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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **NINE DRAGONS PAPER (HOLDINGS) LIMITED**, you should at once hand this circular and the form of proxy enclosed with this circular to the purchaser or the transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
PAYMENT OF FINAL DIVIDEND OUT OF  
CONTRIBUTED SURPLUS ACCOUNT  
SHARE PREMIUM REDUCTION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of **Nine Dragons Paper (Holdings) Limited** to be held at élan 220, 3/F., L'hotel élan, 38 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong on Monday, 18 December 2017 at 2:30 p.m. is set out on pages 15 to 20 of this circular.

A form of proxy for use by the Shareholders at the annual general meeting is enclosed. Whether or not you intend to attend and vote at the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

\* *For identification purposes only*

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27 October 2017

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Annual General Meeting”	the annual general meeting of the Company to be held at élan 220, 3/F., L’hotel élan, 38 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong on Monday, 18 December 2017 at 2:30 p.m., notice of which is set out on pages 15 to 20 of this circular
“Best Result”	Best Result Holdings Limited, a company incorporated under the laws of the British Virgin Islands whose issued share capital is held (i) as to approximately 37.073% by Ms. Cheung Yan personally; (ii) as to approximately 37.053% by Goldnew Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Liu Family Trust; (iii) as to approximately 10.000% by Acorn Crest Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Zhang Family Trust; and (iv) as to approximately 15.874% by Winsea Investments Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Golden Nest Trust
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Companies Act”	Companies Act 1981 of Bermuda, as amended from time to time
“Company”	Nine Dragons Paper (Holdings) Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Contributed Surplus Account”	the contributed surplus account of the Company as ascertained in accordance with the Companies Act
“Director(s)”	director(s) of the Company
“Final Dividend”	proposed final dividend of RMB25.0 cents per share of the Company for the year ended 30 June 2017
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Issue Mandates”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with Shares up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution as set out in the Annual General Meeting Notice
“Latest Practicable Date”	19 October 2017, being the latest practicable date for ascertaining certain information in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the proposed reduction of an amount of RMB5,000,000,000 standing to the credit of the Share Premium Account as at 30 June 2017 and the transfer of credit arising therefrom to the Contributed Surplus Account, to be considered and, if thought fit, approved by Shareholders at the Annual General Meeting by way of a special resolution
“Share Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution as set out in the Annual General Meeting Notice
“Shareholders”	holder(s) the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers



**玖龍紙業(控股)有限公司\***

**NINE DRAGONS PAPER (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2689)**

*Executive Directors:*

Ms. Cheung Yan, JP (Chairlady)  
Mr. Liu Ming Chung  
*(Deputy Chairman and Chief Executive Officer)*  
Mr. Zhang Cheng Fei  
*(Deputy Chief Executive Officer)*  
Mr. Lau Chun Shun  
Mr. Zhang Yuanfu (Chief Financial Officer)

*Non-executive Director:*

Mr. Zhang Lianpeng

*Independent non-executive Directors:*

Ms. Tam Wai Chu, Maria GBM, JP  
Mr. Ng Leung Sing SBS, JP  
Mr. Lam Yiu Kin

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business*

*in Hong Kong:*  
Unit 1, 22/F  
One Harbour Square  
181 Hoi Bun Road  
Kwun Tong  
Kowloon  
Hong Kong

27 October 2017

*To the Shareholders and, for information only,  
holders of the share options*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
PAYMENT OF FINAL DIVIDEND OUT OF  
CONTRIBUTED SURPLUS ACCOUNT  
SHARE PREMIUM REDUCTION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with, amongst other things, information regarding resolutions to be proposed at the Annual General Meeting relating to (i) the proposed Issue Mandate and the proposed Share Repurchase Mandate; (ii) the re-election

\* For identification purposes only

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## LETTER FROM THE BOARD

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of retiring Directors; (iii) the payment of Final Dividend out of Contributed Surplus Account; (iv) the Share Premium Reduction; and give you the Annual General Meeting Notice.

### GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

Ordinary resolutions will be proposed at the Annual General Meeting to grant to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with new Shares up to an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the proposed resolution at the Annual General Meeting; and
- (ii) to repurchase Shares up to an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the proposed resolution at the Annual General Meeting.

In addition, if the Issue Mandate is granted together with the Share Repurchase Mandate, it is further proposed, by way of a separate ordinary resolution, that the Issue Mandate be extended so that the Directors be given a general mandate to issue further Shares up to an aggregate nominal amount equal to the aggregate nominal amount of the Shares which may be repurchased by the Company under the Share Repurchase Mandate.

