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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
ISSUE OF SHORT-TERM COMMERCIAL PAPER
BY A SUBSIDIARY IN THE PRC**

Dongguan Sea Dragon, an indirect non-wholly-owned subsidiary of the Company, completed the issue of the Short-Term Commercial Paper in the PRC for a total aggregate amount of RMB1.0 billion on 7 December 2011.

The Company announces that Dongguan Sea Dragon completed the issue of the Short-Term Commercial Paper on 7 December 2011. The aggregate principal amount of the Short-Term Commercial Paper is RMB1.0 billion. The Short-Term Commercial Paper has a term of 366 days at the prevailing interest rate. Interests will accrue from 7 December 2011. Both the par value and the issuing price of the Short-Term Commercial Paper are RMB100 per unit. Bank of China Ltd. and Bank of Communications Co., Ltd. acted as the Joint Lead Manager. Bank of China Ltd. acted as the Bookrunner.

Proceeds from the issue of the Short-Term Commercial Paper will be mainly used to repay the existing bank borrowings and finance the working capital requirement of the Group.

Summary of the unaudited financial information of Dongguan Sea Dragon for the nine months ended 30 September 2011:-

	From 1 January 2011 to 30 September 2011 RMB million
Turnover	3,535.5
Net Profit	279.9

The tangible net worth of Dongguan Sea Dragon as at 30 September 2011 is RMB2,921 million.

Note:

The above unaudited financial information have been prepared in conformity with "Accounting Standard for Enterprises" of the PRC.

Definitions

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Company”	Nine Dragons Paper (Holdings) Limited, a company incorporated in Bermuda on 17 August 2005 with limited liability, the shares of which are listed on the main board of the Stock Exchange of Hong Kong Limited
“Dongguan Sea Dragon”	Dongguan Sea Dragon Paper Industries Co., Ltd, a company incorporated in the PRC and an indirect non-wholly-owned subsidiary of the Company. Its main business is manufacturing and sale of coated duplex board.
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Short-Term Commercial Paper”	the short-term commercial paper of an aggregate principal amount of RMB1.0 billion issued by Dongguan Sea Dragon to qualified institutional investors in the PRC (except for those who are prohibited from investing under relevant laws or regulations of the PRC)

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

Hong Kong, 7 December 2011

As at the date of this announcement, 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*