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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **NINE DRAGONS PAPER (HOLDINGS) LIMITED**, you should at once hand this circular and the form of proxy enclosed with this circular to the purchaser or the transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



玖龍紙業(控股)有限公司*

NINE DRAGONS PAPER (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2689)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Nine Dragons Paper (Holdings) Limited to be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 November 2008 at 2:30 p.m. is set out on pages 15 to 18 of this circular.

A form of proxy for use by the Shareholders at the annual general meeting is enclosed. Whether or not you intend to attend and vote at the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

* For identification purpose only

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DEFINITIONS

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

“2006 Share Option Scheme”	the share option scheme adopted by the Company on 12 February 2006
“Annual General Meeting”	the annual general meeting of the Company to be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 November 2008 at 2:30 p.m., notice of which is set out on pages 15 to 18 of this circular
“Best Result”	Best Result Holdings Limited, a company incorporated under the laws of British Virgin Islands whose issued share capital is held as to approximately 29.706% by Ms. Cheung Yan as the trustee and HSBC Bank USA, National Association as the administrative trustee of YC 2006 QuickGRAT, and as to approximately 7.367% directly held by Ms. Cheung Yan and as to approximately 37.053% held by Ms. Cheung Yan and her spouse, Mr. Liu Ming Chung, as the trustees and the special trustees and Bank of The West as a trustee of MCL Living Trust, as to approximately 10.000% by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Zhang Family Trust and as to approximately 15.874% by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Golden Nest Trust
“Board”	the board of Directors
“Bye-laws”	the bye-laws 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 Stock Exchange
“Director(s)”	director(s) of the Company
“General Mandates”	the Share Repurchase Mandate and the general mandate to issue Shares to be sought at the Annual General Meeting
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	16 October 2008, being the latest practicable date for ascertaining certain information in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ordinary Share Capital”	the issued share capital of the Company

DEFINITIONS

“Pre-Listing Share Option Scheme”	the pre-Listing share option scheme adopted by the Company with effect from 1 January 2006
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Repurchase Mandate”	the proposed new general mandate to be sought at the Annual General Meeting to authorize the Directors to repurchase the Shares in the manner as set out in the notice of the Annual General Meeting
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers



玖龍紙業(控股)有限公司*

NINE DRAGONS PAPER (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2689)

Executive Directors:

Ms. Cheung Yan (*Chairlady*)

Mr. Liu Ming Chung

(Deputy Chairman and Chief Executive Officer)

Mr. Zhang Cheng Fei

(Deputy Chief Executive Officer)

Mr. Zhang Yuanfu

Ms. Gao Jing

Non-executive Director:

Mr. Lau Chun Shun

Independent non-executive Directors:

Ms. Tam Wai Chu, Maria

Mr. Chung Shui Ming, Timpson

Dr. Cheng Chi Pang

Mr. Wang Hong Bo

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business

in Hong Kong:

Room 3129, 31/F

Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

23 October 2008

*To the Shareholders and, for information only,
holders of the share options*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to: (a) the granting to the Directors the Share Repurchase Mandate and the General Mandate to issue Shares; and (b) the re-election of retiring Directors.

* *For identification purposes only*

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

Ordinary resolutions will be proposed at the Annual General Meeting to authorize the Directors, inter alia, (i) to exercise the powers of the Company to allot and issue Shares not exceeding 20%, not more than 866,172,419 Shares, of the Ordinary Share Capital as at the date of the passing of such resolution; (ii) to repurchase Shares not exceeding 10%, not more than 433,086,209 Shares, of the issued Ordinary Share Capital, as at the date of the passing of such resolution; and (iii) to extend the general mandate to issue the Shares by the number of Shares purchased under the Share Repurchase Mandate.

The Directors believe that it is in the interests of the Company and the Shareholders as a whole if the General Mandates are granted at the Annual General Meeting. The General Mandates provide the Directors with flexibility to issue Shares especially in the context of a fund raising exercise or a transaction involving an acquisition by the Company where Shares are to be issued as consideration and which has to be completed speedily. However, as at the Latest Practicable Date, the Directors have no present intention of any acquisition by the Company nor any plan for raising capital by issuing any new Shares.

