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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Renewal of continuing connected transactions

On 25 May 2023, the Company entered into the Agreements to renew the 2020 Continuing Connected Transactions, as the current term for each of the agreements under the 2020 Continuing Connected Transactions will expire on 30 June 2023.

Listing Rules Implications

Exempt continuing connected transactions

Both Dongguan Longteng and Cheng Ming Group are controlled by Mr. Zhang Cheng Ming and his family members. Mr. Zhang Cheng Ming is the brother of Ms. Cheung Yan and Mr. Zhang Cheng Fei, the uncle of Mr. Lau Chun Shun, Mr. Ken Liu and Mr. Zhang Lianpeng, all of whom are Directors and substantial shareholders of the Company. The transactions contemplated under the Packaging Paper Supply Agreement and the Chemicals Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the annual transaction amount of each of the Packaging Paper Supply Agreement and the Chemicals Purchase Agreement are over 0.1% but less than 5%, the Packaging Paper Supply Agreement and the Chemicals Purchase Agreement are subject to the reporting, annual review and announcement requirements but exempt from the Independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

Non-exempt continuing connected transactions

ACN is associates of Ms. Cheung Yan, Mr. Liu Ming Chung, both of whom are Directors and substantial shareholders of the Company while Tianjin ACN and Hainan ACN are companies indirectly owned by the Cheung Family as to 39.9%, the transactions contemplated under the Recovered Paper, Recycled Pulp and Woodchips Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable ratios for the annual transaction amounts of the Recovered Paper, Recycled Pulp and Woodchips Agreement are over 5%, the Recovered Paper, Recycled Pulp and Woodchips Agreement will be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the terms of the Recovered Paper, Recycled Pulp and Woodchips Agreement and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Recovered Paper, Recycled Pulp and Woodchips Agreement.

A circular containing, among other things, details of the Recovered Paper, Recycled Pulp and Woodchips Agreement, a letter from the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Recovered Paper, Recycled Pulp and Woodchips Agreement, and a notice of the Special General Meeting will be despatched to the Shareholders on or before 15 June 2023.

INTRODUCTION

On 25 May 2023, the Company entered into the Agreements to renew the 2020 Continuing Connected Transactions, as the current term for each of the agreements under the 2020 Continuing Connected Transactions will expire on 30 June 2023.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

(1) The Packaging Paper Supply Agreement

(a) Principal terms

The principal terms of the Packaging Paper Supply Agreement are set out below:

Subject: The Group will supply packaging paperboard products to Dongguan Longteng.

Term: A term of three financial years ending 30 June 2026.

Price: The selling prices of the paperboard products of the Group will be determined with reference to the prevailing market prices and in accordance with the pricing policies of continuing connected transactions of the Group as detailed in the paragraph headed “Pricing Principles for Continuing Connected Transactions” below, and will be no less favourable to the Group than those offered to independent purchasers of the Group’s products.

The terms of the Packaging Paper Supply Agreement were concluded after arm’s length negotiations and were based on normal commercial terms in the parties’ ordinary course of business.

Cap Amount:

The transaction amount under the Packaging Paper Supply Agreement for each of three financial years ending 30 June 2026 will not exceed the following annual cap:

	Financial year ending 30 June 2024 <i>RMB’ million</i>	Financial year ending 30 June 2025 <i>RMB’ million</i>	Financial year ending 30 June 2026 <i>RMB’ million</i>
Annual cap	800	800	800

The annual caps were determined based on the historical transaction amount, the expected demand of packaging paperboard products of Dongguan Longteng, and the expected increases in the prices of raw materials and finished products during the period due to inflation.

The historical transaction amount of purchases by Dongguan Longteng for the two financial years ended 30 June 2022 and the six months ended 31 December 2022 are as follows:

	For the year ended 30 June 2021 RMB' million	For the year ended 30 June 2022 RMB' million	For the six months ended 31 December 2022 RMB' million
Annual cap	1,000	1,000	1,000 ^(Note 1)
Actual sales	589	668	548 ^(Note 2)

Notes:

1. The annual cap of RMB1,000 million is for the financial year ended 30 June 2023.
2. The unaudited figures for the six months ended 31 December 2022 amounted to RMB548 million.

