

**玖龍紙業(控股)有限公司****NINE DRAGONS PAPER (HOLDINGS) LIMITED**

**Nine Dragons Paper (Holdings) Limited Announces FY2015 Annual Results**  
**Sales rise to new heights**  
**Enhancing debts and controlling risks**

**Financial Highlights**

- Sales increased by 4.0% to RMB30,092.5 million.
- Gross profit RMB4,716.4 million.
- Gross margin 15.7%.
- Profit for the year RMB1,456.3 million.
- Basic and diluted earnings per share RMB0.3025.
- Proposed final dividend per share RMB5.0 cents (equivalent to approximately HK6.1 cents).

(Hong Kong, 24 September 2015) The board of directors (“Board”) of Nine Dragons Paper (Holdings) Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group” or “ND Paper”) for the year ended 30 June 2015 (“FY2015” or the “Year”). The Board has resolved to recommend the payment of a final dividend of RMB5.0 cents per share for FY2015.

The Group achieved a revenue of approximately RMB30,092.5 million for FY2015, representing an increase of approximately 4.0% as compared with the last financial year. The gross profit for FY2015 was approximately RMB4,716.4 million, slightly decreased by 0.7% as compared with the last financial year. Operating profit for FY2015 was approximately RMB3,240.4 million, a decrease of 10.6% over the last financial year. Basic and diluted earnings per share was RMB0.3025.

During the Year, while the global economy continued to be volatile, China, as an emerging economy/country, has also entered a stage of historical transformation. Under the “new normal” state of market, economic growth shifted from high gear to medium-to-high gear, causing the manufacturing sector to adopt a conservative and prudent approach. However, as packaging paper products are closely related to daily consumption, the basic demand of the industry is relatively stable. Coupled with the changing pattern of retail spending and related logistics driven by the rapid growth of online shopping, demand continued to maintain growth. Meanwhile, the government proactively implemented environmental

regulations with unprecedented vigor and expedited the closure of outdated production capacities with high energy consumption, heavy pollution and low efficiency, which offset the market impact caused by new capacities. Product selling prices therefore bottomed out from the previously prolonged sluggish market environment.

In pace with the continuously accelerating industry consolidation, the Group leverages its enormous environmentally friendly paper production platform and diverse product portfolios to provide customers with products and services at optimal price/value. During the Year, the Group further increased its market share and once again achieved new records in sales volume and sales revenue. During the process of economic transformation, many factories successively closed down due to environmental and financial issues. However, the Group was able to uphold its enviable record of no bad debt by exercising prudent management over its trade receivables and in-depth understanding on the business of its downstream customers.

While dedicating proactive efforts in expanding sales, the Group continued to optimize its equipment and internal management, enhancing product quality and production efficiency via paper machine upgrading. The Group also incessantly strengthened its control over raw material and production costs, reduced logistics expenses and at the same time monitored and controlled its procurement processes and capital expenditures, while continuing to lower its borrowings, debt gearing ratio and interest expenses. Apart from achieving solid results in cost reduction and efficiency enhancement, the abovementioned measures also favour continuous enhancement on production effectiveness, making adequate preparations for future development opportunities.

As at the end of June 2015, the Group's total design production capacity has reached 13.73 million tpa. This included PM37 at the new Shenyang base which completed its construction and commenced production in September 2014, with a design production capacity of 350,000 tpa for linerboard products.

Looking ahead, Chairlady Ms. Cheung Yan said, "We are still full of confidence in China's economy. In particular, economic growth in the major regions varies. As the economy is gradually recovering in the Northern and Mid-Western regions of China, the market still has great potential. Facing Renminbi depreciation, the Group's capital and risk management puts heavy emphasis on the continuous optimization of debt structure, further reducing financing cost and strict monitoring of foreign exchange risk. As the industry leader, Nine Dragons Paper will continue to work tirelessly to enhance its 'inner power', optimize the management, and excavate cost potential. We will also adhere to the principle of 'Quality

First, Customers Foremost' as usual, enhance our product quality and sales service level, develop and popularize our knockout products, to provide customers with the most competitive, cost-effective and environmentally friendly products and one-stop services. We aim at making Nine Dragons products become the preferred brand that customers can rely on, to achieve long-lasting mutual benefits. Meanwhile, under the mega trend of 'Made in China 2025', Nine Dragons Paper will keep abreast of the national development direction, migrating progressively from informatization and automation to intelligentization step by step, ultimately achieving the magnificent goal of joining the world's industrial powers and entering the 'Industry 4.0' era in advance.”

— End —

### **Background of ND Paper**

Nine Dragons Paper (Holdings) Limited is the largest containerboard product producer in China and Asia (including Japan), and one of the largest producers in the world, in terms of design capacity. The Group primarily manufactures and sells linerboard, high performance corrugating medium and certain types of coated duplex board. The Group also produces and sells recycled printing and writing paper and specialty paper. ND Paper was listed on the Main Board of the Hong Kong Stock Exchange on 3 March 2006.

This press release is distributed by Wonderful Sky Financial Group Limited for Nine Dragons Holdings Limited.

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