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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **NINE DRAGONS PAPER (HOLDINGS) LIMITED**, you should at once hand this circular and the form of proxy enclosed with this circular to the purchaser or the transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**玖龍紙業(控股)有限公司\***

**NINE DRAGONS PAPER (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2689)**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
PAYMENT OF FINAL DIVIDEND OUT OF  
CONTRIBUTED SURPLUS ACCOUNT  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Nine Dragons Paper (Holdings) Limited to be held at Studio 1, 7/F., W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Tuesday, 11 December 2018 at 2:30 p.m. is set out on pages 16 to 20 of this circular.

A form of proxy for use by the Shareholders at the annual general meeting is enclosed. Whether or not you intend to attend and vote at the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

\* *For identification purposes only*

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24 October 2018

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Annual General Meeting”	the annual general meeting of the Company to be held at Studio 1, 7/F., W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Tuesday, 11 December 2018 at 2:30 p.m., notice of which is set out on pages 16 to 20 of this circular
“Best Result”	Best Result Holdings Limited, a company incorporated under the laws of the British Virgin Islands whose issued share capital is held (i) as to approximately 37.073% by YC 2013 Company Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Cheung Family Trust; (ii) as to approximately 37.053% by Goldnew Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Liu Family Trust, (iii) as to approximately 10.000% by Acorn Crest Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Zhang Family Trust, and (iv) as to approximately 15.874% by Winsea Investments Limited which was held by BNP Paribas Jersey Trust Corporation Limited as the trustee of The Golden Nest Trust
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Companies Act”	Companies Act 1981 of Bermuda, as amended from time to time
“Company”	Nine Dragons Paper (Holdings) Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Contributed Surplus Account”	the contributed surplus account of the Company as ascertained in accordance with the Companies Act
“Director(s)”	director(s) of the Company
“Final Dividend”	proposed final dividend of RMB40.0 cents per share of the Company for the year ended 30 June 2018
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandates”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with Shares up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution as set out in the Annual General Meeting Notice
“Latest Practicable Date”	12 October 2018, being the latest practicable date for ascertaining certain information in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution as set out in the Annual General Meeting Notice
“Shareholders”	holder(s) the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers



**玖龍紙業(控股)有限公司\***

**NINE DRAGONS PAPER (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2689)**

*Executive Directors:*

Ms. Cheung Yan, *JP (Chairlady)*

Mr. Liu Ming Chung

*(Deputy Chairman and Chief Executive Officer)*

Mr. Zhang Cheng Fei

*(Deputy Chairman and Deputy Chief Executive Officer)*

Mr. Lau Chun Shun

Mr. Ken Liu *(Deputy Chairman)*

Mr. Zhang Yuanfu *(Chief Financial Officer)*

Mr. Zhang Lianpeng

*Independent non-executive Directors:*

Ms. Tam Wai Chu, *Maria GBM, JP*

Mr. Ng Leung Sing *SBS, JP*

Mr. Lam Yiu Kin

Mr. Chen Kefu

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal place of business*

*in Hong Kong:*

Unit 1, 22/F

One Harbour Square

181 Hoi Bun Road

Kwun Tong

Kowloon

Hong Kong

24 October 2018

*To the Shareholders and, for information only,  
holders of the share options*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
PAYMENT OF FINAL DIVIDEND OUT OF  
CONTRIBUTED SURPLUS ACCOUNT  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with, amongst other things, information regarding resolutions to be proposed at the Annual General Meeting relating to (i) the proposed Issue Mandate and the proposed Share Repurchase Mandate; (ii) the re-election of retiring Directors; (iii) the payment of Final Dividend out of Contributed Surplus Account; and give you the Annual General Meeting Notice.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

Ordinary resolutions will be proposed at the Annual General Meeting to grant to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with new Shares up to an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the proposed resolution at the Annual General Meeting; and
- (ii) to repurchase Shares up to an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the proposed resolution at the Annual General Meeting.

In addition, if the Issue Mandate is granted together with the Share Repurchase Mandate, it is further proposed, by way of a separate ordinary resolution, that the Issue Mandate be extended so that the Directors be given a general mandate to issue further Shares up to an aggregate nominal amount equal to the aggregate nominal amount of the Shares which may be repurchased by the Company under the Share Repurchase Mandate.

