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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.



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 AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of **Nine Dragons Paper (Holdings) Limited** to be held at Studio 1&2, Level 7, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Monday, 7 December 2020 at 11:00 a.m. is set out on pages 16 to 21 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 and transfer office, Tricor Investor Services Limited, at Level 54, 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 and in such event, the instrument appointing a proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of Shareholders, staffs and stakeholders and to prevent and control the spreading of the coronavirus disease 2019 (COVID-19), the Company will implement the following precautionary measures at the Annual General Meeting:

1. Compulsory body temperature checks
2. Health declarations
3. Wearing of surgical face mask
4. No provision of corporate gift, refreshment or drink

Attendees who do not comply with the precautionary measures, who has a body temperature above 37.3 degrees Celsius or who has any flu-like symptoms or is subject to any Hong Kong Government prescribed quarantine may be denied entry to the Annual General Meeting venue or be requested to leave the Annual General Meeting venue, at the absolute discretion of the Company as permitted by law.

Shareholders are encouraged to exercise their rights to vote at the Annual General Meeting by appointing the Chairman of the Annual General Meeting as their proxy and to return their completed proxy forms by the time specified above, instead of attending the Annual General Meeting in person.

* For identification purposes only

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23 October 2020

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the COVID-19 pandemic and recent requirements for prevention and control of its spread, to safeguard the health and safety of Shareholders who may attend the Annual General Meeting in person, the Company will implement the following precautionary measures at the Annual General Meeting:

- 1) Compulsory body temperature checks will be carried out on every attendee at the entrance of Studio 1&2, Level 7, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong (“Annual General Meeting venue”). Any person with a body temperature above 37.3 degrees Celsius or who has any flu-like symptoms may be denied entry into the Annual General Meeting venue or be requested to leave the Annual General Meeting venue, at the absolute discretion of the Company as permitted by law.
- 2) Every attendee will be required to complete and submit a Health Declaration Form prior to entry into the Annual General Meeting venue. Attendee who is subject to any Hong Kong Government prescribed quarantine may be denied entry into the Annual General Meeting venue or be requested to leave the Annual General Meeting venue, at the absolute discretion of the Company as permitted by law.
- 3) Every attendee will be required to wear a surgical face mask throughout the Annual General Meeting and sit at a distance from other attendees. Please note that no masks will be provided at the Annual General Meeting venue and attendees should wear their own masks.
- 4) No corporate gift, refreshment or drink will be provided to attendees at the Annual General Meeting.

For the health and safety of all Shareholders, the Company would like to encourage Shareholders to exercise their rights to vote at the Annual General Meeting by appointing the Chairman of the Annual General Meeting as their proxy instead of attending the Annual General Meeting in person. Completion of and return of the proxy form will not preclude Shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof should they subsequently so wish.

The deadline to submit completed proxy forms is Saturday, 5 December 2020 at 11:00 a.m. Completed proxy forms must be returned to the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

DEFINITIONS

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 Studio 1&2, Level 7, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Monday, 7 December 2020 at 11:00 a.m., notice of which is set out on pages 16 to 21 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 YC 2013 Company Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Cheung Family Trust; (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;
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules;
“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 RMB22.0 cents per share of the Company for the year ended 30 June 2020;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	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 to approve such mandate;
“Latest Practicable Date”	15 October 2020, 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 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 to approve such mandate;
“Shareholders”	holder(s) the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“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 Chairman and Deputy Chief Executive Officer)

Mr. Lau Chun Shun

Mr. Ken Liu (Deputy Chairman)

Mr. Zhang Lianpeng

Mr. Zhang Yuanfu (Chief Financial Officer)

Independent non-executive Directors:

Ms. Tam Wai Chu, Maria GBM, JP

Mr. Ng Leung Sing SBS, JP

Mr. Lam Yiu Kin

Mr. Chen Kefu

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

23 October 2020

To the Shareholders

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
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 of retiring Directors; (iii) the payment of Final Dividend out of Contributed Surplus Account; and give you the notice of the Annual General Meeting.

