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*Unless otherwise defined herein, terms defined in the prospectus dated 20 February 2006 (the “**Prospectus**”) issued by Nine Dragons Paper (Holdings) Limited (the “**Company**”) have the same meanings when used in this announcement.*



玖龍紙業(控股)有限公司*

NINE DRAGONS PAPER (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 2689)

STABILIZING ACTION AND END OF STABILIZATION PERIOD

- The Company announces that the stabilization period in connection with the Global Offering ended on 25 March 2006.
- The stabilizing actions undertaken during the stabilization period were: (i) the over-allocations of 150,000,000 shares in the International Placing; and (ii) the exercise in full of the Over-allotment Option referred to in the Prospectus in respect of 150,000,000 additional Shares at the Offer Price of HK\$3.40 per Share on 3 March 2006, solely to cover over-allocations of 150,000,000 Shares in the International Placing.

The Company announces that the stabilization period in connection with the Global Offering ended on 25 March 2006. During the stabilization period, the stabilizing actions undertaken were: (i) the over-allocations of 150,000,000 shares in the International Placing; and (ii) the exercise in full by BNP Paribas Peregrine Capital Limited and Merrill Lynch Far East Limited on 3 March 2006 of the Over-allotment Option referred to in the Prospectus, solely to cover over-allocations of 150,000,000 Shares in the International Placing. Pursuant to the exercise of the Over-allotment Option, the Company allotted and issued 150,000,000 additional Shares, representing 15% of the Shares initially offered under the Global Offering, at the Offer Price of HK\$3.40 per Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee), being the Offer Price per Share under the Global Offering. The details of the exercise of the Over-allotment Option are more particularly described in the Company's announcement of 3 March 2006.

This announcement is made pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong).

As at the date of this announcement, the directors of the Company are Ms. Cheung Yan, Mr. Liu Ming Chung, Mr. Zhang Cheng Fei, Mr. Wang Hai Ying, Mr. Lau Chun Shun**, Ms. Tam Wai Chu, Maria***, Mr. Chung Shui Ming, Timpson***, Dr. Cheng Chi Pang*** and Mr. Wang Hong Bo***.

On behalf of the Board
Cheung Yan
Chairman

* *for identification only*

** *Non-executive Director*

*** *Independent non-executive Directors*

Hong Kong, 27 March 2006