As at the Latest Practicable Date, the total issued share capital of the Company was 4,674,220,811 Shares. Subject to the passing of the ordinary resolution at the Annual General Meeting approving the Issue Mandate, the Company will be allowed to allot, issue and deal with up to a maximum of 934,844,162 Shares under the Issue Mandate, representing 20% of the total issued share capital of the Company, on the basis that no further Shares will be issued or repurchased between the Latest Practicable Date and the Annual General Meeting.

An explanatory statement containing information regarding the Share Repurchase Mandate is set out in Appendix I to this circular.

### RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the Company's Bye-laws, at each annual general meeting, every director will be subject to retirement by rotation at least once every three years. All retiring Directors are eligible for re-election at the annual general meeting at which he retires. The election of each Director is done through a separate resolution.

Pursuant to Bye-law 87 of the Company's Bye-laws, Mr. Zhang Cheng Fei and Mr. Lau Chun Shun will retire and, being eligible, offer themselves for re-election at the Annual General Meeting.

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## LETTER FROM THE BOARD

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Pursuant to Bye-law 86(2) of the Company's Bye-laws, a director appointed either to fill a casual vacancy or as an addition to the Board should hold office only until the next following annual general meeting. In this regard, Mr. Zhang Lianpeng will retire and, being eligible, offer himself for re-election at the Annual General Meeting.

Ms. Tam Wai Chu, Maria was appointed as an independent non-executive director of the Company in 2006 and therefore would have served for more than nine years as at the date of the Annual General Meeting. Pursuant to the code provision set out in paragraph A.4.3 of Appendix 14 of the Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by shareholders.

Notwithstanding that Ms. Tam Wai Chu, Maria has served as independent non-executive Director for more than nine years, (i) the Board has assessed and reviewed the annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that Ms. Tam Wai Chu, Maria remains independent; (ii) the nomination committee of the Company has assessed and is satisfied of the independence of Ms. Tam Wai Chu, Maria; and (iii) the Board considers that Ms. Tam Wai Chu, Maria remains independent of the management and free of any relationship which could materially interfere with the exercise of her independent judgment. In view of the aforesaid factors and the fact that the experience and knowledge of the relevant individual in the business sectors in which the Company operates, the Board recommended Ms. Tam Wai Chu, Maria for re-election at the Annual General Meeting.

Brief biographical and other details of the retiring Directors, which are required to be disclosed under the Listing Rules, are set out in the Appendix II to this circular.

### **PAYMENT OF FINAL DIVIDEND OUT OF CONTRIBUTED SURPLUS ACCOUNT**

Reference is made to the announcement of the Company dated 21 September 2017 regarding the annual results of the Group for the year ended 30 June 2017 in relation to the proposed payment of the Final Dividend to be payable on Friday, 26 January 2018 to the Shareholders whose names appear on the Company's register of members on Thursday, 21 December 2017.

Pursuant to the Bye-laws, dividends can be paid to the Shareholders by the Company from retained profits of the Company or the amount standing to the credit of the Contributed Surplus Account subject to the Company being able to pay its liabilities as they become due or the realisable value of its assets would not as a result become less than the aggregate of its liabilities and its issued share capital and share premium accounts. In consideration of the annual results of the Group for the year ended 30 June 2017, the Directors propose that Final Dividend be paid out of the Contributed Surplus Account subject to the approval of the Shareholders at the Annual General Meeting.

As at the Latest Practicable Date, there were 4,674,220,811 Shares in issue. Assuming that no further Shares will be issued prior to the payment of the Final Dividend, the Final Dividend is expected to be in the amount of approximately RMB1,168,555,203.

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## LETTER FROM THE BOARD

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### **SHARE PREMIUM REDUCTION**

The Board intends to put forward a proposal to the Shareholders at the Annual General Meeting to reduce certain credit standing to the share premium account of the Company in accordance with applicable laws of Bermuda and the Bye-laws. The amount standing to the credit of the Share Premium Account as at 30 June 2017 was RMB8,765,002,000. It is proposed that an amount of RMB5,000,000,000 standing to the credit of the Share Premium Account be reduced and that the credit arising therefrom be transferred to the Contributed Surplus Account.

