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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)

**VOLUNTARY ANNOUNCEMENT
ACQUISITION OF THE REMAINING INTERESTS IN
TURBO BEST HOLDINGS LIMITED**

THE ACQUISITION

On 2 July 2021, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, under which the Group agreed to acquire the Sale Shares. The consideration for the Sale Shares is calculated by multiplying the adjusted consolidated net asset value of the Target Company on 31 August 2021 by 60%, the percentage shareholding attributable to the Sale Shares in the Target Company. If the consideration for the Sale Shares calculated by such formula is higher than HK\$100,000,000, the consideration payable by the Purchaser for the Sale Shares shall be HK\$100,000,000.

The Acquisition is subject to, among other things, the compliance by the holding company of the Vendor, Come Sure Group (Holdings) Limited, of the requirements of the Listing Rules in relation to the transactions contemplated under the Agreement.

The Sale Shares represent 60% of the issued share capital of the Target Company. The Target Company is a limited liability company incorporated in Hong Kong and it holds the entire equity interests in the PRC Subsidiary which is principally engaged in production of corrugated cardboard products and carton boxes. The PRC Subsidiary is located in Fujian province and has one production line for the production of 2.2 meter cardboard with a production capacity of 158.4 million sq.m.

The Target Company is currently owned as to 40% by the Group. Upon completion of the Acquisition, the Target Company and the PRC Subsidiary will become indirect wholly-owned subsidiaries of the Company and their financial results will be consolidated with that of the Company.

REASONS FOR ENTERING THE AGREEMENT

The Group has since 2019 began to directly supply packaging products to customers and created an integrated upstream and downstream service platform in the packaging industry which provides customers with professional, personalized packaging and integrated quality services. The upstream and downstream integration can provide one-stop service for end customers, which is conducive to stabilizing the quality and sales price of packaging paper and establishing a benign competitive packaging paper market.

As the Company already owns 40% of the Target Company, the Acquisition will enable the Company to gain full control of the Target Company and in turn the PRC Subsidiary, which will provide the Company with additional capacity in packaging products, increase market share and enhance the profitability of the Group.

INFORMATION ON THE PARTIES

The Company

The Company is engaged in the production and sale of a broad variety of quality packaging paperboard products, including linerboard (kraftlinerboard, testlinerboard, white top linerboard and coated duplex board), high performance corrugating medium, recycled printing & writing paper, specialty paper, high performance corrugated sheet, high performance corrugated box and pulp, providing one-stop packaging services for customers.

The Purchaser

The Purchaser is an investment holding company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company.

The Vendor

The Vendor is a company incorporated in Hong Kong. It is an investment holding company wholly owned by Come Sure Group (Holdings) Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 0794). Come Sure Group (Holdings) Limited is principally engaged in the manufacture and sales of corrugated products.

Save for the Group's 40% interests in the Target Company, each of the Vendor and its beneficial owners is independent of and not connected with the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

As all of the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. This announcement is being made by the Company on a voluntary basis.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares in the Target Company by the Purchaser;
“Agreement”	the agreement dated 2 July 2021 between the Purchaser and the Vendor in respect of the Acquisition;
“Board”	the board of directors of the Company;
“Company”	Nine Dragons Paper (Holdings) Limited, a limited liability company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“PRC Subsidiary”	錦勝包裝(泉州)有限公司 (Come Sure Packing Products (Quanzhou) Company Limited*), a limited liability company established in the PRC, a wholly-owned subsidiary of the Target Company;
“Purchaser”	Wiseland International Holdings Limited, a limited liability company incorporated in Hong Kong, a wholly-owned subsidiary of the Company;
“Sale Shares”	60% of the share capital in the Target Company;
“Shareholder(s)”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Turbo Best Holdings Limited, a limited liability company incorporated in Hong Kong;

“Vendor” Mass Winner Holdings Limited, a limited liability company incorporated in Hong Kong; and

“%” per cent.

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

Hong Kong, 2 July 2021

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

**For identification purposes only*