* For identification purposes only

LETTER FROM THE BOARD

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 4,692,220,811 Shares. Subject to the passing of the ordinary resolution at the Annual General Meeting approving the Issue Mandate and assuming that there will not be any changes to the issued share capital of the Company between the Latest Practicable Date and the date of the Annual General Meeting, the Company will be allowed to allot, issue and deal with up to a maximum of 938,444,162 Shares under the Issue Mandate, representing 20% of the total issued share capital of the Company.

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 84 of the Company's Bye-Laws, Ms. Cheung Yan, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun, Ms. Tam Wai Chu, Maria and Mr. Chen Kefu will retire and, being eligible, offer themselves 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.

LETTER FROM THE BOARD

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 22 September 2020 regarding the annual results of the Group for the year ended 30 June 2020 in relation to the proposed payment of the Final Dividend to be payable on or about Friday, 15 January 2021 to the Shareholders.

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 2020, the Directors propose that the 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 4,692,220,811 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 RMB1,032,288,578.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 16 to 21 of this circular at which resolutions will be proposed, *inter alia*, to consider and, if thought fit, approve the grant of the Issue Mandate and the Share Repurchase Mandate; the re-election of retiring directors; and the payment of final dividend out of contributed surplus account. 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 and transfer office, Tricor Investor Services Limited, Level 54, 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

LETTER FROM THE BOARD

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 and in such event, the instrument appointing a proxy shall be deemed to be revoked.

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 a 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 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 and the payment of Final Dividend out of Contributed Surplus Account 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 4,692,220,811 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 469,222,081 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 2020 (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 close associates, has any present intention, in the event that the Share Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No core 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 63.77% 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 70.85% 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:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2019		
October	7.03	6.60
November	8.14	6.82
December	8.86	7.97
2020		
January	8.46	8.10
February	9.57	7.42
March	9.57	9.20
April	8.07	7.07
May	7.50	7.45
June	7.63	6.78
July	8.92	7.01
August	9.15	8.05
September	11.12	8.65
October (up to the Latest Practicable Date)	10.26	9.45

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

(1) **Ms. Cheung Yan, JP**, 63, has been the Chairlady of the Company since 2006. She is a director of several subsidiaries of the Company. She is one of the founders of the Group and is in charge of the Company's overall corporate development and the Group's strategic planning. Ms. Cheung has over 24 years of experience in paper manufacturing and over 34 years of experience in recovered paper recycling and international trade. Ms. Cheung was a member of the National Committee of the Chinese People's Political Consultative Conference. She is currently executive vice chairman of the China Overseas Chinese Entrepreneurs Association, vice president of China Paper Association, vice president of China Paper Industry Chamber of Commerce, Honorary Life President of the Guangdong Overseas Chinese Enterprises Associations, vice chairman of Guangdong Federation of Industry and Commerce, Honorary President of World Dongguan Entrepreneurs, Chairman of Hong Kong Federation of Overseas Chinese Associations and President of New Home Association. Ms. Cheung is an honorary citizen of the City of Dongguan, Guangdong Province, China. In 2007, Ms. Cheung was awarded the "Entrepreneur of the Year in China 2007" by Ernst & Young and in 2008, she was accredited as a "Leader Figure" ("領袖人物獎") in "China Cailun Award" ("中華蔡倫獎") by China Paper Industry Chamber of Commerce and was awarded "China Charity Award 2008" ("2008年中華慈善獎") by the Ministry of Civil Affairs of the PRC. In May 2009, Ms. Cheung was awarded "Outstanding Entrepreneur in Pulp and Paper Manufacturing Industry in China" ("全國製漿造紙行業優秀企業家") by China Paper Association. She was awarded "Chinese Chamber of Commerce Contributions Award" ("華商貢獻獎") in the city of Chongqing in January 2010, and the title of "Outstanding Person on Energy Saving and Emission Reduction in China 2009" ("2009中國節能減排功勳人物") by All-China Environment Federation in May 2010, "Outstanding Contribution Award on Poverty Alleviation and Benefiting the Community by a Businessman in the Private Sector in Guangdong Province" ("廣東省非公有制經濟人士扶貧濟困回報社會突出貢獻獎") in July 2010. Ms. Cheung was also awarded "Outstanding Entrepreneur in China" ("全國優秀企業家") by China Enterprise Association in May 2014, "Asian CEO of the Year" ("亞洲最佳CEO獎") by RISI and "Outstanding Contribution Award in Paper Industry in China" ("全國造紙行業傑出貢獻獎") by China Paper Association in June 2014. Ms. Cheung was appointed by the Government of the HKSAR as a Justice of the Peace (JP) in July 2016. She was given the "National Poverty Alleviation Award" ("全國脫貧攻堅獎 — 奉獻獎") by the State Council of the PRC in 2018. Ms. Cheung was awarded the title of "Senior Economist (Entrepreneur in Technology Field)" ("正高級經濟師(科技型企業家)") by the Guangdong Province in January 2020. Ms. Cheung did not hold directorship in other listed public companies in the last three years.

