

For Immediate Release

14 December 2007

### **Triggered by Rumour and Misunderstanding Strike of Temporary Workers Resolved**

This statement is made by Nine Dragons Paper (Holdings) Limited ("ND Paper" or the "Company") regarding a strike at its Dongguan production base in Mayong town, Dongguan yesterday morning.

Several hundred temporary employees were on strike yesterday morning as a result of rumours that ND Paper would reduce these workers' wages and even dismiss them. Such false information was spread among the workers, causing misunderstanding that triggered the strike. A meeting was immediately convened by ND Paper to explain to the temporary employees and the strike was promptly resolved. ND Paper will renew the contracts with those employees who desire to continue their employment in the Company. As for employees who choose to leave the Company, they will be compensated according to the relevant legislations of China.

**As all the temporary employees involved in the incident are the lower level, unskilled workers, the normal operations of the Company were not affected by the strike.**

Notwithstanding the strike, product quality and customer service were both maintained at their usual high standards.

ND Paper understands the value of its staff and appreciates their contribution to the enterprise. The strike was an unprecedented case in the development of the Company over the past decade. The Company's swift response, efficiency and a human-oriented approach in resolving the strike has received high recognition by the government of Mayong town, which considers that ND Paper's positive and proactive attitude has been the key to end the strike smoothly.

With a commitment to quality enterprise management and its optimisation, ND Paper will continue to maintain its corporate social responsibilities and care for all its employees as in the past. The Company will constantly review its remuneration and staff benefit policies as well as continue its emphasis on staff training, as it believes that "investing in staff is an investment for the enterprise's future".

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This press release is distributed by Wonderful Sky Financial Group Limited for Nine Dragons Paper (Holdings) Limited.

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