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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)**

**COMMENCEMENT OF TENDER OFFER FOR  
THE 7.875% SENIOR NOTES DUE 2013**

**ANNOUNCEMENT  
pursuant to  
Listing Rule 13.09**

On 9 July 2009, Hong Kong time, the Company commenced the Offer to purchase for cash any and all of its outstanding Notes.

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

**The Offer**

On 9 July 2009, Hong Kong time, Nine Dragons Paper (Holdings) Limited (the “**Company**”) announced that it has commenced a tender offer (the “**Offer**”) to purchase for cash any and all of its outstanding US\$118,573,000 7.875% Senior Notes Due 2013 (the “**Notes**”). The interest rate payable on the Notes is subject to adjustment from time to time with reference to ratings assigned by the rating agencies. Based on current ratings, the interest rate payable on the Notes on the next interest payment date, 29 October 2009, would be 9.875%. The Notes are listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Offer will expire at 12:00 Midnight, New York City time, on 6 August 2009 (the “**Expiration Date**”), unless the Offer is extended. An appropriate announcement will be made if and when the Offer is extended.

Holders of the Notes that validly tender their Notes prior to 5:00 p.m., New York City time, on 22 July 2009 (the “**Early Tender Date**”) and do not validly withdraw their Notes, and to the extent their Notes are accepted for payment, will receive US\$1,000 per US\$1,000 principal amount of the Notes validly tendered (the “**Total Consideration**”), plus accrued and unpaid interest thereon to, but not including, the date of settlement. Holders of the Notes that validly tender after the Early Tender Date but prior to the Expiration Date will receive the Total Consideration, less an amount equal to US\$30 for each US\$1,000 principal amount of the Notes (such amount, the “**Tender Consideration**”), plus accrued and unpaid interest thereon to, but not including, the date of settlement. Notes may be validly withdrawn after the valid tender of such Notes only if the Company reduces the amount of the Tender Consideration, or the Total Consideration, as applicable, or if it is otherwise required by law to permit withdrawal. If the Company reduces the amount of the Tender Consideration, or the Total Consideration, as applicable, holders of the Notes may withdraw validly tendered Notes until the expiration of ten business days after the date that notice of such reduction was first published on the SGX-ST or in other media. If we materially amend the terms of the Offer in any other way that adversely affects the rights of a holder of validly tendered Notes, such holder may withdraw its validly tendered Notes until the expiration of five business days after the date that notice of any such amendment was first published. Notes not tendered and purchased pursuant to the Offer will remain outstanding.

The following table summarizes the material terms of the Offer:

Notes and Offer	ISIN Code	Principal Amount Outstanding	Tender Consideration <sup>(1)(2)</sup>	Early Tender Payment <sup>(2)</sup>	Total Consideration <sup>(1)(2)(3)</sup>
Any and all of the 7.875% Senior Notes due 2013 <sup>(4)</sup>	USG65318AA83 (Reg.S) US65439EAA10 (144A)	US\$118,573,000	US\$970	US\$30	US\$1,000

- (1) Holders who tender their Notes on or prior to the Early Tender Date or the Expiration Date, will receive the Total Consideration or Tender Consideration, as applicable, plus accrued and unpaid interest thereon to, but not including, the date of settlement.
- (2) Per US\$1,000 principal amount of Notes that are accepted for purchase.
- (3) Includes the Early Tender Payment of US\$30.
- (4) Based on current ratings, the interest rate payable on the Notes on the next interest payment date, October 29, 2009, would be 9.875%.

The Company and its subsidiaries (together, the “**Group**”) have sufficient cash on hand to repurchase all the Notes. The maximum aggregate amount payable by the Group under the Offer (exclusive of related expenses and inclusive of accrued interest on the Notes purchased pursuant to the Offer, assuming that all the outstanding Notes are being validly tendered and payment is made on or before 11 August 2009) is approximately US\$122 million.

The terms and conditions of the Offer are set forth in the offer to purchase statement of the Company dated 8 July 2009, New York City time (the “**Offer to Purchase**”). The Offer is not conditioned on the tender of a minimum principal amount of the Notes. The consummation of the Offer is subject to certain conditions, which are described in the Offer to Purchase that is being sent to holders of the Notes. Subject to applicable law, the Company may, in its sole discretion, waive any condition applicable to the Offer or extend or terminate or otherwise amend the Offer.

As of 9 July 2009, Hong Kong time, the outstanding principal amount under the Notes is US\$118,573,000. The ISIN codes for the Notes are USG65318AA83 and US65439EAA10.

Deutsche Bank AG, Singapore Branch is acting as the sole dealer manager (the “**Dealer Manager**”), and Bondholder Communications Group is acting as information and tender agent (the “**Information and Tender Agent**”) in connection with the Offer. Copies of the Offer to Purchase and related documents may be obtained from the Information and Tender Agent at [www.bondcom.com/ninedragons](http://www.bondcom.com/ninedragons).

**THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE OFFER TO PURCHASE.**

### **About the Company**

The Company is a limited liability company incorporated in Bermuda, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (under stock code 2689).

As of the date of this announcement, the Group is the largest packaging paperboard producer in Asia, and one of the largest producers in the world, of packaging paperboard products in terms of design production capacity. The Group primarily manufactures linerboard, high-performance corrugating medium and certain types of coated duplex board. The Group also manufactures specialty paper, wood and bamboo pulp through a subsidiary, and produces unbleached kraft pulp through its joint venture subsidiary, which the Group uses as raw material for its own production as well as sells to third parties.

### **Forward-Looking Statements**

Forward-looking statements in this announcement, including those statements relating to the Offer, such as the scheduled expiration date and the repurchase of Notes, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market

and price for the Notes; changes in the business and financial condition of the Group; changes in the debt markets in general; and the occurrence of events specified in the Offer to Purchase that would trigger a condition permitting termination or amendment of an Offer.

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

Hong Kong, 9 July 2009

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

\* *For identification only*