



ENVIRONMENT

Develop Recycling Economic Development Model in Full Force

Adhering to the philosophy of “No environmental management, no paper making”, ND Paper advocates the recycling economic development model of “Reduce, reuse and resource”. The Group not only uses recyclable paper as its raw materials, but also keeps abreast of the latest standards to continually step up its efforts on environmental protection, so that it can exceed government requirements in various environmental and energy consumption indices, establishing itself as an exemplary model of environmentally friendly enterprise with a strong edge in resource conservation.

While obtaining the certification of “China Environmental Labelling Product”, the Group has also proactively implemented the international standardised management system and passed ISO9001 certification for quality management systems, ISO14001 certification for environmental management systems, OHSAS18001 certification for occupational health and safety management systems and FSC certification for forest environmental systems.





Forest in the City

"There is no waste on this planet, only misplaced resources". ND Paper has established its general approach to upholding scientific development, green development and using recovered paper for paper making since its establishment. Among the raw material structure of our products, recovered paper accounted for over 95% of the total fibre raw materials, and over 13 million tonnes of recovered paper have been recycled and reused through our production every year. With the completion of the large-scale recovered paper recycling in paper manufacturing, we also achieved integrated recycling and reuse of various wastes generated during our production processes through research and development, technology upgrades as well as equipment enhancement.

We continued to carry out in-depth research on the management and technology for energy conservation:

100% recycling

of white water generated during the operation of paper machines after processing

Control

of pollutant generation at source

Design model

of paper machines and lightings at workshops compliant with the principles of energy conservation and consumption reduction

Effective reduction

of water and electricity consumption during the production process

Advanced Wastewater Treatment Facilities and Deodorization System

ND Paper adopted internationally leading production technologies to control the volume of wastewater generated at source. Each of the production line was installed with an advanced white water recycling system which has effectively reduced a large amount of wastewater generation and discharge.

At the end of the wastewater treatment process, we adopted a state-of-the-art five-stage water treatment process (physical + IC anaerobic + aerobic + air flotation + Fenton advanced treatment), such that our processed wastewater outperformed the national discharge standards. A large amount of methane produced during the anaerobic biological treatment of wastewater will be transmitted to the boiler for heat and electricity generation as a clean energy after biological desulfurization.

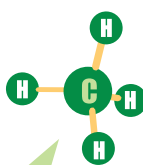
In addition, in order to thoroughly resolve the odour problem arising from treatment of wastewater generated from paper-making operations, we implemented tank topped-out, ventilation and deodorization processes at the odoriferous sources in a pioneering move for wastewater treatment in the paper-making industry.

In addition to the advanced wastewater treatment system, we are also committed to delivering optimal performance in the following aspects in methane-related environmental protection and energy conservation:



Gas emission control

- The use of low-grade fuels significantly reduces waste discharge while lowering coal consumption and hence the emission of carbon dioxide
- Heat energy and electricity generated by incinerating solid substances can be used for paper-making



Methane collection and treatment system

- Methane mainly consists of methane gas
- Technology upgrades have been conducted since 2008 to add a methane desulfurization unit
- Processed methane will be transmitted to the heat and electricity boiler system as fuel for power generation and standard coal consumption can be reduced by 60,000 tonnes per annum after the system has been put into operation
- With the installation of efficient particle filtration and desulfurization equipment, the coal fired power plants in all of our bases boast emission levels better than the approved level under PRC regulatory requirements

ND Paper is in compliance with the national standards in terms of environmental benchmarks relating to COD, BOD₅, SS and pH.



Internationally-leading Gas Treatment Facilities and Enclosed Coal Storage Domes

ND Paper adopted the state-of-the-art and highly efficient desulfurization process (limestone injection and oxidized magnesium wet scrubber at the end), two-tier dust removal process (electrostatic bag filter), low-nitrogen combustion and SCR/SNCR denitrification processes (a treatment for exhaust gas from the boiler). Through these processes, we have achieved a desulfurization efficiency ratio of over 95%, a denitrification efficiency ratio of over 85% and a dust removal efficiency ratio as high as 99.9%. This further reduced the generation and emission of NO_x in the flue gas, ensuring various indicators of flue gas outperforming the relevant national emission standards.

We are also the first in the industry to construct fully automatic and enclosed coal storage domes, which can effectively avoid fugitive dust pollution during the loading, transportation and storage of coal, thereby offering better protection for the surroundings and further improvements to the working and living environment of our staff.

ND Paper is in compliance with the national standards in terms of environmental benchmarks relating to SO₂, Dust and NO_x.



