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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)

**FURTHER INFORMATION IN RELATION TO
DISCLOSEABLE TRANSACTION
ACQUISITION OF PAPER MILLS IN THE U.S.**

Reference is made to the announcement of the Company dated 25 May 2018 in relation to the Acquisition (the “**Announcement**”). Unless otherwise provided, capitalized terms used in this announcement shall have the same meaning as those used in the Announcement.

The Company would like to provide the following additional information in relation to Acquisition for the reference of the Shareholders and investors:

The consideration for the Acquisition in the sum of US\$175,000,000 was determined by the Purchaser and the Vendor after arm’s length negotiations taking into account (i) the initial selling price for the Target Company offered by the Vendor, and (ii) the Company’s evaluation on the underlying assets of the two paper mills and the costs for setting up a similar operation. The final consideration was finally determined after lengthy negotiations and represents approximately 1.4 times of the adjusted net assets of the two paper mills.

As at the date of this announcement, the parties are working towards concluding the transactions contemplated under the Agreement and it is currently expected that completion will take place on or before July 2018.

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

Hong Kong, 7 June 2018

As at the date of this announcement, the executive directors 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*