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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**

### **PROFIT WARNING**

The Board wishes to inform the shareholders of the Company and potential investors that it is expected the Group will record a substantial reduction in its unaudited consolidated net profit arising from normal operations for the six months ended 31 December 2008 as compared to that for the corresponding period in 2007 due to the substantial decrease in the selling prices of the Group's products and the rising cost of raw materials.

**Shareholders of the Company and potential investors are advised to exercise caution in dealing in shares of the Company.**

This announcement is made by **Nine Dragons Paper (Holdings) Limited** (the "Company", and together with its subsidiaries, the "Group") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company and potential investors that it is expected the Group will record a substantial reduction in its unaudited consolidated net profit arising from normal operations for the six months ended 31 December 2008 compared to that for the corresponding period in 2007. Such reduction was primarily attributable to (i) the substantial decrease in the selling prices of the Groups' products, and (ii) the rising costs of raw materials, including but not limited to, the cost of recovered paper, coal and chemicals.

The information contained in this announcement is based on the management accounts of the Company, which have not been audited or reviewed by the Company's auditors. Investors are

advised to read carefully the interim results announcement of the Company for the six months ended 31 December 2008 which will be published in due course.

**Shareholders of the Company and potential investors are advised to exercise caution in dealing in shares of the Company.**

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

Hong Kong, 14 January 2009

*As at the date of this announcement, 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 a non-executive Director and Dr. Cheng Chi Pang, Ms. Tam Wai Chu, Maria, Mr. Chung Shui Ming, Timpson and Mr. Wang Hong Bo are independent non-executive Directors.*

\* For identification only