As at the Latest Practicable Date, the total issued share capital of the Company was 4,674,220,811 Shares. Subject to the passing of the ordinary resolution at the Annual General Meeting approving the Issue Mandate, the Company will be allowed to allot, issue and deal with up to a maximum of 934,844,162 Shares under the Issue Mandate, representing 20% of the total issued share capital of the Company, on the basis that no further Shares will be issued or repurchased between the Latest Practicable Date and the Annual General Meeting.

An explanatory statement containing information regarding the Share Repurchase Mandate is set out in Appendix I to this circular.

### RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the Company's Bye-laws, at each annual general meeting, every director will be subject to retirement by rotation at least once every three years. All retiring Directors are eligible for re-election at the annual general meeting at which he retires. The election of each Director is done through a separate resolution.

Pursuant to Bye-law 87 of the Company's Bye-laws, Ms. Cheung Yan and Mr. Zhang Yuanfu will retire and, being eligible, offer themselves for re-election at the Annual General Meeting.

Pursuant to Bye-law 86(2) of the Company's Bye-laws, a director appointed either to fill a casual vacancy or as an addition to the Board should hold office only until the next following annual general meeting. In this regard, Mr. Ken Liu and Mr. Chen Kefu will retire and, being eligible, offer themselves for re-election at the Annual General Meeting.

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## LETTER FROM THE BOARD

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Ms. Tam Wai Chu, Maria was appointed as an independent non-executive director of the Company in 2006 and therefore would have served for more than nine years as at the date of the Annual General Meeting. Pursuant to the code provision set out in paragraph A.4.3 of Appendix 14 of the Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by shareholders.

Notwithstanding that Ms. Tam Wai Chu, Maria has served as independent non-executive Director for more than nine years, (i) the Board has assessed and reviewed the annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that Ms. Tam Wai Chu, Maria remains independent; (ii) the nomination committee of the Company has assessed and is satisfied of the independence of Ms. Tam Wai Chu, Maria; and (iii) the Board considers that Ms. Tam Wai Chu, Maria remains independent of the management and free of any relationship which could materially interfere with the exercise of her independent judgment. In view of the aforesaid factors and the fact that the experience and knowledge of the relevant individual in the business sectors in which the Company operates, the Board recommended Ms. Tam Wai Chu, Maria for re-election at the Annual General Meeting.

Brief biographical and other details of the retiring Directors, which are required to be disclosed under the Listing Rules, are set out in the Appendix II to this circular.

### **PAYMENT OF FINAL DIVIDEND OUT OF CONTRIBUTED SURPLUS ACCOUNT**

Reference is made to the announcement of the Company dated 18 September 2018 regarding the annual results of the Group for the year ended 30 June 2018 in relation to the proposed payment of the Final Dividend to be payable on or about Friday, 11 January 2019 to the Shareholders whose names appear on the Company's register of members on Friday, 21 December 2018.

Pursuant to the Bye-laws, dividends can be paid to the Shareholders by the Company from retained profits of the Company or the amount standing to the credit of the Contributed Surplus Account subject to the Company being able to pay its liabilities as they become due or the realisable value of its assets would not as a result become less than the aggregate of its liabilities and its issued share capital and share premium accounts. In consideration of the annual results of the Group for the year ended 30 June 2018, the Directors propose that Final Dividend be paid out of the Contributed Surplus Account subject to the approval of the Shareholders at the Annual General Meeting.

As at the Latest Practicable Date, there were 4,674,220,811 Shares in issue. Assuming that no further Shares will be issued prior to the payment of the Final Dividend, the Final Dividend is expected to be in the amount of approximately RMB1,869,688,000.

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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 16 to 20 of this circular at which resolutions will be proposed, *inter alia*, to approve the grant of the Issue Mandate and the Share Repurchase Mandate; re-election of retiring directors; and payment of final dividend out of contributed surplus account. A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39 of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the annual general meeting will demand a poll for each and every resolution to be put forward at the annual general meeting pursuant to Bye-law 66 and the Listing Rules. The Company will appoint scrutineer to handle vote-taking procedures at the annual general meeting. The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible.

None of the Shareholders is required to abstain from voting at the Annual General Meeting pursuant to the Listing Rules.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.



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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the granting of the Issue Mandate, the Share Repurchase Mandate, the re-election of the retiring Directors and the payment of Final Dividend out of Contributed Surplus Account are in the best interests of the Company and the Shareholders as a whole and recommend Shareholders to vote in favour of all resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of  
**Nine Dragons Paper (Holdings) Limited**  
**Cheung Yan**  
*Chairlady*

This is an explanatory statement given to the Shareholders relating to a resolution authorising the Company to repurchase its own Shares proposed to be passed by the Shareholders by means of an ordinary resolution at the Annual General Meeting. This explanatory statement contains a summary of the information required pursuant to Rule 10.06 of the Listing Rules which is set out as follows:

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,674,220,811 Shares of HK\$0.10 each. Subject to the passing of the ordinary resolution granting the Share Repurchase Mandate and assuming no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 467,422,081 Shares, representing 10% of the issued share capital of the Company.