(b) Reasons for the Packaging Paper Supply Agreement

The Group has been selling packaging paperboard products in its ordinary course of business to Dongguan Longteng since 2006. As the existing agreement with Dongguan Longteng for the supply of paperboard products is due to expire on 30 June 2023, the Packaging Paper Supply Agreement is entered into to facilitate the continuous sale of the packaging paperboard products to Dongguan Longteng.

As the Packaging Paper Supply Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Directors, including the independent non-executive Directors but excluding the Interested Directors who have abstained from voting for the resolution to approve the Packaging Paper Supply Agreement, consider that the transactions between the Company and Dongguan Longteng and the proposed annual caps for the transactions under the Packaging Paper Supply Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

(c) Listing Rule Implications

Dongguan Longteng is wholly owned by Mr. Zhang Cheng Ming and his family members. Mr. Zhang Cheng Ming is the brother of Ms. Cheung Yan and Mr. Zhang Cheng Fei, the uncle of Mr. Lau Chun Shun, Mr. Ken Liu and Mr. Zhang Lianpeng, all of whom are the Directors and substantial shareholders of the Company. Dongguan Longteng is hence a connected person of the Company and the transactions contemplated under the Packaging Paper Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable ratios for the annual transaction amount of the Packaging Paper Supply Agreement are expected to be over 0.1% but less than 5%, the Packaging Paper Supply Agreement will be subject to the reporting, annual review and announcement requirements but exempt from the requirement of Independent Shareholders' approval under Chapter 14A of the Listing Rules.

(2) The Chemicals Purchase Agreement

(a) Principal terms

The principal terms of the Chemicals Purchase Agreement are set out below:

- Subject:** The Group will purchase chemicals from Cheng Ming Group for the Group's production requirements.
- Term:** A term of three financial years ending 30 June 2026.
- Price:** The purchase prices of the chemical products supplied by Cheng Ming Group will be determined with reference to the prevailing market prices and in accordance with the pricing policies of continuing connected transactions of the Group as detailed in the paragraph headed "Pricing Principles for Continuing Connected Transactions" below, and will be no less favourable to the Group than those offered by independent suppliers of similar products.

The terms of the Chemicals Purchase Agreement were concluded after arm's length negotiations and were based on normal commercial terms in the parties' ordinary course of business.

Cap Amount:

The transaction amount under the Chemicals Purchase Agreement for each of three financial years ending 30 June 2026 will not exceed the following annual cap:

	Financial year ending 30 June 2024 <i>RMB' million</i>	Financial year ending 30 June 2025 <i>RMB' million</i>	Financial year ending 30 June 2026 <i>RMB' million</i>
Annual cap	1,000	1,000	1,000

The annual caps were determined based on historical transaction amount, the expected demand of chemical products for the production requirements of the Group.

The historical amount of purchases by the Group from Cheng Ming Group for the two financial years ended 30 June 2022 and the six months ended 31 December 2022 are as follows:

	For the year ended 30 June 2021 <i>RMB' million</i>	For the year ended 30 June 2022 <i>RMB' million</i>	For the six months ended 31 December 2022 <i>RMB' million</i>
Annual cap	1,400	1,400	1,400 ^(Note 1)
Actual purchases	559	723	501 ^(Note 2)

Notes:

1. The annual cap of RMB1,400 million is for the financial year ended 30 June 2023.
2. The unaudited figures for the six months ended 31 December 2022 amounted to RMB501 million.

(b) Reasons for the Chemicals Purchase Agreement

The Group requires chemicals for the production of its paperboard products. As the existing agreement with Cheng Ming Group for the supply of chemicals is due to expire on 30 June 2023, the Chemicals Purchase Agreement is entered into to facilitate the continuous supply of chemical products to the Group to satisfy the Group's production requirements.

