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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)

GRANT OF SHARE OPTIONS

On 30 September 2015, the Company granted and/or conditionally granted (as the case may be) a total of 130,000,000 Options to the Grantees pursuant to the Share Option Scheme, subject to the acceptance of the Grantees.

This announcement is made by **Nine Dragons Paper (Holdings) Limited** (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board (the “Board”) of directors (the “Directors”) of the Company announces that on 30 September 2015 (“Date of Grant”), a total of 130,000,000 share options (the “Options”), were granted and/or conditionally granted (as the case may be) by the Company to grantees (the “Grantees”), subject to the acceptance of the Grantees, under the share option scheme of the Company adopted on 12 February 2006 (the “Share Option Scheme”). The Options will entitle the Grantees to subscribe for up to a total of 130,000,000 new shares of HK\$0.10 each in the capital of the Company (the “Shares”), representing approximately 2.79% of all Shares in issue as at the date of this announcement. Details of the Options granted are as follows:

Date of Grant : 30 September 2015

Exercise price of Options granted : HK\$4.134 per Share, representing the highest of (i) the closing price of HK\$4.01 per Share as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of HK\$4.134 per Share as stated in the daily quotations

sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of a Share

Number of Options granted : 130,000,000

Validity period of the Options : 3 years from the Date of Grant to 29 September 2018

Vesting date of the Options : 130,000,000 Options granted may be exercised on or after 1 April 2016

The table below shows a breakdown of Options that were granted to (i) the Directors, chief executive and controlling shareholders of the Company; and (ii) the other employees of the Group:–

Name of Grantee	Position held with the Group and relationship with the Group	Number of Shares to be issued upon full exercise of the Options granted
Ms. Cheung Yan (Note)	Chairlady, Executive Director and Controlling Shareholder	32,000,000
Mr. Liu Ming Chung (Note)	Deputy Chairman, Executive Director and Controlling Shareholder	30,000,000
Mr. Zhang Cheng Fei (Note)	Deputy Chief Executive Officer, Executive Director and Controlling Shareholder	30,000,000
Mr. Lau Chun Shun (Note)	Executive Director and Controlling Shareholder	30,000,000
Employees of the Group	Employees of the Group	8,000,000
Total		----- 130,000,000 =====

Note: The grant of Options to Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei and Mr. Lau Chun Shun in the table above is subject to the approval by the independent shareholders of the Company.

LISTING RULES IMPLICATIONS

Pursuant to Rule 17.04(1) of the Listing Rules and the Share Option Scheme, the grant of Options by the Company to any Director, chief executive, or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the Options concerned). The grant of Options to each of the above Directors, chief executives and substantial shareholder of the Company has been reviewed and approved by the independent non-executive Directors.

Further, pursuant to Rule 17.04(1) of the Listing Rules and the Share Option Scheme, any grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, which would result in the shares issued and to be issued upon exercise of all Options already granted and to be granted (including options exercised, cancelled and outstanding) under the Share Option Scheme or any other schemes of the Group to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the shares of the Company in issue and (ii) having an aggregate value, based on the closing price of the shares of the Company at the date of each grant, in excess of HK\$5 million, such further grant of options must be separately approved by shareholders in general meeting. In addition, pursuant to Rule 17.03(4), where any further grant of Options to the grantees would result in the shares of the Company issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of shares of the Company in issue, such further grant must be separately approved by shareholders in general meeting.

Accordingly, grant of the share options to Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei and Mr. Lau Chun Shun are subject to the approval of independent shareholders of the Company pursuant to the Listing Rules. Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun and their associates and all core connected persons of the Company must abstain from voting in favour of such resolutions at the special general meeting (“SGM”) to be convened by the Company.

A circular containing, amongst other things, further information in relation to the grant of Options to Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei and Mr. Lau Chun Shun as required under the Listing Rules, together with the notice of the SGM, will be despatched to the shareholders of the Company in due course.

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

Hong Kong, 30 September 2015

As at the date of this announcement, the executive directors are Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun and Mr. Zhang Yuanfu; the independent non-executive directors are Ms. Tam Wai Chu, Maria, Mr. Ng Leung Sing and Dr. Cheng Chi Pang.

** For identification purposes only*