## **REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to purchase the Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will benefit the Company and the Shareholders.

## **FUNDING OF REPURCHASES**

The repurchase of Shares shall be made with funds legally available for such purpose in accordance with the Company's memorandum of association and the Bye-laws and the applicable laws of Bermuda. Under Bermuda law, repurchases may only be effected out of the capital paid up on the purchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased. It is envisaged that the funds required for any repurchase would be derived from such sources.

As compared to the financial position of the Company as at 30 June 2018 (being the date of the Company's latest audited accounts), the Directors consider that the repurchases of Shares will have no material adverse impact on the working capital and the gearing position of the Company in the event that the Share Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors or, to the best of their knowledge having made all reasonable enquiries any of their associates, as defined in the Listing Rules, has any present intention, in the event that the Share Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Share Repurchase Mandate is approved by the Shareholders.

**UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

**SHARE REPURCHASE MADE BY THE COMPANY**

The Company did not purchase any Share on the Stock Exchange or otherwise, in the six months immediately preceding the Latest Practicable Date.

**EFFECT OF THE TAKEOVERS CODE**

If as a result of a repurchase of Shares an ordinary shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of ordinary shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Best Result held 2,992,120,000 Shares, representing approximately 64.01% interest in the issued share capital. On the basis that no further Shares are issued or repurchased and that there is no change in Best Result's shareholding in the Company, in the event that the Share Repurchase Mandate is exercised in full, the shareholding of Best Result would be increased to approximately 71.13% of the issued share capital. Any repurchase of Shares which would result in the amount of Shares held by the public being reduced to less than 25% could only be implemented with the agreement of the Stock Exchange. Except in extraordinary circumstances, such agreement would not normally be given by the Stock Exchange. The Directors have no present intention to exercise the Share Repurchase Mandate to an extent which will result in the amount of Shares held by the public being reduced to less than 25%.

The Directors are not aware of any shareholder or group of shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as consequences of any purchases pursuant to the Share Repurchase Mandate.

**PRICES OF THE SHARES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
<b>2017</b>		
October	16.98	13.68
November	14.78	11.92
December	13.80	11.62
<b>2018</b>		
January	13.58	11.86
February	14.50	10.60
March	14.28	11.50
April	12.76	11.28
May	13.68	11.54
June	12.62	9.41
July	10.10	8.30
August	10.46	8.06
September	9.76	8.22
October (up to the Latest Practicable Date)	8.66	7.60

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## APPENDIX II PARTICULARS OF RETIRING DIRECTORS STANDING FOR RE-ELECTION

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The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting:

(1) **Ms. Cheung Yan, JP**, 61, has been the Chairlady of the Company since 2006. She is a director of several subsidiaries of the Company. She is one of the founders of the Group and is in charge of the Company's overall corporate development and the Group's strategic planning. Ms. Cheung has over 22 years of experience in paper manufacturing and over 32 years of experience in recovered paper recycling and international trade. Ms. Cheung was a member of the National Committee of the Chinese People's Political Consultative Conference. She is currently executive vice chairman of the China Overseas Chinese Entrepreneurs Association, vice president of China Paper Association, vice president of China Paper Industry Chamber of Commerce, Honorary Life President of the Guangdong Overseas Chinese Enterprises Associations, vice chairman of Guangdong Federation of Industry and Commerce, executive vice president of the Hong Kong China Chamber of Commerce, Honorary President of World Dongguan Entrepreneurs, Chairman of Hong Kong Federation of Overseas Chinese Associations and President of New Home Association. Ms. Cheung is an honorary citizen of the City of Dongguan, Guangdong Province, China. In 2007, Ms. Cheung was awarded the "Entrepreneur of the Year in China 2007" by Ernst & Young and in 2008, she was accredited as a "Leader Figure" ("領袖人物獎") in "China Cailun Award" ("中華蔡倫獎") by China Paper Industry Chamber of Commerce and was awarded "China Charity Award 2008" ("2008年中華慈善獎") by the Ministry of Civil Affairs of the PRC. In May 2009, Ms. Cheung was awarded "Outstanding Entrepreneur in Pulp and Paper Manufacturing Industry in China" ("全國製漿造紙行業優秀企業家") by China Paper Association. She was awarded "Chinese Chamber of Commerce Contributions Award" ("華商貢獻獎") in the city of Chongqing in January 2010, the title of "Outstanding Person on Energy Saving and Emission Reduction in China 2009" ("2009中國節能減排功勳人物") by All-China Environment Federation in May 2010, "Outstanding Contribution Award on Poverty Alleviation and Benefiting the Community by a Businessman in the Private Sector in Guangdong Province" ("廣東省非公有制經濟人士扶貧濟困回報社會突出貢獻獎") in July 2010. Ms. Cheung was also awarded "Outstanding Entrepreneur in China" ("全國優秀企業家") by China Enterprise Association in May 2014, "Asian CEO of the Year" ("亞洲最佳CEO獎") by RISI and "Outstanding Contribution Award in Paper Industry in China" ("全國造紙行業傑出貢獻獎") by China Paper Association in June 2014. Ms. Cheung was appointed by the Government of the HKSAR as a Justice of the Peace (JP) in July 2016.