Solid Waste Disposal

ND Paper is also the first of its kind to invest in sludge drying equipments and environmentally friendly industrial waste incinerators to effectively manage its solid wastes. Advanced exhaust gas treatment facilities, bag filter dust removal unit and semi-dry desulfurization facilities are utilised in incinerators to process light slag and other solid wastes generated in paper manufacturing, with a view to recycle fiber residue to the greatest extent; while emission monitoring units have been installed to ensure real-time online monitoring of gas emission.

Moreover, in order to enhance our overall utilisation rate of solid wastes, we incinerate all solid wastes produced. The water content in the sludge is less than 40%, which is an achievement from our research and development as well as continuous promotion and application of the overall utilisation techniques of paper making, sludge drying and incineration. We have successfully incinerated sludge generated from wastewater treatment through the frame membrane filter drying process, which did not only reduce secondary pollution, but also turned all dried sludge into renewable fuel, thus saving a large amount of coal and realising recycling and zero discharge of sludge.

In addition, we have implemented a series of measures in establishing a green corporate culture:

- We have installed acoustic insulation panels and mufflers for equipments that produce heavy noise
- Noise-insulated control rooms are set up in the paper-making workshops to prevent staff from working under high noise levels for prolonged hours
- Personal noise protection devices such as earplugs are provided and employees are required to wear them during inspection around the workshop to ensure safety

Noise Pollution Control



- To ensure open and transparent environmental information, we have set up an LED display screen at the main entrance of our plant area and published key environmental data for the paper manufacturing industry to the public, such as sulfur dioxide and COD, which is currently monitored in real time by the local environmental authorities via intranet

Advocacy of Transparent Management



- A range of fundamental management systems, including the Group's environmental protection centralised control system, an operational management ledger, and a ledger for facilities and equipment inspection and maintenance, have been established
- Meanwhile, such system will also incorporate the core environmental protection equipment, process operation parameters and online monitoring data into the environmental protection SMS alarm platform, so as to maintain 24-hour online monitoring of the environmental protection operation condition of all bases of the Group

Construction of Environmental Protection Management System



- Energy-saving lights are used and lights of different zones are controlled by individual switches
- Air-conditioning is constantly set at over 26 degrees
- Lights and computers are turned off during rest hours or long breaks

Energy Saving And Environmental Protection Measures At Office Areas



Green Products

We have always regarded optimisation and upgrade of product structure as the main target of our technological innovation and focused our resources on the research and development of light weight high performance products, including testlinerboard, light weight high performance corrugating medium, recycled printing and writing paper, recycled corrugating medium, unbleached linerboard, white top linerboard, coated duplex board and coated white top linerboard. A series of environmentally friendly product with strong edge in resource conservation is leading the market towards the development of light weight paper packaging.



SOCIETY



**“RESPECT AND CARE FOR OUR STAFF;
REFINEMENT AND INNOVATION IN MANAGEMENT;
PERPETUATING A BRAND THAT THRIVES FOR A CENTURY;
PROPAGATING THE SPIRIT OF DILIGENCE”**



We have advocated the people-oriented management philosophy since our establishment. We insist on a management principle of “sustainable development with better quality control and customer service, continuous improvements of management, and better position our products with cost competitiveness in corporate development”. We believe in people-oriented, liberal, intelligent and scientific model approach of management. We put great emphasis on staff training, actively cultivating the fine qualities and positive spirits of our staff. We also continue to provide our staff of different job duties and experiences with suitable career development plans, as well as organise extensive leisure and cultural activities which are widely-welcomed by the staff. We also care about the welfare of our staff, for which we have built garden-style housing complexes and staff apartments, equipped with high quality cultural and sports centres as well as indoor and outdoor sports grounds for staff, demonstrating our commitment to provide a nice working and living environment to our employees.

1. Employment and Labor Practices

Remuneration: remuneration paid to the employees by the Company shall not lower than the minimum salary prescribed by the local government, and the Company has been committed to providing competitive remuneration level among its peers for the employees.

Termination of employment: the Company terminates the labor relationship with its employees in strict accordance with the relevant provisions of the “Labor Contract Law”. In case of resignation of the employees: prior resignation applications (30 days for regular employees and 3 days for probation employees) must be made before the Company’s approval for separation procedures.

Working hours: “three shifts by four teams(四班三倒)” working mode is adopted for the front-line employees, and regular day shift mode is adopted for other employees with 8 hours per shift. Reasonable working arrangement is made by the Company to ensure that every employee can at least have one day off after 6 days’ work and the working time for each week is less than 60 hours.

Holidays: the Company gives employees relevant holidays in strict accordance with international and local government regulations, and pays compensation for the holiday according to government regulations.