### **Reasons for the Share Premium Reduction**

The Directors propose the Share Premium Reduction as they consider it unnecessary to maintain the Share Premium Account at its current level. In addition, the Company is subject to the restrictions under the Companies Act that funds standing to the credit of the Share Premium Account are not generally distributable to the Shareholders except in limited circumstances such as for paying up unissued shares of the Company to the Shareholders as fully paid bonus shares. On the other hand, credits in the Contributed Surplus Account may be applied by the Company in a more general manner as the Board may think fit and as permitted by the Companies Act, including but not limited to, payment of dividends or distribution to the Shareholders to the extent that the Company is not, or would not after the payment be, unable to pay its liabilities as they become due, and the realizable value of the Company's assets would not be less than its liabilities after payment of such dividends or distribution out of the Contributed Surplus Account.

The Share Premium Reduction and the subsequent transfer of credit arising therefrom to the Contributed Surplus Account will increase the amounts in the Contributed Surplus Account and give the Company greater flexibility. The Board believes that the Share Premium Reduction is in the interests of the Company and Shareholders as a whole.

### **Effect of the Share Premium Reduction**

The implementation of the Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares. Save for the expenses incurred by the Company in relation to the Share Premium Reduction, the implementation of the Share Premium Reduction will not, in itself, have any material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of Shareholders as a whole.

### **Conditions of the Share Premium Reduction**

The Share Premium Reduction is conditional upon:

1. the passing of a special resolution by the Shareholders to approve the Share Premium Reduction at the Annual General Meeting; and

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## LETTER FROM THE BOARD

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2. compliance with section 46(2) of the Companies Act, including (i) the publication of a notice in relation to the Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than 30 days and not less than 15 days before the Effective Date, and (ii) the Board being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction would be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the above conditions, it is expected that the Share Premium Reduction shall become effective on the next business day immediately following the date of passing of the special resolution to approve the Share Premium Reduction at the Annual General Meeting. The details of the Share Premium Reduction are disclosed in the Company's announcement dated 4 October 2017.

### ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 15 to 20 of this circular at which resolutions will be proposed, *inter alia*, to approve the grant of the Issue Mandate and the Share Repurchase Mandate; re-election of retiring directors; payment of final dividend out of contributed surplus account; and Share Premium Reduction. A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39 of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the annual general meeting will demand a poll for each and every resolution to be put forward at the annual general meeting pursuant to Bye-law 66 and the Listing Rules. The Company will appoint scrutineer to handle vote-taking procedures at the annual general meeting. The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible.

None of the Shareholders is required to abstain from voting at the Annual General Meeting pursuant to the Listing Rules.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this

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## LETTER FROM THE BOARD

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circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Directors consider that the granting of the Issue Mandate, the Share Repurchase Mandate, the re-election of the retiring Directors, the payment of Final Dividend out of Contributed Surplus Account and the Share Premium Reduction are in the best interests of the Company and the Shareholders as a whole and recommend Shareholders to vote in favour of all resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of  
**Nine Dragons Paper (Holdings) Limited**  
**Cheung Yan**  
*Chairlady*

This is an explanatory statement given to the Shareholders relating to a resolution authorising the Company to repurchase its own Shares proposed to be passed by the Shareholders by means of an ordinary resolution at the Annual General Meeting. This explanatory statement contains a summary of the information required pursuant to Rule 10.06 of the Listing Rules which is set out as follows:

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,674,220,811 Shares of HK\$0.10 each. Subject to the passing of the ordinary resolution granting the Share Repurchase Mandate and assuming no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 467,422,081 Shares, representing 10% of the issued share capital of the Company.

## **REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to purchase the Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will benefit the Company and the Shareholders.

## **FUNDING OF REPURCHASES**

The repurchase of Shares shall be made with funds legally available for such purpose in accordance with the Company's memorandum of association and the Bye-laws and the applicable laws of Bermuda. Under Bermuda law, repurchases may only be effected out of the capital paid up on the purchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased. It is envisaged that the funds required for any repurchase would be derived from such sources.

As compared to the financial position of the Company as at 30 June 2017 (being the date of the Company's latest audited accounts), the Directors consider that the repurchases of Shares will have no material adverse impact on the working capital and the gearing position of the Company in the event that the Share Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors or, to the best of their knowledge having made all reasonable enquiries any of their associates, as defined in the Listing Rules, has any present intention, in the event that the Share Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Share Repurchase Mandate is approved by the Shareholders.

**UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

**SHARE REPURCHASE MADE BY THE COMPANY**

The Company did not purchase any Share on the Stock Exchange or otherwise, in the six months immediately preceding the Latest Practicable Date.