Ms. Cheung did not hold directorship in other listed public companies in the last three years before the date of this circular. Ms. Cheung is the wife of Mr. Liu Ming Chung, the sister of Mr. Zhang Cheng Fei, the mother of Mr. Lau Chun Shun and Mr. Ken Liu and the aunt of Mr. Zhang Lianpeng. Save as disclosed above, Ms. Cheung does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

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## APPENDIX II PARTICULARS OF RETIRING DIRECTORS STANDING FOR RE-ELECTION

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As at the Latest Practicable Date, Ms. Cheung through the trustee, BNP Paribas Jersey Trust Corporation Limited, had 37.073% interest in Best Result. Best Result directly held 2,992,120,000 Shares, representing approximately 64.01% interest in the Company. In addition, Ms. Cheung had personal interest in 85,597,758 Shares and 4,500,000 share option. Save as aforesaid, Ms. Cheung did not have any other interests in the Shares or the underlying Shares pursuant to Part XV of the SFO.

Ms. Cheung has a service contract for a term of three years with the Company which may be terminated, by either side, on six months' notice. She is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws. The director's fee specified in the service agreement is RMB7,728,000 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Ms. Cheung that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

(2) **Mr. Ken Liu**, 26, has been the Executive Director and Deputy Chairman of the Company since 2018. He is also a director of various subsidiaries of the Company. He is also the Chief Executive Officer (North America) of a subsidiary of the Company in charge of business in North America. Mr. Ken Liu graduated cum laude in Government from Harvard University. He was previously a consultant at PricewaterhouseCoopers in U.S. where he advised technology, telecom, and banking companies for approximately two years. Since March 2016, Mr. Ken Liu has been the vice chairman of ACN, one of the largest recovered paper suppliers to the Group, where he was responsible for overseeing its corporate development, marketing strategy and general management.

Mr. Ken Liu has not held any directorship in any listed companies in the last three years before the date of this circular. Mr. Ken Liu is the son of Ms. Cheung Yan and Mr. Liu Ming Chung, the brother of Mr. Lau Chun Shun, the nephew of Mr. Zhang Cheng Fei and the cousin of Mr. Zhang Lianpeng. Save as disclosed above, Mr. Ken Liu does not have any other relationship with other directors, senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Ken Liu is one of the beneficiary owners of several revocable discretionary trusts which in aggregate are interested in 90% of the issued share capital of Best Result. Best Result directly held 2,992,120,000 Shares, representing approximately 64.01% interest in the Company. In addition, Mr. Ken Liu held personal interest in 1,382,000 Shares. Save as aforesaid, Mr. Ken Liu did not have any other interests in the Shares or the underlying Shares pursuant to Part XV of the SFO.

