



NINE DRAGONS PAPER (HOLDINGS) LIMITED

ND Paper' s three-year expansion scheme for China and abroad Five production lines to commence production in China Phase II Scheme in Vietnam Base plan to be launched

(6 May 2013-Hong Kong) Nine Dragons Paper (Holdings) Limited (the "Company" or "ND Paper", Stock Code: 2689) states that it will, according to the Company's estimation over the market dynamics, will have six production lines commence production in succession over the next three years, including five production lines in China as well as an additional packaging paperboard production line with annual production capacity of 350,000 tonnes following the construction of Phase II in Vietnam base. Along with active expansion of overseas markets, such move is estimated to add more than 2 million tonnes to its production capacity by then.

According to Chairlady Ms Cheung Yan, given the exuberant demand in the regions where ND Paper's bases are located as well as the increasing growth in downstream production capacity, the supply and demand for packaging paperboard products in the market will gradually increase. In view of favorable prospects of the market after 2015, ND Paper is making effort to build the five production lines in China and one production line of Phase II in Vietnam base. This will further strengthen its regional scale, diversifying its product portfolio in order to exploit its economies of scale in the regions.

Specifically, the Company will have six production lines commence production at home and abroad in the next three years. Within 2013, two packaging paperboard production lines with a total annual production capacity of 650,000 tonnes in Fujian Quanzhou will commence production before June. One packaging paperboard production line with a production capacity of 300,000 tonnes in Sichuan Leshan will commence production before December. From 2014 to 2015, a production line with a capacity of 350,000 tonnes of Phase 1 in Liaoning Shenyang base will commence production before 28 February, 2014; in the meantime, the second packaging paperboard production line in Shenyang base which was postponed previously will commence production ahead of schedule by the end of 2015, with an annual production capacity of 350,000 tonnes and a total investment of approximately RMB1.2 billion.

With regards to the plans for overseas market expansion, Ms Cheung Yan has stated that the Vietnam base has been well-equipped to launch the construction of Phase II after many years of development. The Company plans to build a new packaging paperboard production line with a capacity of 350,000 tonnes before the end of 2016 with a total investment of approximately US\$180 million.

Ms Cheung Yan said, “The positive effects brought by global economic recovery have begun to emerge. ND Paper will tap on its advantages in technology and capital as the leader of the industry. We will endeavor to carry forward a vigorous capital expenditure plan allowing us to consolidate and expand our leading position in the market in the next three years to come.”

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Background of ND Paper

Nine Dragons Paper (Holdings) Limited is the largest containerboard product producer in China and Asia (including Japan), and one of the largest producers in the world, in terms of design production capacity. The Group primarily manufactures and sells linerboard, high performance corrugating medium and coated duplex board. It also manufactures and sells recycled printing and writing paper, pulp and specialty paper. ND Paper was listed on the Main Board of the Hong Kong Stock Exchange on 3 March 2006.

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

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