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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 DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

In compliance with the requirements under Rule 13.18 of the Listing Rules, the board of directors of Nine Dragons Paper (Holdings) Limited (the “**Company**”) announces certain details of a facility agreement entered into between (among others) certain financial institutions as lenders, Nine Dragons Worldwide Investment Limited (a wholly-owned subsidiary of the Company) as borrower (the “**Borrower**”) and the Company as one of the guarantors on 9 February 2010.

The Company intends to use the proceeds of the Facility (i) in the sum of approximately US\$400 million first towards repayment in full of the loans outstanding under the facility agreement dated 19 September 2006 relating to a loan facility of up to US\$350 million entered into between (among others) ND Finance Limited (a wholly owned subsidiary of the Company) as borrower and Bank of China (Hong Kong) Limited (“**BOC**”) as agent and the facility agreement dated 18 June 2007 relating to a loan facility of up to HK\$2,300 million entered into between (among others) Nine Dragons Machinery Supplies Limited (a wholly owned subsidiary of the Company) as borrower and BOC as agent (the “**Prepayment**”) and (ii) in the sum of approximately US\$100 million towards financing the working capital requirements of the Company. The Company has already sent a prepayment notice to BOC, in its capacity as agent, notifying it that the Company would make the Prepayment.

This announcement is made pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rule**”). References were made to a facility agreement dated 9 February 2010 entered into between (among others) BOC and China Development Bank Corporation, Nine Dragons

Worldwide Investment Limited (a wholly-owned subsidiary of the Company) as borrower and the Company as one of the guarantors. Pursuant to the Facility Agreement, a 3-year term loan facility in the aggregate amount of up to US\$500 million (or its equivalent) (the “**Facility**”) is made available to the Borrower on the terms contained therein. Under the terms of the Facility, it will be an event of default if (i) any one of Ms. Cheung Yan, Mr. Liu Ming Chung and Mr. Zhang Cheng Fei (together, the “**Controlling Shareholders**”), the controlling shareholders of the Company, ceases to be a director of the Company; or (ii) the Controlling Shareholders cease to have joint management control of the Company; or (iii) the Controlling Shareholders and the family members of Ms. Cheung Yan, together, cease to beneficially own in aggregate, directly or indirectly, at least 51% of the issued share capital (which carries full voting rights) of the Company. Upon the occurrence of any of the above events, the Facility will become immediately repayable. The Company intends to use the proceeds of the Facility (i) in the sum of approximately US\$400 million first towards repayment in full of the loans outstanding under the facility agreement dated 19 September 2006 relating to a loan facility of up to US\$350 million entered into between (among others) ND Finance Limited (a wholly owned subsidiary of the Company) as borrower and BOC as agent and the facility agreement dated 18 June 2007 relating to a loan facility of up to HK\$2,300 million entered into between (among others) Nine Dragons Machinery Supplies Limited (a wholly owned subsidiary of the Company) as borrower and BOC as agent (the “**Prepayment**”) and (ii) in the sum of approximately US\$100 million towards financing the working capital requirements of the Company. The Company has already sent a prepayment notice to BOC, in its capacity as agent, notifying it that the Company would make the Prepayment.

The Company will make continuing disclosure requirement pursuant to Rule 13.21 of the Listing Rule.

By Order of the Board
Nine Dragons Paper (Holdings) Limited
Cheung Yan
Chairlady

Hong Kong, 9 February 2010

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, Mr. Lau Chun Shun and Ms. Gao Jing; 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 purposes only