An explanatory statement providing all the information required under the Listing Rules concerning the Share Repurchase Mandate is set out in the Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 87, all the directors will retire from office by rotation at the Annual General Meeting. All retiring Directors, being eligible for re-election, will offer themselves for re-election at the Annual General Meeting.

Brief biographical and other details of the retiring Directors offering themselves for re-election, which are required to be disclosed under the Listing Rules, are set out in the Appendix II to this circular in accordance with the terms of the guidelines.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 15 to 18 of this circular at which resolutions will be proposed, inter alia, to approve the grant of the General Mandates. A form of proxy for use by the shareholders at the Annual General Meeting is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

PROCEDURE FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws, at any general meeting a resolution put to the vote at the meeting shall be determined by a show of hands of the members present in person or by a duly authorized corporate representative or by proxy entitled to vote unless voting by way of a poll is required by the rules of the Designated Stock Exchange or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the Chairman of the meeting; or
- (b) by at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

In accordance with the requirements of the Listing Rules, the results of the poll will be published on the websites of the Company and the Stock Exchange on 27 November 2008.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors consider that the grant of the General Mandates is in the best interest of the Company and the Shareholders as a whole and recommend Shareholders to vote in favour of all resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of
Nine Dragons Paper (Holdings) Limited
Cheung Yan
Chairlady

This is an explanatory statement given to the Shareholders relating to a resolution authorising the Company to repurchase its own Shares proposed to be passed by the Shareholders by means of an ordinary resolution at the Annual General Meeting. This explanatory statement contains a summary of the information required pursuant to rule 10.06 of the Listing Rules which is set out as follows:

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,330,862,099 Shares of HK\$0.10 each. Subject to the passing of the ordinary resolution granting the Share Repurchase Mandate and assuming no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 433,086,209 Shares, representing 10% of the issued share capital of the Company.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to purchase the Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

The repurchase of Shares shall be made with funds legally available for such purpose in accordance with the Company's memorandum of association and the Bye-laws and the applicable laws of Bermuda. Under Bermuda law, repurchases may only be effected out of the capital paid up on the purchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased. It is envisaged that the funds required for any repurchase would be derived from such sources.

As compared to the financial position of the Company as at 30 June 2008 (being the date of the Company's latest audited accounts), the Directors consider that the repurchases of Shares will have no material adverse impact on the working capital and the gearing position of the Company in the event that the Share Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors or, to the best of their knowledge having made all reasonable enquiries any of their associates, as defined in the Listing Rules, has any present intention, in the event that the Share Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Share Repurchase Mandate is approved by the Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

SHARE REPURCHASE MADE BY THE COMPANY

The Company has purchased the Shares on the Stock Exchange in the previous six months immediately preceding the Latest Practicable Date and details of which are as follows:

Date	Number of Shares Repurchased	Highest Price Paid (HK\$)	Lowest Price Paid (HK\$)
19 March 2008	1,000,000	7.19	7.06

GENERAL

If as a result of a repurchase of Shares an ordinary shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of ordinary shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Best Result held 2,990,520,000 Shares representing approximately 69.05% interest in the issued Ordinary Share Capital. On the basis that no further Shares are issued or repurchased and that there is no change in Best Result's shareholding in the Company, in the event that the Share Repurchase Mandate is exercised in full, the shareholding of Best Result would be increased to approximately 76.72% of the issued Ordinary Share Capital. Any repurchase of Shares which would result in the amount of Shares held by the public being reduced to less than 25% could only be implemented with the agreement of the Stock Exchange. Except in extraordinary circumstances, such agreement would not normally be given by the Stock Exchange. The Directors have no present intention to

exercise the Share Repurchase Mandate to an extent which will result in the amount of Shares held by the public being reduced to less than 25%. The Directors are not aware of any shareholder or group of shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequences of any purchases pursuant to the Share Repurchase Mandate.