As the Chemicals Purchase Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Directors, including the independent non-executive Directors but excluded the Interested Directors who have abstained from voting for the resolution to approve the Chemicals Purchase Agreement, consider that the transactions contemplated under the Chemicals Purchase Agreement, including the annual caps, are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

(c) Listing Rule Implications

Cheng Ming Group is wholly owned by Mr. Zhang Cheng Ming and his family members. Mr. Zhang Cheng Ming is the brother of Ms. Cheung Yan and Mr. Zhang Cheng Fei, the uncle of Mr. Lau Chun Shun, Mr. Ken Liu and Mr. Zhang Lianpeng, all of whom are the Directors and substantial shareholders of the Company. Cheng Ming Group is hence a connected person of the Company and the transactions contemplated under the Chemicals Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable ratios for the annual transaction amount of the Chemicals Purchase Agreement are expected to be over 0.1% but less than 5%, the Chemicals Purchase Agreement will be subject to the reporting, annual review and announcement requirements but exempt from the requirement of Independent Shareholders' approval under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Recovered Paper, Recycled Pulp and Woodchips Agreement

(a) Principal terms

The principal terms of the Recovered Paper, Recycled Pulp and Woodchips Agreement are set out below:

Subject: The Group will purchase recovered paper, recycled pulp, woodchips and related products from ACN, Tianjin ACN and/or Hainan ACN and their respective designated agents from time to time.

- Term:** A term of three financial years ending 30 June 2026.
- Price:** The purchase prices of the products under the Recovered Paper, Recycled Pulp and Woodchips Agreement will be determined with reference to the prevailing market prices in the PRC and overseas markets and in accordance with the pricing policies of continuing connected transactions of the Group, subject to the additional principles of determining the pricing terms for individual orders of recovered paper, recycled pulp and woodchips by reference to:
- (a) the prevailing market price of similar recovered paper and recycled pulp as publicly announced on the public website of www.umpaper.com (the “**Reference Site**”). The Reference Site is widely used by paper manufacturers in the world and provides reliable price assessments in the pulp and paper products markets. The Reference Site has been in operation since 1985 and is currently operated by Fastmarkets RISI. Fastmarkets RISI is the world’s leading reporting and market analysis provider for the forest products sector with offices located around the world (including London, Brussels, Shanghai, New York and other major cities). Based on the information available to the Board, Fastmarkets RISI’s clients comprise more than 97% of the world’s forest products sector, including industry end-users, suppliers, investors and financial-service providers. The Reference Site contains pricing information in relation to the current and historical market price of recovered paper and recycled pulp, and collects data from market participants and updates the pricing of recovered paper and recycled pulp. Given the well-established reliable track record, the global reach of the Reference Site, the scale of operations of the Reference Site and the scale of market data coverage used in price assessment, the Board considers that the reliance on the Reference Site as its only source of data is in-line with market practice of the pulp, paper and packaging industry, sufficient, fair and representative;

- (b) the prevailing market price of woodchips as published on the Forisk Wood Fiber Review (the “**Wood Fiber Review**”). The Wood Fiber Review is a quarterly market report on the forest industry. It includes pulplog, biomass, and wood chip prices, in addition to market information by region for Canada and the U.S.. Timely knowledge of wood fiber costs and trends remains a cornerstone for strategic planning in the forest product industry. The Wood Fiber Review also offered subscribers the option to receive historic price data; or
- (c) the pricing terms of recovered paper and recycled pulp or woodchips (as the case may be) of comparable quality, specifications, quantities and required time of delivery offered by independent suppliers (the “**Independent Raw Material Pricing Terms**”) to the Group based on the quotations obtained from at least three independent suppliers on the Group’s approved list of suppliers. The procurement department of the Group will compare the prices quoted and ensure that the pricing terms of the recovered paper and recycled pulp or woodchips (as the case may be) are no less favourable than the prevailing market price or the Independent Raw Material Pricing Terms available to the Group.

The terms of the Recovered Paper, Recycled Pulp and Woodchips Agreement were concluded after arm’s length negotiations and were based on normal commercial terms in the parties’ ordinary course of business.