**EFFECT OF THE TAKEOVERS CODE**

If as a result of a repurchase of Shares an ordinary shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of ordinary shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Best Result held 2,992,120,000 Shares, representing approximately 64.01% interest in the issued share capital. On the basis that no further Shares are issued or repurchased and that there is no change in Best Result's shareholding in the Company, in the event that the Share Repurchase Mandate is exercised in full, the shareholding of Best Result would be increased to approximately 71.13% of the issued share capital. Any repurchase of Shares which would result in the amount of Shares held by the public being reduced to less than 25% could only be implemented with the agreement of the Stock Exchange. Except in extraordinary circumstances, such agreement would not normally be given by the Stock Exchange. The Directors have no present intention to exercise the Share Repurchase Mandate to an extent which will result in the amount of Shares held by the public being reduced to less than 25%.

The Directors are not aware of any shareholder or group of shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as consequences of any purchases pursuant to the Share Repurchase Mandate.

**PRICES OF THE SHARES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
<b>2016</b>		
October	7.43	6.19
November	7.11	6.03
December	7.38	6.59
<b>2017</b>		
January	9.23	6.88
February	10.40	8.79
March	10.14	8.30
April	8.83	7.94
May	9.45	8.11
June	10.50	9.20
July	11.64	10.14
August	13.10	10.88
September	17.42	13.10
October (up to the Latest Practicable Date)	16.98	14.36

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## APPENDIX II PARTICULARS OF RETIRING DIRECTORS STANDING FOR RE-ELECTION

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The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting:

(1) **Mr. Zhang Cheng Fei**, 49, has been the Executive Director and Deputy Chief Executive Officer of the Company since 2006. He is a director of various subsidiaries of the Company. He is one of the founders and is responsible for the overall management of the operations and business of the Group including marketing, finance, procurement, sales and IT departments. Mr. Zhang has over 23 years of experience in procurement, marketing and distribution and is a member of the Third Committee of the Chinese People's Political Consultative Conference of Chongqing.

Mr. Zhang did not hold directorship in other listed public companies in the last three years before the date of this circular. Mr. Zhang is the father of Mr. Zhang Lianpeng, the younger brother of Ms. Cheung Yan, Mr. Liu Ming Chung's brother-in-law and the uncle of Mr. Lau Chun Shun. Save as disclosed above, Mr. Zhang does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Zhang through the trustee, BNP Paribas Jersey Trust Corporation Limited, had 25.874% interest in Best Result. Best Result directly held 2,992,120,000 Shares, representing approximately 64.01% interest in the Company. In addition, Mr. Zhang had personal interest in 29,899,821 Shares and 4,500,000 share option. Save as aforesaid, Mr. Zhang did not have any other interests in the Shares or the underlying Shares pursuant to Part XV of the SFO.

Mr. Zhang has a service contract for a term of three years with the Company which may be terminated, by either side, on six months' notice. He is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws of the Company. The director's fee specified in the service agreement is RMB4,140,000 with an allowance of RMB1,610,000 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Zhang that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

(2) **Mr. Lau Chun Shun**, 36, joined the Company as a Non-executive Director in 2006 and was re-designated as an Executive Director of the Company in August 2009. He is a director of various subsidiaries of the Company. He is responsible for the management and operation of the Group including marketing and distribution, procurement and sales departments. Mr. Lau has over 8 years of experience in procurement, marketing and distribution, sales and corporate management. Mr. Lau holds a bachelor degree in Economics from the University of California, Davis and a master degree in Industrial Engineering from Columbia University. Mr. Lau is a member of the Chinese People's Political Consultative Conference of Dongguan, Vice Chairman of Dongguan Federation of Industry and Commerce and Vice President of New Home Association.

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## APPENDIX II PARTICULARS OF RETIRING DIRECTORS STANDING FOR RE-ELECTION

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Mr. Lau did not hold directorship in other listed public companies in the last three years before the date of this report. Mr. Lau is the son of Ms. Cheung Yan and Mr. Liu Ming Chung, the nephew of Mr. Zhang Cheng Fei and the cousin of Mr. Zhang Lianpeng. Save as disclosed above, he does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Lau as beneficiary owner of several trusts had 52.927% interest in Best Result. Best Result directly held 2,992,120,000 Shares, representing approximately 64.01% interest in the Company. In addition, Mr. Lau held personal interest in 9,649,000 Shares and 4,500,000 share options. Save as aforesaid, Mr. Lau did not have any other interests in the Shares or the underlying Shares pursuant to Part XV of the SFO.