Equal opportunity, anti-discrimination and etc.: the Company’s employees come from different places, and employees from any regions who meet the job requirements are able to obtain equal working opportunities, without any discrimination.

2. Health and Safety: Compliance and Implementation of the Company's Relevant Regulations

— Occupational health and safety measures adopted

The Company purchases social insurance (including injury insurance) for all existing employees, and sets up a fire safety management department responsible for the employee health and safety management. The Company also provides safety protection supplies for all employees, and organizes physical examination in respect of occupational health for staff every year.



Develop “Rules for Management of Safety Education and Training” and refine internal training system to increase training efficiency

Carry out special inspections on the use of labor protection devices regularly, so as to ensure that employees wear corresponding labor protection devices before work in accordance with ND Paper's requirements

Organize physical examination in respect of occupational health for staff every year and continue to increase their awareness of self-protection

Invite external instructors to conduct special safety education and training sessions, so as to provide point-to-point safety trainings for different targeted positions

Invite internationally-authoritative management system experts each year on a regular basis to carry out system audits, while the Company has passed the OHSAS18001 certification for occupational health and safety management systems

Establish a fire safety culture: set up a dedicated fire services team of ND Paper and create a sound fire safety environment for corporate development. Meanwhile, we will continue to enhance the service quality of the firemen and enhance their comprehensive strengths

3. Development and Training: Provide More Internal and External Courses on the Company's Paper Training and Any Courses Paid by the Company

- The percentage of employees trained by gender and employee category (e.g. senior management, middle management etc.)
- The average training hours completed per employee by gender and employee category

During the period from 1 July 2015 to 30 June 2016, 1,091 people of the Group participated in the external trainings, principally including special operations training, professional skills training, middle-level reserve cadres cultivation, Nine Dragons Class student cultivation, etc.

During the current financial year, the Company organized 6,884 internal trainings and 175,297 people participated in such trainings, among which 197 were senior management, accounting for 0.11% of the total headcount; 5,170 were middle management, accounting for 2.95% of the total headcount.

During the current financial year, the Company carried out 195,008.8 hours of training with average training hours completed per employee of 9.96, among which 344.6 hours were attended by the senior management, accounting for 0.18% of the total hours; 6,986.9 hours were attended by the middle management, accounting for 3.58% of the total hours.

According to the type of training, 42,323 people participated in the professional ethics training, accounting for 24.1% of the total headcount; 48,292 people participated in the professional skills training, accounting for 27.55% of the total headcount; 53,846 people participated in the safety training, accounting for 30.72% of the total headcount; 12,345 people participated in the clean and civilized production training, accounting for 7.04% of the total headcount; 17,142 people participated in other types of training, accounting for 9.78% of the total headcount.



"The Nine Dragons Paper People" (《纸业玖龙人》), our corporate newsletter, is being published at each ND Paper production base at regular intervals to update employees on the latest developments of the Group, disclose outstanding achievement of our employees and provide them the opportunity to voice their opinions, thereby enhancing their loyalty to ND Paper. Moreover, staff communication sessions are being conducted through the staff union on a regular basis, where we can obtain feedbacks from our employees and understand their needs and thus allow us to devise effective solutions and make improvements, with a view to maintaining a harmonious relationship with our staff.

In order to offer our staff with a comfortable and safe living environment in the staff quarters, we continuously improve their accommodation and provide them with a variety of facilities, including air-conditioner, water heater and cooker hood, etc. Water and electricity maintenance as well as facility repair services are available 24 hours a day.

The staff quarters are equipped with various types of cultural and sports facilities, such as reading rooms, study rooms, staff recreation centres, cultural and sports centres and outdoor sports grounds. There are various multi-function halls in the staff recreation centres, including ballrooms, karaoke rooms, gyms, billiard parlours, table tennis rooms, projection rooms and chess and card rooms. The cultural and sports centres offer a number of venues of sport activities, including indoor basketball courts, badminton courts, indoor swimming pools, children playgrounds and yoga rooms, while indoor and outdoor sports grounds comprise various venues and facilities including synthetic-rubber sports tracks, football fields, basketball courts, tennis courts, volleyball courts, swimming pools, children swimming pools, children playgrounds, BBQ sites, dance areas and athletic facilities. Amenities such as supermarkets, pharmacies, restaurants and bank automated teller machines (ATM) have been introduced into these staff quarters, so as to provide our staff with a convenient living environment.