Cap Amount:

The transaction amount under the Recovered Paper, Recycled Pulp and Woodchips Agreement for each of three financial years ending 30 June 2026 will not exceed the following annual cap:

	Financial year ending 30 June 2024 RMB' million	Financial year ending 30 June 2025 RMB' million	Financial year ending 30 June 2026 RMB' million
Annual cap	40,000	50,000	60,000

The annual caps under the Recovered Paper, Recycled Pulp and Woodchips Agreement were determined by reference to the historical transaction amount and the expected demand of recovered paper and recycled pulp and woodchips by the Group. The historical amount of purchases from ACN, Tianjin ACN and Hainan ACN for the two financial years ended 30 June 2022 and the six months ended 31 December 2022 are as follows:

	For the year ended 30 June 2021 RMB' million	For the year ended 30 June 2022 RMB' million	For the six months ended 31 December 2022 RMB' million
Annual cap	63,000	74,000	78,000 ^(Note 1)
Actual purchases	30,862	32,818	20,103 ^(Note 2)

Notes:

1. The annual cap of RMB78,000 million is for the financial year ended 30 June 2022.
2. The unaudited figures for the six months ended 31 December 2022.

(b) Reasons for the Recovered Paper, Recycled Pulp and Woodchips Agreement

Recycled paper, recycled pulp and woodchips are the primary raw materials used by the Group in its production operations. ACN is a major supplier of recovered paper, recycled pulp and woodchips in the world, while Tianjin ACN and Hainan ACN and their respective agents are major suppliers of domestic recovered paper, recycled pulp and woodchips in the PRC. The Company has been trading with ACN since the listing of the Shares of the Company on the Stock Exchange in 2006, with Tianjin ACN since its establishment in 2013, and with Hainan ACN since 2021.

As the existing purchase agreement with ACN, Tianjin ACN and Hainan ACN is due to expire on 30 June 2023, the Recovered Paper, Recycled Pulp and Woodchips Agreement is entered into to facilitate the continuous supply of recovered paper, recycled pulp and woodchips to the Group to meet the Group's production requirements.

As the Recovered Paper, Recycled Pulp and Woodchips Agreement is entered into in the usual and ordinary course of business of the Company and the terms have been negotiated on an arm's length basis and on normal commercial terms, the Directors, except the Interested Directors who have abstained from voting for the resolution to approve the Recovered Paper, Recycled Pulp and Woodchips Agreement and the independent non-executive Directors, consider that the terms of the Recovered Paper, Recycled Pulp and Woodchips Agreement, including the annual caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The view of the independent non-executive Directors will be set out in the circular of the Company after taking advice from the independent financial adviser.

(c) Listing Rule Implications

ACN is indirectly wholly-owned by Ms. Cheung Yan and Mr. Liu Ming Chung. Tianjin ACN and Hainan ACN are indirectly owned as to 39.9%, 30.1% and 30% by the Cheung Family, Mr. Liu Bocun and the Company. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiry, Mr. Liu Bocun is a third party independent of the Company and its subsidiaries, and their respective connected persons.

Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun and Mr. Zhang Lianpeng are Directors and substantial shareholders of the Company. ACN, Tianjin ACN and Hainan ACN are therefore connected persons of the Company and the transactions contemplated under the Recovered Paper, Recycled Pulp and Woodchips Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the annual transaction amount of the Recovered Paper, Recycled Pulp and Woodchips Agreement are over 5%, the Recovered Paper and Recycled Pulp Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

The Company

The Group 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 and writing paper (including uncoated woodfree paper, copy paper, coated and uncoated freesheet, etc.), specialty paper and pulp.

Dongguan Longteng

Dongguan Longteng is a company incorporated in the PRC and is principally engaged in the business of manufacturing of packaging materials.

Cheng Ming Group

Cheng Ming Group is a company incorporated in Hong Kong with limited liability and is an investment holding company. Its subsidiaries are engaged in the production of chemicals.

ACN

ACN is a company established in California, the United States, and is the leading exporter of recovered paper, recycled pulp and woodchips in the United States, Europe and Asia. ACN has a strong and long term relationship and connection with OCC pulp major exporter worldwide.

Tianjin ACN

Tianjin ACN is a company established in the PRC and is principally engaged in the business of sourcing of recovered paper, recycled pulp and woodchips in the PRC.

Hainan ACN

Hainan ACN is a company established in the PRC and is principally engaged in the business of sourcing of recovered paper, recovered pulp and woodchips in the PRC.