PRICES OF THE SHARES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2007		
October	24.70	20.70
November	23.65	18.00
December	20.80	18.20
2008		
January	19.90	10.96
February	15.00	11.88
March	13.90	6.17
April	9.27	5.75
May	10.48	7.33
June	8.22	5.68
July	6.79	5.50
August	6.19	3.93
September	4.97	2.69
October (up to the Latest Practicable Date)	2.95	1.00

The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting to be held on 27 November 2008:

- (1) **Ms. Cheung Yan**, 51, has been the chairman of the Company since 6 February 2006. She is a founder of the Group and is in charge of the Group's overall corporate development and strategic planning. Ms. Cheung has nearly 8 years of experience in industrial accounting, over 12 years of experience in paper manufacturing and over 22 years of experience in recovered paper recycling and international trade. Ms. Cheung is a member of the National Committee of the Chinese People's Political Consultative Conference, vice chairman of the Women's Federation of Commerce of the All-China Federation of Industry and Commerce, and executive vice president of the Guangdong Overseas Chinese Enterprises Association. Ms. Cheung is also an honorary citizen of the City of Dongguan, Guangdong Province, China. Ms. Cheung was awarded the esteemed title of "Worldwide Chinese Ambassador of Love" in September 2006. She did not hold directorship in other listed public companies in the last three years before the Latest Practicable Date. Ms. Cheung is the wife of Mr. Liu Ming Ching, the sister of Mr. Zhang Cheng Fei and the mother of Mr. Lau Chun Shun. Save as disclosed above, Ms. Cheung does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Ms. Cheung had following interest within the meaning of Part XV of the SFO, representing (i) 2,990,520,000 Shares through interest in controlled corporation; (ii) 23,988,663 Shares held by her personally; (iii) 6,046,512 underlying Shares in respect of derivative instrument and 46,738,652 underlying Shares in respect of the Pre-Listing Share Option Scheme and 2006 Share Options Scheme granted by the Company to her as beneficial owner and (iv) 13,562,836 Shares and 46,731,348 underlying Shares in respect of the Pre-Listing Share Option Scheme and 2006 Share Option Scheme granted by the Company to her spouse, Mr. Liu Ming Chung.

Ms. Cheung has a service contract for a term of three years with the Company which may be terminated, by either side, on six months' notice. She is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws. The director's fee specified in the service agreement is RMB1,800,000.00 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Ms. Cheung that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

- (2) **Mr. Liu Ming Chung**, 46, has been the Deputy Chairman and Chief Executive Officer of the Company since 6 February 2006. He is a founder of the Group and is responsible for the overall corporate management and planning, the development of new manufacturing technologies, the procurement of production equipment as well as human resources management of the Group. Mr. Liu also assists the Chairman in government relations. Mr. Liu has over 17 years of experience in international trade and over 9 years of experience in corporate management. Mr. Liu is an honorary citizen of the City of Dongguan, Guangdong Province, China. Mr. Liu graduated with a bachelor degree in Dental Surgery from the University of Santo Amaro in 1983. He did not hold directorship in other listed public companies in the last three years before the Latest Practicable Date. Mr. Liu is the husband of Ms. Cheung Yan, the brother-in-law of Mr. Zhang Cheng Fei and the father of Mr. Lau Chun Shun.

Save as disclosed above, Mr. Liu does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Liu had following interest within the meaning of Part XV of the SFO, representing (i) 2,990,520,000 Shares through interest in controlled corporation; (ii) 13,562,836 Shares held by him personally; (iii) 46,731,348 underlying Shares in respect of the Pre-Listing Share Option Scheme and 2006 Share Option Scheme granted by the Company to him as beneficial owner; and (iv) 23,988,663 Shares, 6,046,512 underlying Shares in respect of derivative instrument and 46,738,652 underlying Shares in respect of the Pre-Listing Share Option Scheme and 2006 Share Option Scheme granted by the Company to his spouse, Ms. Cheung Yan.

Mr. Liu has a service contract for a term of three years with the Company which may be terminated, by either side, on six months' notice. He is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws. The director's fee specified in the service agreement is RMB3,200,000.00 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Liu that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

- (3) **Mr. Zhang Cheng Fei**, 40, has been the Executive Director and Deputy Chief Executive Officer of the Company since 6 February 2006. He is a founder and is responsible for the overall management of the operations and business of the Group including marketing and distribution, finance, procurement, sales and IT departments. Mr. Zhang has over 14 years of experience in procurement, marketing and distribution. He did not hold directorship in other listed public companies in the last three years before the Latest Practicable Date. Mr. Zhang is the younger brother of Ms. Cheung Yan, Mr. Liu Ming Chung's brother-in-law and the uncle of Mr. Lau Chun Shun. Save as disclosed above, Mr. Zhang does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Zhang had personal interests in 13,025,928 shares and 40,288,893 underlying Shares in respect of the share options granted by the Company to him as beneficial owner under the Pre-Listing Share Option Scheme and 2006 Share Option Scheme.