Colourful cultural life at leisure

To enrich our staff's cultural life at leisure, we also organize various types of cultural activities regularly, such as Chinese New Year gala, grand Mid-autumn Festival BBQ gathering, athletic meet, basketball tournament, football tournament, tug-of-war, swimming contest, table tennis tournament, board and card game tournament, karaoke singing contest, Master-of-Ceremony contest, reading festival, calligraphy competition, writing competition, youth gathering, fishing contest, festival celebration in park, Happy Fishing Festival activities, movie screenings, etc. We have also set up various types of associations, such as culture and arts association, the association of volunteers, as well as badminton, tennis, football, basketball and fishing associations. While complementing staff's life at leisure, we also organize dance classes, vocal classes and linguistic art classes. All of the above activities serve as a way to enhance the artistic and cultural qualities of our staff.



4. Labor Standards: Policies Relating to Preventing Child or Forced Labor and Compliance and Implementation Thereof

- Description of measures to review employment practices to avoid child or forced labor
- Description of steps taken to eliminate such practices when discovered

The Company prohibits from recruiting children under age of 16 in strict accordance with national regulations, and the youngest among the existing employees is 18.

The Company has a staff union in place with members from different departments, which can represent the interests of grass-roots employees. "Respect and care for our staff" is one of ND Paper's core values. No employees are forced to provide services to the Company.

ND Paper has been at the forefront of the industry in fulfilling its social responsibilities. Dongguan Nine Dragons Paper Industries Co., Ltd. has taken the lead in introducing SA8000 Social Responsibility Management System in the industry since 2013, and was awarded the certificate in February 2015.

5. Supply Chain Management

The number of suppliers by locations

Dongguan base: 3,016	Taicang base: 2,564	Chongqing base: 2,274
Tianjin base: 2,377	Quanzhou base: 1,452	Shenyang base: 1,200
Leshan base: 1,412	Yongxin base: 1,263	Vietnam base: 748

1. Practices relating to engaging suppliers: A comprehensive evaluation is conducted to the suppliers on company qualification (including time of inception, registered capital, scope of operation, scale of entity, etc.), manufacturing capability (including main products and production capacity, production equipment, inventory, etc.), technical competence (including patent situation, number of technicians, etc.), after-sale service ability, the certification of ISO, the capability of quality management and control, honour(s) awarded, business credibility, geographical advantages and other aspects, with the suppliers evaluated as qualified being recorded into supplier system as qualified suppliers and the failure listed as unqualified suppliers.
2. The number of suppliers to which the relevant practices are implemented: There are currently 5,677 suppliers in total within system with evaluation record.
3. How the relevant practices are implemented and monitored: The suppliers are required to provide the Company with all information for filing and evaluation, with the suppliers evaluated as qualified being recorded into supplier system for further utilization, and the unqualified not being recorded into supplier system. Our Company identifies the status of suppliers by tracking system data, and evaluates the suppliers with no evaluation record. Meanwhile, the suppliers will be tracked regularly to determine the existence of dishonesty, and the dishonest suppliers will be frozen on a timely basis.

6. Product Responsibility

Whether there are any policies on advertising, labelling and privacy matters as well as methods of redress relating to the health and safety of products and services provided by our Company:

— Percentage of total products sold or shipped subject to recalls for safety and health reasons

The Nine Dragons Group always adheres firmly to the operation philosophy of “No environmental management, no paper-making” by adding no environmentally and physically harmful substances during the process of production and regularly checking the substances of papers, which represents the customers’ concerns, through authoritative testing organizations such as SGS. By now, there has been no such circumstance where products sold or shipped are subject to recalls for safety and health reasons. At the same time, the ISO9000, 14000 and OHS18000 system certification in each bases of the Group is proactively promoted, in order to pave the way for green, environmental and ecological paper manufacturing.

— Number of products and service related complaints received and how they are dealt with

Benefited from its professional customer service team and well-established workflow of customer service, ND Paper is able to carry out all-direction works, including pre-sale, sale and after-sale works. We actively visit our customers on a regular basis and actively answer the questions raised by them. Also, we convene analysis meeting periodically and carry out customer satisfaction investigation works quarterly on the multiple questions raised by customers, so as to continue to improve the quality of products and level of service, thus satisfying the customers in a real sense.

— Description of quality assurance process and recall procedures

ND Paper carries out its production in strict compliance with ISO quality management systems related documents and its quality assurance methods and standards are mainly based on related national standards and industrial standards. In the mean time, accurate management and control is achieved through domestically and internationally advanced on-line monitoring and production, quality management system, i.e. DCS, QCS and other systems. Also, we have comprehensive product traceability management system and stringent recall management practices in place.

— Description of consumer data protection and privacy policies, and how they are implemented and monitored

The Nine Dragons Group develops the information confidential system (e.g. “The Group’s Internal Information Confidential Management Practices” (集團內部信息保密管理規範)) specifically for this provision.