PRICING PRINCIPLES FOR CONTINUING CONNECTED TRANSACTIONS

The basis of determining the prices of the products to be supplied or purchased by the Group under the respective agreement of the continuing connected transactions of the Group will be in accordance with the prevailing market prices of similar products and on the following principles:

- (i) by reference to the prevailing market price of the same or substantially similar products, taking into account of the price of the same or substantially similar products with comparable order quantities and quality offered by other suppliers/purchasers;
- (ii) if there are not sufficient comparable transactions in (i) above, on normal commercial terms comparable to those offered to/received from independent third parties in respect of the same or substantially similar products with comparable quantities; and
- (iii) if both (i) and (ii) above are not applicable, by reference to the average price of similar products previously supplied or purchased by a party, and on normal commercial terms comparable to those offered by the relevant party to independent third parties.

In this connection, the purchasing department of the relevant member of the Group would obtain the relevant historical prices as described above and based on which, it would determine the basis of the prices for the relevant products and report to the senior management team (comprising the director, general manager and senior manager of the purchasing department) for approval in accordance with the Group's internal pricing policies for continuing connected transactions.

When determining the prevailing market price in respect of paragraph (i) above:

- (a) in respect of procurement of recovered paper and recycled pulp or woodchips (as the case may be) under the Recovered Paper, Recycled Pulp and Woodchips Agreement, the Company will strictly apply the pricing policy set out above;
- (b) in respect of procurement of products from a connected person or his/her associates, the Company will invite quotations from at least 3 independent suppliers to give a reference on the prevailing market prices for the relevant products to be procured. Such quotations will be reviewed and evaluated from both the technical and commercial perspectives by qualified personnel of the Company to ensure that the products to be procured from a connected person or his/her associates are comparable to the prices for such products being offered by independent third parties; and

- (c) in respect of provision of products to be sold to a connected person or his/her associates, evaluate and assess the scope of the relevant order and prepare a detailed cost calculation by reference to cost of materials, products and labors, quotes of the Group to other independent third party customers and the level of fees charged by competitors of the Group in the market (if available) to ensure that the prices of the products of the Group are competitive and comparable to those being offered to independent third party customers of the Group.

INTERNAL CONTROL POLICIES FOR CONTINUING CONNECTED TRANSACTIONS

To ensure that the actual prices for the continuing connected transactions of the Group are on normal commercial terms and on terms no less favourable to the Group than that available from independent third party suppliers/customers, the relevant personnel from the finance department of the Group and the management of the Group will conduct regular checks on a monthly basis to review and assess whether the transactions contemplated under the relevant continuing connected transaction are conducted in accordance with the terms of its respective agreement and will also regularly update the market price for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy.

In addition, a designated finance officer (the “**Officer**”) will submit a prescribed monthly report containing the following information to the company secretarial division of the Group within 15 business days after each month ends: (i) the total purchase quantity during the month; (ii) the price comparison of the relevant products during the month; (iii) the supply of products during the month; and (iv) the transaction amount of the continuing connected transactions during the month and the cumulative figures as at the end of the month. The Officer will also prepare a quarterly consolidated report on the continuing connected transactions which will be reviewed by the company secretarial division. The company secretarial division will consolidate all information received from the Officer and report to the Board so that the Board could keep abreast of the continuing connected transactions conducted by the Group (including the utilization rate of the annual caps).

The independent non-executive Directors will review the transactions under the relevant continuing connected transaction and the Company will engage the auditors of the Company to conduct an annual review of the continuing connected transactions of the Company to assess whether such transactions have been carried out in accordance with the relevant terms of the agreement and pricing policies of the Company.

GENERAL

Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun, Mr. Ken Liu and Mr. Zhang Lianpeng (the “**Interested Directors**”) are considered to be interested in the Agreements and have abstained from voting for the approval of the Agreements at the Board meeting convened for such purposes.

The Interested Directors and their respective associates will abstain from voting on the resolution to be proposed at the Special General Meeting to approve the Recovered Paper, Recycled Pulp and Woodchips Agreement.

An Independent Board Committee comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the terms of the Recovered Paper, Recycled Pulp and Woodchips Agreement and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Recovered Paper, Recycled Pulp and Woodchips Agreement.

