



玖龍紙業(控股)有限公司

NINE DRAGONS PAPER (HOLDINGS) LIMITED

For Immediate Release

13 February 2007

**Nine Dragons Paper (Holdings) Limited Announces its 2007 Interim Results
Sales Jumped 22.9% to RMB4.64 billion**

Financial Highlights

- Sales jumped 22.9% to approximately RMB4.64 billion.
- Gross profit rose by 45.3% to approximately RMB1.20 billion.
- Gross profit margin increased from 22.0% to 26.0%.
- Operating profit rose by 43.0% to over RMB1.11 billion.
- Profit attributable to Shareholders jumped 69.2% to approximately RMB0.95 billion.
- Basic earnings per share climbed from RMB0.19 to RMB0.23.
- Proposed interim dividend per share of RMB1.60 cents (equivalent to approximately HK1.61 cents).

(Hong Kong, 13 February 2007) The Board of Directors of Nine Dragons Paper (Holdings) Limited (“ND Paper”; Stock Code: 2689) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 December 2006 (“the period under review”). For the six months ended 31 December 2006, the Group’s sales was approximately RMB4.64 billion, representing an increase of 22.9% over the same period of the previous year. Gross profit rose by 45.3% over the same period of previous year to approximately RMB1.20 billion. Operating profit was RMB1.11 billion, representing an increase of 43.0% over the same period of previous year. Profit attributable to Shareholders was RMB0.95 billion, 69.2% more than the same period of previous year.

The Board of Directors proposed the payment of an interim dividend per share of RMB1.60 cents (equivalent to approximately HK\$1.61 cents) for the six months ended 31 December 2006.

Ms. Cheung Yan, Chairman of ND Paper said, “With continuous robust growth of the Chinese economy in 2006 and faster industry consolidation leading to elimination of many small production plants, the Group has further secured its leadership position in the industry. While the Group’s sales has increased due to strong growth in domestic consumption, the Group’s direct export to overseas has also increased, covering Europe, North America, South America, Middle-East and Asian countries, a reflection of the world-wide recognition of our quality products.”



玖龍紙業(控股)有限公司

NINE DRAGONS PAPER (HOLDINGS) LIMITED

During the period under review, the Group's plan to expand its Dongguan and Taicang production bases has been carried out smoothly. In January 2007, PM11 at Dongguan and PM16 and PM17 at Taicang all commenced operation ahead of schedule, thus enhancing the return to shareholders and enabling the Group to become the largest producer of packaging paperboard in Asia (including Japan). Furthermore, construction of PM12 and PM13 at Dongguan is also according to plan. By mid-2007, the Group's total production capacity will increase to 5.35 million tonnes.

To meet its long term development, ND Paper has announced its plan to invest in a third production base in Chongqing. The promising industrial development and exponential growth in various sectors in the region, coupled with strong local consumption, will drive the demand for container paperboard. By mid-2008, the new base will have two paper machines operating on the site.

The Group maintains the highest industry standards in environmental protection. In December 2006, the Group's two subsidiaries in Dongguan were granted with the honor of Green/Environmental Creditable Enterprise by the Guangdong Environmental Protection Bureau, a solid endorsement on the Group's achievement in its environmental friendly operations.

Looking ahead on the Group's future business development, Ms. Cheung said, "We are confident that the parallel growth of supply and demand will continue to provide a favorable operating environment. Our plan is to increase annual production capacity to 7.75 million tonnes by mid-2008. The fourth production base of the Group in northern China is expected to be decided and all approval procedures completed in 2007, and is expected to commence construction in 2008. While developing the four production bases in northern China, the Group is also closely watching on opportunities of setting up production bases in other Asian countries, and exploring globally opportunities for competitive upstream pulp business which can offer long term potential and return. ND Paper's goal in coming three years is to become the world's largest and most efficient packaging paperboard manufacturer, and a world leader in the production of packaging paperboard."

— End —



玖龍紙業(控股)有限公司

NINE DRAGONS PAPER (HOLDINGS) LIMITED

Background of ND Paper

Nine Dragons Paper (Holdings) Limited is the largest producer in China and Asia (including Japan), and one of the largest producers in the world, of containerboard products, with an aggregate annual production capacity of 4.5 million tonnes. The Company serves as a one-stop shop for a variety of packaging paperboard products - linerboard (kraftlinerboard, testlinerboard and white top linerboard), high performance corrugating medium and coated duplex board. The Group also produces unbleached kraft pulp. ND Paper was listed on the Main Board of the Hong Kong Stock Exchange on 3 March 2006, and is currently a constituent stock of Hang Seng Composite Index Series, MSCI Standard Index Series and MSCI Global Value and Growth Index Series.

This press release is issued by Wonderful Sky Public Relations & Financial Consultant Co., Ltd. on behalf of Nine Dragons Paper (Holdings) Limited.

For further information, please contact:

Wonderful Sky Public Relations & Financial Consultant Co., Ltd.

Miranda Fok / Maria Law

Tel: (852) 2851 1038

Fax: (852) 2815 1352

Email: mirandafok@wspr.com.hk / marialaw@wspr.com.hk