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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 PURSUANT TO
RULE 13.18 OF THE LISTING RULES**

On 19 July 2019, the Company and the Security Agent entered into the Guarantee pursuant to which the Company agreed to guarantee the obligations of the Borrower under the Facility Agreement for a loan in the amount of up to EUR140,000,000.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Board of the Company makes the following disclosure in accordance with Rule 13.18 of the Listing Rules.

On 19 July 2019, the Company and the Security Agent entered into the Guarantee pursuant to which the Company agreed to guarantee the obligations of the Borrower under the Facility Agreement. The Facility Agreement aims to repay and discharge all outstanding amounts owing under the offshore loans under the 2016 Loan Facility, and to finance other capital expenditure of the Borrower. Pursuant to the terms of the Guarantee, the Company has agreed to guarantee the repayment obligations of the Borrower under the Facility Agreement. No fee is charged by the Company in providing the Guarantee.

The Facility Agreement was entered on the same date as the Guarantee under which the lenders agreed to provide a loan in the amount of up to EUR140,000,000 to the Borrower for a term of three years.

Under the terms of the Facility Agreement, if Ms. Cheung Yan, and her families (including and not limited to Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun, Mr. Ken Liu and Mr. Zhang Lianpeng), in aggregate, ceases to hold and control 51% or more equity interest of the Company, or ceases to maintain management control over the Company, the Facility will become immediately repayable.

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

DEFINITIONS

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

“2016 Loan Facility”	the syndication agreement and facility agreement for the USD168,000,000 syndicated loan dated 24 May 2016 and amended on 26 September 2016;
“Board”	the board of Directors;
“Borrower”	Cheng Yang Paper Mill Co., Ltd., a company incorporated in Vietnam, an indirect 67% owned subsidiary of the Company;
“Company”	Nine Dragons Paper (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“EUR”	Euro, the official currency of the European Union;
“Facility Agreement”	the facility agreement dated 19 July 2019 entered into between the Borrower and the lenders in respect of the provision by the lenders of a facility of up to EUR140,000,000 to the Borrower;
“Guarantee”	the guarantee dated 19 July 2019 entered into between the Company and the Security Agent;
“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;
“Security Agent”	Bank of China (Hong Kong) Limited – Ho Chi Minh City Branch
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and

“%”

per cent.

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

Hong Kong, 19 July 2019

As at the date of this announcement, Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun, Mr. Ken Liu, 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*