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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 MEDIUM-TERM NOTE BY A SUBSIDIARY  
IN THE PRC**

Dongguan Nine Dragons, an indirect non-wholly-owned subsidiary of the Company, completed the issue of the Medium-Term Note in the PRC for a total aggregate amount of RMB1.1 billion on 12 December 2011.

The Company announces that Dongguan Nine Dragons completed the issue of the Medium-Term Note on 12 December 2011. The aggregate principal amount of the Medium-Term Note is RMB1.1 billion. The Medium-Term Note has a term of 3 years at the prevailing interest rate. Interests will accrue from 12 December 2011. Both the par value and the issuing price of the Medium-Term Note are RMB100 per unit. Bank of China Ltd. and Bank of Communications Co., Ltd. acted as the Joint Lead Manager. Bank of Communications Co., Ltd acted as the Bookrunner.

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

Summary of the unaudited consolidated financial information of Dongguan Nine Dragons for the nine months ended 30 September 2011:–

	<b>From 1 January 2011 to 30 September 2011</b>
	<i>RMB million</i>
Turnover	5,115.0
Net Profit	69.3

The tangible net worth of Dongguan Nine Dragons as at 30 September 2011 is RMB2,970.9 million.

*Note:* The above unaudited financial information has been prepared in conformity with the “Accounting Standard for Enterprises” of the PRC.

\* *For identification purposes only*

## 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 Nine Dragons”	Dongguan Nine Dragons Paper Industries Co., Ltd, a company established in the PRC and an indirect non-wholly-owned subsidiary of the Company. Its main business is manufacture and sale of paperboard.
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Medium-Term Note”	the medium-term note of an aggregate principal amount of RMB1.1 billion issued by Dongguan Nine Dragons to qualified institutional investors in the PRC (except for those who are prohibited from investing under relevant laws or regulations of the PRC)
“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

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

Hong Kong, 12 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.*