Ms. Cheung is the wife of Mr. Liu Ming Chung, the sister of Mr. Zhang Cheng Fei, the mother of Mr. Lau Chun Shun and Mr. Ken Liu and the aunt of Mr. Zhang Lianpeng. Save as disclosed above, Ms. Cheung 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. Cheung through the trustee, BNP Paribas Jersey Trust Corporation Limited, had 37.073% interest in Best Result. Best Result directly held 2,992,120,000 Shares, representing approximately 63.77% interest in the Company. In addition, Ms. Cheung had personal interest in 90,097,758 Shares and spouse interest in 31,594,184 Shares. Save as aforesaid, Ms. Cheung did not have any other interests in the Shares or the underlying Shares pursuant to Part XV of the SFO.

Ms. Cheung has a service contract for a term of three years with the Company which may be terminated, by either side, on six months' notice. 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. The director's fee specified in the service agreement is RMB7,728,000 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. Cheung 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. Zhang Cheng Fei**, 52, has been an Executive Director and Deputy Chief Executive Officer of the Company since 2006 and was re-designated as an Executive Director, Deputy Chairman and Deputy Chief Executive Officer of the Company since June 2018. 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 26 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.

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 and Mr. Ken Liu. 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 63.77% interest in the Company. In addition, Mr. Zhang had personal interest in 34,399,821 Shares. 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 RMB6,900,000 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.

(3) **Mr. Lau Chun Shun**, 39, 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 11 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. Mr. Lau did not hold directorship in other listed public companies in the last three years.

Mr. Lau is the son of Ms. Cheung Yan and Mr. Liu Ming Chung, the brother of Mr. Ken Liu, the nephew of Mr. Zhang Cheng Fei and the cousin of Mr. Zhang Lianpeng. Saved 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 90% interest in Best Result. Best Result directly held 2,992,120,000 Shares, representing approximately 63.77% interest in the Company. In addition, Mr. Lau held personal interest in 14,149,000 Shares. 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 service agreement is RMB3,600,000 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. 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.

(4) **Ms. Tam Wai Chu, Maria**, *GBM, JP*, 74, has been an Independent Non-Executive Director of the Company since 2006. She serves as an independent non-executive director of Sinopec Kantons Holdings Limited, Wing On Company International Limited and Macau Legend Development Limited, all are listed on The Stock Exchange of Hong Kong Limited. Ms. Tam was a deputy to the National People's Congress of The People's Republic of China. She is the deputy director of the Hong Kong Basic Law Committee and a director of the Joint Committee for the Promotion of The Basic Law of Hong Kong. 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. Save as aforesaid, Ms. Tam did not have any other interests in the Shares or the underlying Shares pursuant to Part XV of the SFO.

Ms. Tam has entered into 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.