Mr. Zhang has a service contract for a term of three years with the Company which may be terminated, by either side, on six months' notice. He is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws. The director's fee specified in the service agreement is RMB3,000,000.00 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Zhang that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

- (4) **Mr. Zhang Yuanfu**, aged 45, has been an Executive Director since 8 October 2008. He also serves as the Group's Chief Financial Officer and the Qualified Accountant in charge of financial matters and investor relations. Prior to joining the Group, Mr. Zhang served as the chief financial officer, qualified accountant and company secretary of Weichai Power Co., Ltd. for more than 5 years and also worked in a number of Hong Kong listed companies in charge of accounting and financial management. He has more than 22 years of experience in auditing, accounting and corporate finance. Mr. Zhang holds a bachelor degree in Economics. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants. He did not hold directorship in other listed public companies in the last three years before the Latest Practicable Date.

Mr. Zhang does not have relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company.

At the Latest Practicable Date, Mr. Zhang had personal interest in 1,000,000 underlying Shares of the Company within the meaning of Part XV of the SFO.

Mr. Zhang has a service contract for a term of 3 years with the Company which may be terminated, by either side, on three months' notice. He is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws. He will receive a director's fee in the amount of HK\$1,000,000.00 per annum and is eligible to receive performance related discretionary bonuses. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Zhang that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

- (5) **Ms. Gao Jing**, 45, has been an Executive Director of the Company since 6 July 2006. She joined the Group in June 1996 and has 12 years of experience in cost auditing of raw materials and the purchasing of recovered paper. She served as the Group's Financial Manager and was promoted as the Head of the Group's Import Purchasing Department in July 2006. Ms. Gao graduated from Liaoning Broadcasting Television University with a diploma in Electrical Engineering. She did not hold directorship in other listed public companies in the last three years before the Latest Practicable Date. The spouse of Ms. Gao, Mr. Huang Tie Min, is a senior management of the Group who serves as the deputy general manager of the Group in charge of engineering.

Save as disclosed above, Ms. Gao has no other relationships with any Director, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Gao had following interest within the meaning of Part XV of the SFO, representing (i) 200,000 Shares held by her personally; (ii) 300,000 underlying Shares in respect of the Pre-Listing Share Option Scheme granted by the Company to her as beneficial owner; and (iii) 467,000 shares and 1,200,000 underlying Shares in respect of the Pre-Listing Share Option Scheme granted by the Company to her spouse.

Ms. Gao has a service contract for a term of one year with the Company which may be terminated, by either side, on three months' notice. She is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-

Laws. The director's fee specified in the service agreement is RMB100,000 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Ms. Gao that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

- (6) **Mr. Lau Chun Shun**, 27, has been a Non-executive Director of the Company since 6 February 2006. Mr. Lau graduated at the University of California, Davis, with a bachelor's degree in Economics and is currently pursuing a master degree in Industrial Engineering at the Columbia University. Mr. Lau worked for the Group as a management trainee in the production department of the Group during each of the summers from 2002 to 2004. During his traineeship, Mr. Lau assisted the management team in its supervision of the daily operation of the Group and has gained an understanding of the Group's overall businesses and operations. He did not hold directorship in other listed public companies in the last three years before the Latest Practicable Date. Mr. Lau is the son of Ms. Cheung Yan and Mr. Liu Ming Chung and the nephew of Mr. Zhang Cheng Fei.

Saved as disclosed above, he does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Lau did not have any interests in Shares within the meaning of Part XV of the SFO. Mr. Lau has an appointment letter for a term of one year with the Company and is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws. Mr. Lau did not receive any director's fee under the appointment letter.

