


玖龍紙業(控股)有限公司*
NINE DRAGONS PAPER (HOLDINGS) LIMITED
(Incorporated in Bermuda with limited liability)

(Stock Code: 2689)

Immediate Release

9 August 2009

Nine Dragons Paper (Holdings) Limited Announces the Final Results of Tender Offer for the 7.875% Senior Notes Due 2013

(Hong Kong, 9 August 2009) Nine Dragons Paper (Holdings) Limited ("ND Paper" or the "Company"; HKSE: 2689) on 9 July 2009 announced (the "**Announcement**") that the Company had commenced a tender offer to purchase (the "**Offer**") for cash any and all of its outstanding US\$118,573,000 7.875% Senior Notes Due 2013 (the "**Notes**"). Further to the Announcement, the Company on 23 July 2009, Hong Kong time, announced an extension of the original Early Tender Date. The Offer expired at 12:00 Midnight, New York City time, on Thursday, 6 August 2009 (the "**Expiration Date**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

On 7 August 2009, Hong Kong time, the Company announced that US\$70,998,000 of the principal amount of the Notes (the "**Tendered Notes**"), representing approximately 60% of the total principal amount of Notes outstanding, had been validly tendered and not withdrawn as of the Expiration Date. The Tendered Notes, in addition to the US\$16,250,000 principal amount of the Notes repurchased in December 2008 and the US\$165,177,000 principal amount of the Notes repurchased in March 2009 (the details of which are set out in the Company's announcements dated 29 December 2008 and 10 March 2009 respectively), bring the total principal amount of the Notes repurchased by the Company to US\$252,425,000, representing approximately 84% of the US\$300,000,000 principal amount of the Notes issued on 29 April 2008. The Company has accepted all of the Tendered Notes for payment.

Holders of the Notes who validly tendered their Notes prior to the Expiration Date will receive the Total Consideration of US\$1,000 per US\$1,000 principal amount of Notes, plus accrued and unpaid interest thereon to, but not including, the date of settlement.

The aggregate amount to be paid by the Company to holders of the Tendered Notes for the purchase of the Tendered Notes will be approximately US\$72,906,564.26 (which includes accrued and unpaid interest thereon). Settlement is expected to take place on or before 11 August 2009 for all Tendered Notes. Following the purchase of the Tendered Notes and settlement of the tender, US\$47,575,000, representing approximately 16% of the US\$300,000,000 principal amount of the Notes will remain outstanding.

ND Paper's further offer to repurchase the 7.875% Senior Notes due 2013 has indicated its sound repayment capability and fully demonstrated the Company's commitment on its debts. In regard to the Notes repurchase, the Group's Chief Financial Officer Mr. Zhang Yuanfu stated, "The approximately 60% repurchase rate this time, together with the amount repurchased earlier, brings the total repurchase rate to approximately 84% as at 7 August 2009, indicating that there are still a few investors holding Notes in the market, who are mainly long term investment funds also holding shares in the Company. This can be seen as a positive signal that investors hold optimistic views on the Company's future potential. It is also a solid testimony that investors have confidence on our business prospects. The further offer of repurchasing its Notes has not only exemplified ND Paper's strong liquidity position and current financial health, it also reduces the Company's future interest expenses, thus strengthening its financial conditions and further reinforcing investors' confidence on ND Paper."

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 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 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.

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

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