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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

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the management accounts of the Group, the Group is expected to record a significant increase in its unaudited consolidated net profit arising from normal operations for the six months ended 31 December 2009 as compared to that for the corresponding period in 2008.

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, 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 "Listing Rules").

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, the Group is expected to record a significant increase in its unaudited consolidated net profit arising from normal operations for the six months ended 31 December 2009 as compared to that for the corresponding period in 2008 due to (i) recovery in paper industry, and (ii) the substantial increase in the sales volume and selling prices of the Groups' products.

The information contained in this announcement is based on the management accounts of the Company, which have not been 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 2009 which will be published in due course.

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, 26 January 2010

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

** For identification purposes only*