(5) **Mr. Chen Kefu**, aged 78, has been appointed as an Independent Non-Executive Director of the Company since 2018. He graduated from the Mathematics Department of Fudan University majoring in Mechanics in 1967. He was promoted to Professor by Tianjin Municipal Science and Technology Commission in 1991 and was elected as a member of the Chinese Academy of Engineering in 2003. Member of the Chinese Academy of Engineering is the highest academic title in engineering technology established in the PRC, which is a lifelong honor. Mr. Chen has served South China University of Technology in PRC since December 1992, and is currently the Director of the Academic Committee of the State Key Laboratory of Pulp and Paper Engineering of South China University of Technology and Professor of School of Light Industry and Engineering. Mr. Chen has devoted himself to the research and teaching of light industry, pulp and paper engineering for a long time, won various national science and technology awards, and has made contribution to the paper industry. Mr. Chen did not hold directorship in other listed public companies in the last three years.

Mr. Chen 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. Chen did not have any interests in the Shares or the underlying Shares pursuant to Part XV of the SFO.

Mr. Chen has entered into an appointment letter for a term of one year with the Company. 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 appointment letter is HK\$480,000 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. Chen 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.

NOTICE OF ANNUAL GENERAL MEETING



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 Studio 1&2, Level 7, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Monday, 7 December 2020 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and adopt the audited financial statements and the reports of the directors and independent auditor for the year ended 30 June 2020.
2. To declare the Final Dividend to be paid out of the Contributed Surplus Account of the Company for the year ended 30 June 2020.
3. (a) (i) To re-elect Ms. Cheung Yan as an executive director of the Company;
(ii) To re-elect Mr. Zhang Cheng Fei as an executive director of the Company;
(iii) To re-elect Mr. Lau Chun Shun as an executive director of the Company;
(iv) To re-elect Ms. Tam Wai Chu, Maria as an independent non-executive director of the Company;
(v) To re-elect Mr. Chen Kefu 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.

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

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 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

NOTICE OF ANNUAL GENERAL MEETING

- (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 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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.”
- (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.”

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

Hong Kong, 23 October 2020

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 the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. In order to be valid, the form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the meeting, or any adjourned meeting thereof (as the case may be).

NOTICE OF ANNUAL GENERAL MEETING

4. Completion and return of the form of proxy shall not preclude members of the Company from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.
6. 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 Wednesday, 2 December 2020 to Monday, 7 December 2020, 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 and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration before 4:30 p.m. on Tuesday, 1 December 2020.
7. 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 Wednesday, 16 December 2020 to Friday, 18 December 2020, 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 and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration before 4:30 p.m. on Tuesday, 15 December 2020.
8. The votes at the above mentioned meeting will be taken by poll.
9. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 3 hours before the time of the meeting, the meeting will be postponed. The Company will publish an announcement on the websites of the Company (www.ndpaper.com) and the Stock Exchange to notify shareholders of the Company of the date, time and venue of the rescheduled meeting.
10. The meeting is being held at the W Hong Kong. The hotel may refuse entry to the hotel by persons who fail temperature checks. Persons so refused entry to the hotel will not be able to attend the meeting. Persons attending the meeting will be required to wear surgical face masks on entry to and throughout the meeting. Additional precautionary safety measures may also be adopted. Shareholders are in any event asked (i) to consider carefully the risk of attending the meeting, which will be held in an enclosed environment, (ii) to follow any guidelines or requirements of the Hong Kong government relating to COVID-19 in deciding whether or not to attend the meeting and (iii) not to attend the meeting if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19. No refreshments will be served at the meeting. As a precautionary safety measure, seating at the meeting will be arranged so as to reduce interaction between participants. As a result, there will be limited capacity for Shareholders to attend the meeting. Shareholders are reminded that attendance at the meeting in person is not necessary for the purpose of exercising voting rights. They may (as indicated in note 1 above) appoint proxies to vote on their behalf.
11. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

NOTICE OF ANNUAL GENERAL MEETING

As at the date of this notice, Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun, Mr. Ken Liu, Mr. Zhang Lianpeng and Mr. Zhang Yuanfu are executive Directors and Ms. Tam Wai Chu, Maria, Mr. Ng Leung Sing, Mr. Lam Yiu Kin and Mr. Chen Kefu 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 Hong Kong branch registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by sending an email to 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.