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REDEMPTION OF 7.875% SENIOR NOTES DUE 2013

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcement of Nine Dragons Paper (Holdings) Limited (the “**Company**”) dated 23 April 2008 (the “**2008 Announcement**”) in relation to the issuance of US\$300,000,000 7.875% Senior Notes due 2013 (the “**Notes**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the 2008 Announcement.

Pursuant to the terms of the indenture dated as of 29 April 2008 (the “**Indenture**”), among the Company, the entities set forth in Schedule I thereto as Subsidiary Guarantors and HSBC Bank USA, National Association, as trustee (the “**Trustee**”) entered into in connection with the issuance of the Notes, the Company announces today that it has informed the Trustee that all outstanding Notes will be redeemed in full on 16 August 2011 (the “**Redemption Date**”) at a redemption price equal to 100% of the principal amount thereof, plus the Applicable Premium (as defined below) as of, and accrued and unpaid interest, if any, to the Redemption Date (the “**Redemption Price**”). Pursuant to adjustments in accordance with the Indenture, the current applicable interest rate is 9.875%.

The amount of the Applicable Premium that will be payable with respect to the Notes on the Redemption Date, if any, will be the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (A) the present value at the Redemption Date of the principal amount of such Note on 29 April 2013 plus all required remaining scheduled interest payments due on such Note through 29 April 2013 (but excluding accrued and unpaid interest to the Redemption Date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (B) the principal amount of such Note on the Redemption Date. Pursuant to the Indenture, the Adjusted Treasury Rate will be determined using the 0.625% U.S. Treasury security due 30 April 2013 (the “**Comparable Treasury Issue**”) the price of which will be determined in accordance with the Indenture on the third business day preceding the Redemption Date (the “**Comparable Treasury Price**”).

As of the date of this announcement, the principal amount of the Notes outstanding is US\$47,575,000. The Company will satisfy the payment of the outstanding principal amount of the Notes using internal resources of the Group.

Upon redemption of the outstanding Notes on the Redemption Date, all the redeemed Notes will be cancelled.

By order of the Board
Nine Dragons Paper (Holdings) Limited
Cheung Yan
Chairlady

Hong Kong, 22 June 2011

As at the date of this notice, Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Zhang Yuanfu, Mr. Lau Chun Shun and Ms. Gao Jing are executive Directors, 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.

** For identification purposes only*