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## APPENDIX II PARTICULARS OF RETIRING DIRECTORS STANDING FOR RE-ELECTION

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Mr. Ken Liu has a service contract for a term of three years with the Company which may be terminated, by either side, on three months' notice. He will hold office until the next following general meeting of the Company and will then be eligible for re-election at the meeting. If re-elected, he will be subject to retirement by rotation at future annual general meetings pursuant to the Bye-Laws of the Company. The director's fee specified in the service agreement is USD100,000 per annum and a salary of USD300,000 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Ken Liu that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

(3) **Mr. Zhang Yuanfu**, 55, has been an Executive Director of the Company since 2008. He is also a director of various subsidiaries of the Company. He also serves as the Group's Chief Financial Officer in charge of financial matters and investor relations. Prior to joining the Group, Mr. Zhang served as the chief financial officer, qualified accountant and company secretary of Weichai Power Co., Ltd. for more than 5 years and also worked in a number of Hong Kong listed companies in charge of accounting and financial management. He has more than 32 years of experience in auditing, accounting and corporate finance. Mr. Zhang holds a bachelor degree in Economics. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Zhang did not hold directorship in other listed public companies in the last three years before the date of this circular. Mr. Zhang does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Zhang did not have any interests in Shares within the meaning of Part XV of the SFO.

Mr. Zhang has a service contract for a term of three years with the Company which may be terminated, by either side, on three months' notice. He is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws of the Company. The director's fee specified in the service agreement is HK\$1,000,000 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Zhang that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.



(4) **Ms. Tam Wai Chu, Maria**, *GBM, JP*, 72, has been an Independent Non-Executive Director of the Company since 2006. She serves as an independent non-executive director of Sa Sa International Holdings Limited, Sinopec Kantons Holdings Limited, Wing On Company International Limited, Macau Legend Development Limited and China Shenhua Energy Company Limited, all are listed on The Stock Exchange of Hong Kong Limited. Ms. Tam was a deputy to the National People's Congress of The People's Republic of China. She is the Deputy Director of the Hong Kong Basic Law Committee. She is qualified as a barrister-at-law at Gray's Inn, London and has practice experience in Hong Kong.

Ms. Tam, who has served the Board for more than nine years, confirmed that she has satisfied all factors set out in Rule 3.13 of the Listing Rules in assessing her independence. Ms. Tam does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the Latest Practicable Date, Ms. Tam had personal interest in 1,216,670 Shares within the meaning of Part XV of the SFO. Save as aforesaid, Ms. Tam did not have any other interests in the Shares or the underlying Shares pursuant to Part XV of the SFO.

Ms. Tam has an appointment letter for a term of one year with the Company. She is subject to retirement and will be eligible for re-election at the annual general meeting of the Company pursuant to the Bye-Laws of the Company. The director's fee specified in the appointment letter is HK\$528,000 per annum. Such emoluments are determined with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Ms. Tam that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

(5) **Mr. Chen Kefu**, 76, has been an Independent Non-Executive Director of the Company since 2018. Mr. Chen graduated from the Mathematics Department of Fudan University majoring in Mechanics in 1967. He was promoted to Professor by Tianjin Municipal Commission Science and Technology in 1991 and was elected as a member of the Chinese Academy of Engineering in 2003. Members of the Chinese Academy of Engineering is the highest academic title in engineering technology established in the PRC, which is a lifelong honor. Mr. Chen has served South China University of Technology in PRC since December 1992, and is currently the Director of the Academic Committee of the State Key Laboratory of Pulp and Paper Engineering of South China University of Technology and Professor of School of Light Industry Science and Engineering. Mr. Chen has devoted himself to the research and teaching of light industry, pulp and paper engineering for a long time, won various national science and technology awards, and has made contribution to the paper industry.

Mr. Chen did not hold directorship in other listed public companies in the last three years before the date of this circular. Mr. Chen does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.



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**APPENDIX II PARTICULARS OF RETIRING DIRECTORS STANDING FOR RE-ELECTION**

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As at the Latest Practicable Date, Mr. Chen did not have any interests in Shares within the meaning of Part XV of the SFO.

Mr. Chen has an appointment letter for a term of 1 year with the Company and pursuant to the Company's bye-laws, Mr. Chen will hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at such meeting. Thereafter, he will be subject to retirement by rotation and re-election in accordance with the Company's bye-laws. Mr. Chen is entitled to a director's fee of HK\$480,000 per annum which was determined with reference to the experience and duties of Mr. Chen as well as the prevailing market conditions and is subject to review by the remuneration committee of the Company from time to time.

