules.

The Board would like to announce that on 22 December 2008, the Group has voluntarily prepaid approximately US\$100 million of the First Loan and approximately HK\$720 million of the Second Loan. The Group has also entered into amendment deeds with the Agent, acting as agent to the lenders of the First Loan and the Second Loan, to amend certain of the terms of the First Loan and the Second Loan.

The Board would also like to announce the repurchase of Senior Notes in the principal amount of US\$16.25 million.

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

#### **(1) VOLUNTARY PREPAYMENT OF SYNDICATED LOANS AND AMENDMENT TO TERMS OF THE LOANS**

The board of directors (the “**Board**”) of Nine Dragons Paper (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to announce that on 22 December 2008, ND Finance Limited (“**ND Finance**”), a wholly-owned subsidiary of the Company, has voluntarily prepaid approximately US\$100 million (including all payments due for the year ending 31 December 2009) of a US\$350 million term facility that it has with certain financial institutions pursuant to a term facility agreement dated 19 September 2006, as subsequently amended (the “**First Loan**”). On 22 December 2008, Nine Dragons Machinery Supplies Limited (“**ND Machinery**”), another wholly-owned subsidiary of the Company, has voluntarily prepaid approximately HK\$720 million (including all payments due for the year ending 31 December 2009) of a HK\$2,300 million term facility that it has with certain financial institutions pursuant to a term facility agreement dated 18 June 2007, as subsequently amended (the “**Second Loan**”).

Each of ND Finance and ND Machinery has entered into amendment deeds with Bank of China (Hong Kong) Limited (the “**Agent**”), acting as agent to the lenders of the First Loan and the Second Loan, to amend certain of the financial and other covenants of the Group to the First Loan and the Second Loan.

**(2) REPURCHASE OF US\$300 MILLION 7.875% SENIOR NOTES DUE 2013 (“SENIOR NOTES”)**

Reference is also made to the announcement of the Company dated 23 April 2008 (the “**Announcement**”). Capitalised terms used herein have the same meaning as those defined in the Announcement, unless otherwise stated.

The Company would also like to announce that Senior Notes in the principal amount of US\$16.25 million was repurchased by the Group using its internal resources. The Company has instructed the Trustee to cancel the purchased Senior Notes.

The amount of the Senior Notes repurchased by the Company represented approximately 5.4% of the total principal amount of the Senior Notes.

The Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

This announcement is made by the order of the Board, of which the directors individually and jointly accept responsibility for the accuracy of the information contained in this announcement.

On behalf of the Board  
**Nine Dragons Paper (Holdings) Limited**  
**Cheung Yan**  
*Chairman*

Hong Kong, 29 December 2008

*As at the date of this announcement, Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Zhang Yuanfu and Ms. Gao Jing are the executive directors of the Company, Mr. Lau Chun Shun is a non-executive director of the Company and Dr. Cheng Chi Pang, Ms. Tam Wai Chu, Maria, Mr. Chung Shui Ming, Timpson and Mr. Wang Hong Bo are the independent non-executive directors of the Company.*

*\* For identification purposes only*