A circular containing, among other things, details of the Recovered Paper, Recycled Pulp and Woodchips Agreement, a letter from the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Recovered Paper, Recycled Pulp and Woodchips Agreement, and a notice of the Special General Meeting will be despatched to the Shareholders on or before 15 June 2023 in order to allow sufficient time for the Company to collate the necessary information to be included in the circular.

DEFINITIONS

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

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|--|---|
| “2020 Continuing Connected Transactions” | (1) the continuing connected transactions of the Company entered into on 2 June 2020 amongst the Company and (a) Dongguan Longteng in relation to the supply of paperboard products by the Group to Dongguan Longteng; (b) Cheng Ming Group in relation to purchase of chemicals from Cheng Ming Group; and |
| | (2) the continuing connected transactions of the Company entered into on 2 June 2020, and as amended on 26 March 2021 and 29 August 2022 amongst the Company and ACN, Tianjin ACN and Hainan ACN in relation to the purchase by the Group of recovered paper, recycled pulp and woodchips; |
| “ACN” | America Chung Nam, Inc., a corporation established with limited liability under the laws of the State of California in the United States, which is indirectly wholly-owned by Ms. Cheung Yan and Mr. Liu Ming Chung, both of whom are Directors and substantial shareholders of the Company; |

“Agreements”	the Packaging Paper Supply Agreement, the Chemicals Purchase Agreement and the Recovered Paper, Recycled Pulp and Woodchips Agreement;
“associate”	has the same meaning as given to it under the Listing Rules;
“Board”	the board of the Company;
“Chemicals Purchase Agreement”	the agreement dated 25 May 2023 between the Company and Cheng Ming Group in relation to purchase by the Group of chemicals from Cheng Ming Group;
“Cheng Ming Group”	Cheng Ming Group (H.K.) Co., Ltd. (formerly known as Hong Kong International Paper Manufacturing Chemical Technology Limited), a company incorporated in Hong Kong and is beneficially owned by Mr. Zhang Cheng Ming and his family members;
“Cheung Family”	Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun, Mr. Zhang Lianpeng and Ms. Zhang Lianru;
“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;
“Dongguan Longteng”	Dongguan Longteng Industrial Co., Ltd. (東莞市龍騰實業有限公司), a limited liability company established in the PRC which owned by Mr. Zhang Cheng Ming and his family members;
“Group”	the Company and its subsidiaries;
“Hainan ACN”	Hainan ACN Resources Co., Ltd. (海南中南再生資源有限公司), a company established in the PRC and is indirectly owned as to 39.9%, 30.1% and 30% by the Cheung Family, Mr. Liu Bocun (an independent third party) and the Company, respectively;
“Independent Board Committee”	the independent board committee of the Board;
“Independent Shareholders”	Shareholders of the Company who have no material interest in the Agreements;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“Packaging Paper Supply Agreement”	the agreement dated 25 May 2023 between the Company and Dongguan Longteng in relation to the supply of paperboard products by the Group to Dongguan Longteng;
“PRC”	the People’s Republic of China;
“Recovered Paper, Recycled Pulp and Woodchips Agreement”	The agreement dated 25 May 2023 between the Company, ACN, Tianjin ACN and Hainan ACN and their respective designated agents from time to time in relation to the supply of recovered paper, recycled pulp and woodchips to the Group;
“RMB”	Renminbi, the lawful currency of the PRC;
“Special General Meeting”	the special general meeting of the Company to be convened to approve the Recovered Paper, Recycled Pulp and Woodchips Agreement;
“Tianjin ACN”	ACN (Tianjin) Resources Co., Ltd. (中南(天津)再生資源有限公司), a company established in the PRC and is indirectly owned as to 39.9%, 30.1% and 30% by the Cheung Family, Mr. Liu Bocun (an independent third party) and the Company, respectively; and
“%”	per cent

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

Hong Kong, 25 May 2023

As at the date of this announcement, the executive directors are 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; the independent non-executive directors are Mr. Ng Leung Sing, Mr. Lam Yiu Kin, Mr. Chen Kefu, Ms. Chan Man Ki, Maggie and Dr. Li Huiqun.

* *For identification purposes only*