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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)

POSITIVE PROFIT ALERT FOR THE YEAR ENDED 30 JUNE 2017

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 review of the management accounts of the Group, if the exchange losses on operating and financing activities (net of tax) and the loss from derivative financial instruments (net of tax) were excluded, the profit attributable to equity holders of the Company for the Year is expected to increase not less than 60% as compared to the Last Year, due to an increase in the selling price of the products and a better profit margin of the Group.

The profit attributable to equity holders of the Company for the Last Year was RMB2,834.1 million if the exchange losses on operating and financing activities (net of tax) amounted to RMB1,618.0 million and the loss from derivative financial instruments (net of tax) amounted to RMB94.4 million were excluded. During the Year, the exchange losses decreased very substantially and no loss from derivative financial instruments was incurred as compared to the 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 (the “SFO”) (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group, if the exchange losses on operating and financing activities (net of tax) and the loss from derivative financial instruments (net of tax) were excluded, the profit attributable to equity holders of the Company for the year ended 30 June 2017 (the “Year”) is expected to increase not less than 60% as compared to the year ended 30 June 2016 (the “Last Year”), due to an increase in selling price of the products and a better profit margin of the Group.

The profit attributable to equity holders of the Company for the Last Year was RMB2,834.1 million if the exchange losses on operating and financing activities (net of tax) amounted to RMB1,618.0 million and the loss from derivative financial instruments (net of tax) amounted to RMB94.4 million were excluded. During the Year, the exchange losses decreased very substantially and no loss from derivative financial instruments was incurred as compared to the Last Year.

As the Company is in the course of preparing its annual results for the Year, the information contained in this announcement is only a preliminary assessment by the Board based on the information currently available. The preliminary annual results of the Group for the Year as provided in this announcement have not been audited by the Company’s auditor, and will be subject to change and finalisation. The annual results of the Group for the Year is expected to be published before the end of September 2017.

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, 15 August 2017

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, the Non-Executive Director is Mr. Zhang Lianpeng and the Independent Non-Executive Directors are Ms. Tam Wai Chu, Maria, Mr. Ng Leung Sing and Mr. Lam Yiu Kin.

** For identification purposes only*