Save as disclosed above, there are no other matters concerning Mr. Lau that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

- (7) **Ms. Tam Wai Chu, Maria**, *GBS, JP*, 62, has been an Independent Non-Executive Director of the Company since 6 February 2006. She serves as an Independent Non-Executive Director of Guangnan (Holdings) Limited, Minmetals Land Limited, Sa Sa International Holdings Limited, Sinopec Kantons Holdings Limited, Titan Petrochemicals Group Limited, Tong Ren Tang Technologies, Co., Ltd. and Wing On Company International Limited. Ms. Tam is a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption, a member of the Hong Kong Basic Law Committee under the Standing Committee of the National People's Congress and a member of the Task Group on Constitutional Development of the Commission on Strategic Development. She is qualified as a barrister-at-law at Gray's Inn, London and has practice experience in Hong Kong.

Ms. Tam does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Ms. Tam had personal interest in 516,668 shares and 700,002 underlying Shares in respect of the share options granted by the Company to her as beneficial owner under the Pre-Listing Share Option Scheme.

Ms. Tam has an appointment letter for a term of one year with the Company. She is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws. The director's fee specified in the appointment letter is HK\$480,000.00 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Ms. Tam that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

- (8) **Mr. Chung Shui Ming, Timpson**, *GBS, JP*, 56, has been an Independent Non-Executive Director of the Company since 6 February 2006. Mr. Chung is an Independent Non-Executive Director and Chairman of the audit committee of China Netcom Group Corporation (Hong Kong) Limited, Tai Shing International (Holdings) Limited and Miramar Hotel and Investment Company, Ltd. and an Independent Non-Executive Director of Glorious Sun Enterprises Limited.

In addition, Mr. Chung is a member of the National Committee of the 11th Chinese People's Political Consultative Conference, Chairman of the Council of the City University of Hong Kong and Chairman of the Fund Management Sub-Committee of the Hong Kong Housing Authority. Mr. Chung was previously an Executive Director, Deputy Chairman and Managing Director of Hantec Investment Holdings Limited, an Executive Director and Chief Executive Officer of Shimao International Holdings Limited, an Independent Non-Executive Director of Stockmartnet Holdings Limited and the Chairman of the Hong Kong Housing Society. Mr. Chung obtained a bachelor's degree in Science from the University of Hong Kong and a master's degree in Business Administration from the Chinese University of Hong Kong. Mr. Chung is a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr. Chung does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Chung had personal interest in 509,494 Shares and 700,002 underlying Shares in respect of the share options granted by the Company to him as beneficial owner under the Pre-Listing Share Option Scheme.

Mr. Chung has an appointment letter for a term of one year with the Company. He is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws. The director's fee specified in the appointment letter is HK\$480,000.00 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Chung that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

- (9) **Dr. Cheng Chi Pang**, 51, has been an Independent Non-Executive Director of the Company since 6 February 2006. He holds a bachelor's degree in Business, a master's degree in Business Administration and a doctorate degree of philosophy in Business Management. Dr. Cheng is an associate member of the Hong Kong Institute of Certified

Public Accountants, Institute of Chartered Accountants in England and Wales, the Australian Society of Certified Practising Accountants, the Taxation Institute of Hong Kong and a fellow member of the Hong Kong Institute of Directors. He is a Certified Public Accountant practicing in Hong Kong and has approximately 27 years of experience in auditing, business advisory and financial management.

Dr. Cheng joined the New World Group in 1992 and was chief executive and group financial controller of NWS Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange. Prior to joining the New World Group, he was a senior manager of Price Waterhouse, now PricewaterhouseCoopers. Dr. Cheng is currently the senior partner of Leslie Cheng & Co. Certified Public Accountants, the Chairman of L & E Consultants Limited, a Non-executive Director of Wai Kee Holdings Limited and Build King Holdings Limited and an Independent Non-Executive Director and Chairman of the audit committee of China Ting Group (Holdings) Limited, Tianjin Port Development Holdings Limited and Fortune Sun (China) Holdings Limited.

Dr. Cheng does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Dr. Cheng had personal interest in 318,668 Shares and 700,002 underlying Shares in respect of the share options granted by the Company to him as beneficial owner under the Pre-Listing Share Option Scheme.

