


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

For immediate release

30 December 2008

## **Nine Dragons Paper (Holdings) Limited voluntarily prepaid part of the syndicated loans and repurchased senior notes**

(Hong Kong, 30 December 2008) Nine Dragons Paper (Holdings) Limited (the “Company” or the “ND Paper”) would like to make the following statement:

For the purpose of financing its capital expenditure plan, the Company and its subsidiaries (the “Group”) executed two syndicated loan agreements which involved an amount of US\$350 million (“First Loan”) and HK\$2,300 million (“Second Loan”) respectively on 19 September 2006 and 18 June 2007 respectively. The Group announced that on 22 December 2008 it had voluntarily prepaid approximately US\$100 million of the First Loan and approximately HK\$720 million of the Second Loan, totaling approximately HK\$1.5 billion. Thus far the Group has prepaid all loans due for the year ending 31 December 2009. Besides, the Group entered into amendment deeds with Bank of China (Hong Kong) Limited, the agent to the lenders of the above two syndicated loans, to amend certain financial and other covenants to effectively reflect the market conditions and the present and future business status of the Group. ND Paper also announced yesterday that the Group had repurchased Senior Notes in the principal amount of US\$16.25 million by the Company’s internal resources and arranged for their cancellation. These represent approximately 5.4% of Senior Notes with a total principal amount of US\$300 million.

Amidst the financial tsunami, all financial institutions worldwide adopted tightened credit policies. In order to obtain credit facilities, corporations of all sizes have to stand the most stringent internal credit investigations and credit evaluations of the financial institutions. The fact that ND Paper continues to secure the support from the banking industry despite current market adversity reflects the positive attitude of the banks towards the prospects and corporate management of the Company. It also serves as recognition of the Company’s efforts in maintaining its unrivalled leadership position in the market.

Despite global economic meltdown and that the industry has entered a critical stage of faster consolidation, ND Paper will not tremble in such a harsh business environment. Riding on the solid foundation, its geographical advantages as well as the strong market share and coverage network it has established for over ten years, the Group will proactively refine and reform its internal management whilst endeavoring for improvements, such that it can provide investors a more significant return when the economy turns around.

— End —

**Background of ND Paper**

Nine Dragons Paper (Holdings) Limited is the largest producer in China and Asia (including Japan), and one of the largest producers in the world, of packaging paperboard products, with an aggregate annual production capacity of 7.85 million tonnes. The Company serves as a one-stop shop for a variety of packaging paperboard products - linerboard (kraftlinerboard, testlinerboard and white top linerboard), high performance corrugating medium and coated duplex board. The Group also produces unbleached kraft pulp. 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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