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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)

INSIDE INFORMATION ANNOUNCEMENT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of available information, the Group's profit attributable to equity holders of the Company amounted to approximately RMB310.0 million for the Period, representing a decrease of approximately RMB369.0 million or 54%, as compared with the profit attributable to equity holders of the Company of approximately RMB679.0 million for the corresponding period last year.

If the exchange losses of approximately RMB1,010.0 million were excluded, the profit attributable to equity holders of the Company in the Period was approximately RMB1,320.0 million, representing an increase of approximately RMB780.0 million or 144%, as compared with the corresponding period last year.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Nine Dragons Paper (Holdings) Limited (the "**Company**", together with its subsidiaries, collectively, the "**Group**") pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance ("**SFO**") (Chapter 571, of the Laws of Hong Kong).

Preliminary interim results for the six months ended 31 December 2015

	Six months ended	
	31 December 2015	31 December 2014
	RMB Million	RMB Million
Turnover	16,320	15,687
	=====	=====
Profit attributable to equity holders of the Company before exchange (loss)/gain for the Period	1,320	540
Exchange (loss)/gain for the Period	<u>(1,010)</u>	<u>139</u>
Profit attributable to equity holders of the Company for the Period	310	679
	=====	=====

The board of directors (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of available information, the Group’s profit attributable to equity holders of the Company amounted to approximately RMB310.0 million for the six months ended 31 December 2015 (the “**Period**”), representing a decrease of approximately RMB369.0 million or 54%, as compared with the profit attributable to equity holders of the Company of approximately RMB679.0 million for the corresponding period last year.

If the exchange losses of approximately RMB1,010.0 million were excluded, the profit attributable to equity holders of the Company in the Period amounted to approximately RMB1,320.0 million, representing an increase of approximately RMB780.0 million or 144%, as compared with the corresponding period last year.

Management Discussion and Analysis

The Group achieved revenue of approximately RMB16,320.0 million for the Period, representing an increase of approximately 4% over the corresponding period last year. The increase in the Group’s revenue is mainly driven by the increase in sales volume. The Group’s sales volume of packaging paperboard and recycled printing and writing paper increased by 6% to approximately 6.7 million tonnes in the Period from 6.3 million tonnes in the corresponding period last year.

Exchange Gain/Loss

During the Period, the middle exchange rate for RMB to US dollars and other currencies experienced significant changes as a result of the reform of the RMB middle exchange rate quotation regime, which affect the profit of the Company for the

Period. The foreign exchange losses amounted to approximately RMB1,010.0 million for the Period.

As the Company is in the course of preparing its consolidated interim results for the Period, the information contained in this announcement is only a preliminary assessment by the Board based on the information currently available. The preliminary interim results of the Group for the Period as provided in this announcement are neither based on any figures nor information that have been audited or reviewed by the Company's auditor and audit committee of the Company and will be subject to change and finalisation. The interim results of the Group for the Period is expected to be published in late February 2016.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 21 January 2016

As at the date of this announcement, the Executive Directors of the Company are Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun and Mr. Zhang Yuanfu; and the Independent Non-Executive Directors are Ms. Tam Wai Chu, Maria, Mr. Ng Leung Sing and Dr. Cheng Chi Pang.

* For identification purpose only