


玖龍紙業(控股)有限公司*
NINE DRAGONS PAPER (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)
(Hong Kong Stock Code: 2689)

Immediate Release

9 February, 2009

Nine Dragons Paper (Holdings) Limited Announces the Commencement of Tender Offer for the 7.875% Senior Notes due 2013

9 February 2009 – Nine Dragons Paper (Holdings) Limited (HKSE: 2689) (the “**Company**”) today announced that it has commenced a tender offer (the “**Offer**”) to purchase for cash any and all of its outstanding US\$283,750,000 7.875% Senior Notes Due 2013 (the “**Notes**”). The interest rate payable on the Notes is subject to adjustment from time to time with reference to ratings assigned by the rating agencies. Based on current ratings, the interest rate payable on the Notes on the next interest payment date, 29 April 2009, would be 9.875%. The Notes are listed on the Singapore Exchange Securities Trading Limited.

The Offer will expire at 12:00 midnight, New York City time, on Monday, 9 March 2009 (the “**Expiration Date**”), unless the Offer is extended. An appropriate announcement will be made if and when the Offer is extended. The withdrawal rights will expire at 5:00 p.m., New York City time, on Monday, 23 February 2009 (the “**Early Tender Date**”), unless they are extended.

Holders of the Notes that validly tender their Notes prior to the Early Tender Date and do not validly withdraw their Notes, and to the extent their Notes are accepted for payment, will receive US\$530 per US\$1,000 principal amount of the Notes validly tendered (the “**Total Consideration**”), plus accrued and unpaid interest thereon to, but not including, the date of payment. Holders of the Notes that validly tender after the Early Tender Date but prior to the Expiration Date will receive the Total Consideration, less an amount equal to US\$50 for each US\$1,000 principal amount of the Notes, plus accrued and unpaid interest thereon to, but not including, the date of payment.

The funds required for the Company to consummate the Offer will be funded from internal resources of the Company and its subsidiaries (together the “**Group**”). The maximum aggregate amount payable by the Group under the Offer (exclusive of related expenses and inclusive of accrued interest on the Notes purchased pursuant to the Offer, assuming that all the outstanding Notes are being validly tendered and payment is made on 12 March 2009) is approximately US\$160 million.

The terms and conditions of the Offer are set forth in the offer to purchase statement of the Company dated 9 February 2009 (the “**Offer to Purchase**”). The Offer is not conditioned on the tender of a minimum principal amount of the Notes. The consummation of the Offer is subject to certain conditions, which are described in the Offer to Purchase that is being sent to holders of the Notes. Subject to applicable law, the Company may, in its sole discretion, waive any condition applicable to the Offer or extend or terminate or otherwise amend the Offer.

The Company is making the Offer to reduce the principal amount of its outstanding indebtedness and ongoing debt service obligations.

Merrill Lynch & Co. is acting as sole dealer manager (the “**Dealer Manager**”), and Bondholder Communications Group is acting as information and tender agent (the “**Information and Tender Agent**”) in connection with the Offer. Copies of the Offer to Purchase and related documents may be obtained from the Information and Tender Agent at www.bondcom.com/ninedragons.

THIS PRESS RELEASE IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE OFFER TO PURCHASE.

About the Company

The Company is a limited liability company incorporated in Bermuda, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (under stock code 2689).

As of the date of this press release, the Group is the largest producer in Asia, and one of the largest producers in the world of packaging paperboard products in terms of design production capacity. The Group primarily manufactures linerboard, high-performance corrugating medium and certain types of coated duplex board. The Group also manufactures specialty paper, wood and bamboo pulp through a wholly owned subsidiary, and produces unbleached kraft pulp through its joint venture subsidiary, which the Group uses as raw material for its own production as well as sells to third parties.

Forward-Looking Statements

Forward-looking statements in this press release, including those statements relating to the Offer, such as the scheduled expiration date and the repurchase of Notes, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Notes; changes in the business and financial condition of the Group; changes in the debt markets in general; and the occurrence of events specified in the Offer to Purchase that would trigger a condition permitting termination or amendment of an Offer.

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

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** For identification only*