Dr. Cheng has an appointment letter for a term of one year with the Company. He is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws. The director's fee specified in the appointment letter is HK\$480,000.00 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Dr. Cheng that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

- (10) **Mr. Wang Hong Bo**, 54, has been an Independent Non-Executive Director of the Company since 6 February 2006. Mr. Wang has extensive experience and expertise in the paper industry in China and was appointed as the Deputy Head of Yantai Packaging Decoration Factory in 1990. He did not hold directorship in other listed public companies in the last three years before the Latest Practicable Date.

Mr. Wang does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Wang did not have any interests in Shares within the meaning of Part XV of the SFO.

Mr. Wang has an appointment letter for a term of one year with the Company. He is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws. The director's fee specified in the appointment letter is RMB240,000.00 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Save as disclosed above, he does not entitle to other forms of remuneration and benefits.

Save as disclosed above, there are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



玖龍紙業(控股)有限公司*

NINE DRAGONS PAPER (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2689)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of the Company will be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 November 2008 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 30 June 2008.
2. To declare the final dividend for the year ended 30 June 2008.
3. To re-elect retiring directors and to fix the directors' remuneration.
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, to pass the following resolutions as ordinary resolution of the Company:

(A) "THAT:

- (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the approval in sub-paragraph (i) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approvals in sub-paragraphs (i) and (ii) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or upon the exercise of rights of subscription or conversion under the outstanding warrants to subscribe for shares of the Company or any securities which are convertible into shares of the Company or the share option scheme of the Company or any scrip dividend in

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

lieu of the whole or part of a dividend on shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and

(iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

(B) “**THAT:**

- (i) subject to sub-paragraph (ii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) shall be in addition to any other authorization given to the directors of the Company and shall authorize the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its securities at a price determined by the Directors;
- (iii) the aggregate nominal amount of the ordinary share capital of the Company which the directors of the Company are authorised to repurchase pursuant to the approvals in sub-paragraphs (i) and (ii) of this resolution shall not exceed

NOTICE OF ANNUAL GENERAL MEETING

10 per cent. of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and

(iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT** conditional upon resolution numbered 5(A) and 5(B) as set out in the notice convening this meeting being passed, the aggregate nominal amount of the issued ordinary shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors of the Company pursuant to and in accordance with the said resolution numbered 5(B) above shall be added to the aggregate nominal amount of the ordinary share capital that may be allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the directors of the Company pursuant to and in accordance with the resolution numbered 5(A) as set out in the notice convening this meeting.”

6. To transact any other ordinary business of the Company.

By Order of the Board
Cheng Wai Chu, Judy
Company Secretary

Hong Kong, 23 October 2008

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*
Room 3129, 31/F
Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
2. A form of proxy for the meeting is enclosed. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority shall be deposited at the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote.
3. The register of holders of shares of the Company will be closed for the purposes of determining the entitlements to the proposed final dividend from Friday, 21 November 2008 to Thursday, 27 November 2008, both dates inclusive, during which period no transfers of shares shall be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by 4:30 p.m. on Thursday, 20 November 2008.

As at the date of this notice, Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Zhang Yuanfu and Ms. Gao Jing are executive Directors, Mr. Lau Chun Shun is non-executive Director and Ms. Tam Wai Chu, Maria, Mr. Chung Shui Ming, Timpson, Dr. Cheng Chi Pang and Mr. Wang Hong Bo are independent non-executive Directors.

This circular (in both English and Chinese versions) ("Circular") has been posted on the Company's website at <http://www.ndpaper.com>. Shareholders who have chosen to rely on copies of the Company's Corporate Communication (including but not limited to annual report, summary financial report (where applicable), interim report, summary interim report (where applicable), posted on the Company's website in lieu of the printed copies thereof may request the printed copy of the Circular. Shareholders who have chosen to receive the Corporate Communication using electronic means through the Company's website and who for any reason have difficulty in receiving or gaining access to the Circular posted on the Company's website will promptly upon request be sent the Circular in printed form free of charge.

Shareholders may at any time choose to change your choice as to the means of receipt (i.e. in printed form or by electronic means through the Company's website) and/or the language of the Company's Corporate Communication by notice in writing to the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.