Save as disclosed above, there are no other matters concerning Mr. Chen that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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**玖龍紙業(控股)有限公司\***

**NINE DRAGONS PAPER (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2689)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shareholders of the Company will be held at Studio 1, 7/F., W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Tuesday, 11 December 2018 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and independent auditor for the year ended 30 June 2018.
2. To declare the Final Dividend to be paid out of the Contributed Surplus Account of the Company for the year ended 30 June 2018.
3. (a) (i) To re-elect Ms. Cheung Yan as an executive director of the Company;  
(ii) To re-elect Mr. Ken Liu as an executive director of the Company;  
(iii) To re-elect Mr. Zhang Yuanfu as an executive director of the Company;  
(iv) To re-elect Ms. Tam Wai Chu, Maria as an independent non-executive director of the Company;  
(v) To re-elect Mr. Chen Kefu as an independent non-executive director of the Company; and  
(b) To authorise the Board to fix the Directors' remuneration.
4. To re-appoint Messrs. PricewaterhouseCoopers as auditor and to authorise the board of directors to fix its remuneration.
5. As special business, to consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions of the Company:  
(A) "THAT:
  - (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;

- (ii) the approval in sub-paragraph (i) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approvals in subparagraphs (i) and (ii) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or upon the exercise of rights of subscription or conversion under the outstanding warrants to subscribe for shares of the Company or any securities which are convertible into shares of the Company or the share option scheme of the Company or any scrip dividend in lieu of the whole or part of a dividend on shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements

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## NOTICE OF ANNUAL GENERAL MEETING

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or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

(B) **“THAT:**

- (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this resolution shall be in addition to any other authorization given to the directors of the Company and shall authorize the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the directors of the Company;
- (iii) the aggregate nominal amount of the ordinary share capital of the Company which the directors of the Company are authorised to repurchase pursuant to the approvals in sub-paragraphs (i) and (ii) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (C) “**THAT** conditional upon the resolutions numbered 5(A) and 5(B) as set out in the notice convening this meeting (the “Notice”) being passed, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares in the ordinary share capital of the Company pursuant to the resolution numbered 5(A) as set out in the Notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution numbered 5(B) as set out in the Notice.”

By Order of the Board  
**Cheng Wai Chu, Judy**  
*Company Secretary*

Hong Kong, 24 October 2018

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business in Hong Kong:*  
Unit 1, 22/F  
One Harbour Square  
181 Hoi Bun Road  
Kwun Tong  
Kowloon  
Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
2. A form of proxy for the meeting is enclosed. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority shall be deposited at the Company’s Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote.
3. To ascertain shareholder’s eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 6 December 2018 to Tuesday, 11 December 2018, both dates inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending and voting at the Annual General Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration before 4:30 p.m. on Wednesday, 5 December 2018.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. To ascertain shareholder's entitlement to the proposed final dividend upon the passing of the resolution no. 2 set out in the notice, the register of members of the Company will be closed from Tuesday, 18 December 2018 to Friday, 21 December 2018, both dates inclusive, during which period no transfers of shares shall be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration before 4:30 p.m. on Monday, 17 December 2018.
5. Each of the resolutions set out in the notice will be voted by way of poll.
6. In the event that a typhoon signal no. 8 or above is hoisted or a black rainstorm warning signal is in force on the day of the Meeting, shareholders are suggested to visit the Company's website at [www.ndpaper.com](http://www.ndpaper.com) or to contact the Company's share registrar by telephone on (852) 2980 1333 for arrangements of the Meeting.
7. The Chinese translation of this notice is for reference only. In the event of any inconsistency, the English version shall prevail.

*As at the date of this notice, Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Lau Chun Shun, Mr. Ken Liu, Mr. Zhang Yuanfu and Mr. Zhang Lianpeng are executive Directors and Ms. Tam Wai Chu, Maria, Mr. Ng Leung Sing, Mr. Lam Yiu Kin and Mr. Chen Kefu are independent non-executive Directors.*

*This circular ("Circular") (in both English and Chinese versions) has been posted on the Company's website at <http://www.ndpaper.com>. Shareholders who have chosen to receive the Company's Corporate Communications (including but not limited to annual report, summary financial report (where applicable), interim report, summary interim report (where applicable), notice of meeting, listing document, circular and proxy form) via the Company's website and for any reason have difficulty in gaining access to the Circular posted on the Company's website will promptly upon request be sent by post the Circular in printed form free of charge. Shareholders may at any time change their choice of means of receipt and language of the Corporate Communications.*

*Shareholders may request for printed copy of the Circular or change their choice of means of receipt and language of the Corporate Communications by sending reasonable notice in writing to the Company's branch registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by sending an email to [ndpaper-ecom@hk.tricorglobal.com](mailto:ndpaper-ecom@hk.tricorglobal.com).*

*Shareholders who have chosen to receive the Company's Corporate Communications in either English or Chinese version will receive both English and Chinese versions of this Circular since both languages are bound together into one booklet.*