Mr. Lau has a service contract for a term of three years with the Company which may be terminated, by either side, on three months' notice. He is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws of the Company. The director's fee specified in the new service agreement is RMB3,600,000 per annum with effect from October 2017. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Lau that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

(3) **Mr. Zhang Lianpeng**, 25, has been the Non-Executive Director of the Company since 2017. Mr. Zhang graduated from The New York University with a Bachelor of Arts Degree. He previously worked in the U.S. and has experience in administration, project management, accounting and corporate financing.

Mr. Zhang did not hold directorship in other listed public companies in the last three years before the date of this circular. Mr. Zhang is the son of Mr. Zhang Cheng Fei, the nephew of Ms. Cheung Yan and Mr. Liu Ming Chung and the cousin of Mr. Lau Chun Shun. Save as disclosed above, Mr. Zhang does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Zhang Lianpeng is a beneficiary of each of the Zhang Family Trust and the Golden Nest Trust. The Zhang Family Trust and the Golden Nest Trust through the trustee held approximately 25.874% shareholdings of Best Result. Best Result directly held 2,992,120,000 Shares, representing approximately 64.01% interest in the Company. Save as aforesaid, Mr. Zhang did not have any other interests in the Shares or the underlying Shares pursuant to Part XV of the SFO.

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## APPENDIX II PARTICULARS OF RETIRING DIRECTORS STANDING FOR RE-ELECTION

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Mr. Zhang has an appointment letter for a term of one year with the Company. Mr. Zhang shall hold office until the Annual General Meeting of the Company and shall then be eligible for re-election at the meeting. If re-elected, he will be subject to retirement by rotation at future annual general meetings pursuant to the Bye-Laws of the Company. The director's fee specified in the appointment letter is RMB720,000 per annum and is subject to review by the remuneration committee of the Company from time to time.

Save as disclosed above, there are no other matters concerning Mr. Zhang that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

(4) **Ms. Tam Wai Chu, Maria**, *GBM, JP, 71*, has been an Independent Non-Executive Director of the Company since 2006. She serves as an independent non-executive director of Guangnan (Holdings) Limited, Minmetals Land Limited, Sa Sa International Holdings Limited, Sinopec Kantons Holdings Limited, Tong Ren Tang Technologies, Co., Ltd., Wing On Company International Limited, Macau Legend Development Limited and China Shenhua Energy Company Limited, all the shares of which are listed on the Stock Exchange. Ms. Tam is a deputy to the National People's Congress of The People's Republic of China and a member of the Hong Kong Basic Law Committee. She is qualified as a barrister-at-law at Gray's Inn, London and has practice experience in Hong Kong.

Ms. Tam, who has served the Board for more than nine years, confirmed that she has satisfied all factors set out in Rule 3.13 of the Listing Rules in assessing her independence. Ms. Tam does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Ms. Tam had personal interest in 1,216,670 Shares within the meaning of Part XV of the SFO.

Ms. Tam has an appointment letter for a term of one year with the Company. She is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws of the Company. The director's fee specified in the appointment letter is HK\$528,000 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Ms. Tam that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shareholders of the Company will be held at élan 220, 3/F., L’hotel élan, 38 Chong Yip Street, Kwun Tong, Kowloon, Hong Kong on Monday, 18 December 2017 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and independent auditor for the year ended 30 June 2017.
2. To declare the Final Dividend to be paid out of the Contributed Surplus Account of the Company for the year ended 30 June 2017.
3. (a) (i) To re-elect Mr. Zhang Cheng Fei as an executive director of the Company;  
(ii) To re-elect Mr. Lau Chun Shun as an executive director of the Company;  
(iii) To re-elect Mr. Zhang Lianpeng as a non-executive director of the Company;  
(iv) To re-elect Ms. Tam Wai Chu, Maria as an independent non-executive director of the Company; and  
(b) To authorise the Board to fix the Directors’ remuneration.
4. To re-appoint Messrs. PricewaterhouseCoopers as auditor and to authorise the board of directors to fix its remuneration.
5. As special business, to consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions of the Company:  
(A) “**THAT:**  
(i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or

\* For identification purposes only

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might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;

- (ii) the approval in sub-paragraph (i) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approvals in subparagraphs (i) and (ii) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or upon the exercise of rights of subscription or conversion under the outstanding warrants to subscribe for shares of the Company or any securities which are convertible into shares of the Company or the share option scheme of the Company or any scrip dividend in lieu of the whole or part of a dividend on shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements

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## NOTICE OF ANNUAL GENERAL MEETING

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or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

(B) **“THAT:**

- (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this resolution shall be in addition to any other authorization given to the directors of the Company and shall authorize the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the directors of the Company;
- (iii) the aggregate nominal amount of the ordinary share capital of the Company which the directors of the Company are authorised to repurchase pursuant to the approvals in sub-paragraphs (i) and (ii) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (C) “**THAT** conditional upon the resolutions numbered 5(A) and 5(B) as set out in the notice convening this meeting (the “Notice”) being passed, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares in the ordinary share capital of the Company pursuant to the resolution numbered 5(A) as set out in the Notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution numbered 5(B) as set out in the Notice.”
6. As special business, to consider and, if thought fit, to pass the following resolution as a Special Resolution of the Company:

### SPECIAL RESOLUTION

“**THAT** conditional upon compliance with the requirements of section 46(2) of the Companies Act 1981 of Bermuda (as amended), with effect on the next business day immediately following the date of passing this special resolution:

- (a) an amount of RMB5,000,000,000 standing to the credit of the share premium account of the Company be reduced, and that the credit arising therefrom be transferred to the contributed surplus account of the Company;
- (b) the directors of the Company be and are authorised to apply the entire amount standing to the credit of the contributed surplus account of the Company in such manner as they consider appropriate from time to time and permitted under the Companies Act 1981 of Bermuda (as amended); and
- (c) the directors of the Company be and are hereby authorised generally to do all acts and things, and to approve, sign and execute any documents, which in their opinion may be necessary, desirable or expedient to implement or to give effect to the foregoing.”

By Order of the Board  
**Cheng Wai Chu, Judy**  
*Company Secretary*

Hong Kong, 27 October 2017

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## NOTICE OF ANNUAL GENERAL MEETING

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*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business  
in Hong Kong:*  
Unit 1, 22/F  
One Harbour Square  
181 Hoi Bun Road  
Kwun Tong  
Kowloon  
Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
2. A form of proxy for the meeting is enclosed. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority shall be deposited at the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote.
3. To ascertain shareholder's eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 12 December 2017 to Monday, 18 December 2017, both dates inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending and voting at the Annual General Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration before 4:30 p.m. on Monday, 11 December 2017.
4. To ascertain shareholder's entitlement to the proposed final dividend upon the passing of the resolution no. 2 set out in the notice, the register of members of the Company will be closed from Friday, 22 December 2017 to Thursday, 28 December 2017, both dates inclusive, during which period no transfers of shares shall be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration before 4:30 p.m. on Thursday, 21 December 2017.
5. Each of the resolutions set out in the notice will be voted by way of poll.
6. In the event that a typhoon signal no. 8 or above is hoisted or a black rainstorm warning signal is in force on the day of the Meeting, shareholders are suggested to visit the Company's website at [www.ndpaper.com](http://www.ndpaper.com) or to contact the Company's share registrar by telephone on (852) 2980 1333 for arrangements of the Meeting.
7. The Chinese translation of this notice is for reference only. In the event of any inconsistency, the English version shall prevail.

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## NOTICE OF ANNUAL GENERAL MEETING

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*As at the date of this notice, Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun and Mr. Zhang Yuanfu are executive Directors, Mr. Zhang Lianpeng is a non-executive Director and Ms. Tam Wai Chu, Maria, Mr. Ng Leung Sing and Mr. Lam Yiu Kin are independent non-executive Directors.*

*This circular (“Circular”) (in both English and Chinese versions) has been posted on the Company’s website at <http://www.ndpaper.com>. Shareholders who have chosen to receive the Company’s Corporate Communications (including but not limited to annual report, summary financial report (where applicable), interim report, summary interim report (where applicable), notice of meeting, listing document, circular and proxy form) via the Company’s website and for any reason have difficulty in gaining access to the Circular posted on the Company’s website will promptly upon request be sent by post the Circular in printed form free of charge. Shareholders may at any time change their choice of means of receipt and language of the Corporate Communications.*

*Shareholders may request for printed copy of the Circular or change their choice of means of receipt and language of the Corporate Communications by sending reasonable notice in writing to the Company’s branch registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by sending an email to [ndpaper-ecom@hk.tricorglobal.com](mailto:ndpaper-ecom@hk.tricorglobal.com).*

*Shareholders who have chosen to receive the Company’s Corporate Communications in either English or Chinese version will receive both English and Chinese versions of this Circular since both languages are bound together into one booklet.*