For the purpose that customer data and privacy is given adequate protection, and as required by the Information Confidential Management Practices, the related responsible must keep complete secrecy of all the confidential materials and confidential information, but shall never spread them without authorization; meanwhile, the responsible is required to keep safely confidential of the data and information, and confidential materials and confidential information leak resulting from mismanagement is not allowed. The responsible shall not browse and photograph, copy and make private copies of any documents and data without authorization; and shall not discuss the secret matters in public place and refer to any secret matters in private communication. The copies of confidential materials shall be regarded and managed as if they are the original, and the waste leaf generated during the process of copying shall be destroyed in a timely manner. The passing of confidential data, for which personal service is required, shall be performed in compliance with secrecy measures. We shall implement classified management to related documents and shall control the limits of authority of the responsible to browse and download in accordance with secrecy requirements.

7. Anti-corruption

Policies on prevention of bribery, extortion, fraud and money laundering and relevant compliance regulations

— Preventive measures and whistle-blowing procedures, and how they are implemented and monitored:

1. To apply the SAP and OA, an office automation system. Through which, routinization and standardization of all the businesses is achieved, and their related loopholes will be reduced by continuous revision and improvement based on feedbacks during operation until they disappear;
2. To establish specialized audit regulatory departments. At Group level, a regular operating management audit and special audit is conducted by the "Group Audit Department (集團審計部)" quarterly to each of the production bases under the Group on a periodic basis, while the "Regulatory Commission (監管會)" is set up in each of the production bases under the Group, respectively, to conduct supervision over and management to daily works;
3. To sign the "Letter of Undertaking of Integrity (廉潔承諾書)" by all the purchasing, sales and supervision personnel, and the personnel holding positions related to economic activities in all the other departments of the Group and each of its production bases;
4. To enter into the "Non-improper Commercial Practices Agreement (禁止不正當商業行為協議)" concurrently while entering into the commercial contracts between the Group and each of its production bases and foreign parties;
5. To strictly prohibit all the in-service staff of the Group from taking part-time job or participating in the operation of affairs connected with the Group's activities without permission. Any in-service personnel, whose relatives and friends (including his/her immediate family, spouse and children) create a company by themselves, is required to file registration to regulatory department of the Company. In the event that the organizations in which the relatives and friends of the in-service personnel (including his/her immediate family, spouse, children, classmates, comrades-in-arms, etc.) work, are doing business with the Group, such personnel shall submit a list of those relatives and friends to the Group, avoid contact with them during the course of business and is strictly prohibited from divulging any information of the Group to the ex-service personnel;
6. To undertake incorruptible education and training to staff holding key positions on a regular basis;
7. To conduct a service satisfaction survey to customers and suppliers on a regular basis by the Group by issuing questionnaires and collecting advices, complaints and suggestions;
8. To open a specialized email box for complaint, i.e. the "集團投訴claim_group/NDDG/ndpaper" in the Group and establish several "President Mailbox (董事長信箱)" in each of the production bases, in order to collect the employees' complaints and suggestions. The commercial contract entered into with foreign parties shall be attached with the "Complaint Handling Guidelines (投訴處理指引)" and there shall be a notice board about the method of complaints being placed at the loading and unloading site in respective production bases;
9. Among all the matters complained about, those related to each production base will be investigated and handled by the Regulatory Commission thereof, and those with significant influence and cover a wide range will be conducted a special investigation and handled by the Group Audit Department.

COMMUNITY

Nine Dragons has been fulfilling its social responsibilities proactively with a grateful heart. It has provided more than RMB100 million to various community projects in recent years. Nine Dragons is actively involved in earthquake relief and persists in poverty relief for a long period of time. It supports education causes in various ways, e.g. establishment of "Nine Dragons Class", launch of "Nine Dragons Caring Lunches", setting up "Nine Dragons Scholarships", etc., and lights up hope for underprivileged students. Various forms of mutual assistance programs were created for staff internally. Specified funds for public welfare were set up for the continuous promotion of community projects at various production bases of the Group. All these enable us to pass on our love to society with the cultural ideology of "everyone should participate in public welfare and return to the community" and "philanthropy is everywhere and philanthropy starts from me" deeply rooted among our staff.

"The values of both individuals and corporates are measured by their contribution to society. Nine Dragons is an enterprise filled with love. We use our love to operate a happy and harmonious Nine Dragons family. With our diligent efforts, we propagate the spirit of love and happiness across our communities."

— Cheung Yan

I. The Group's management team taking part in various community projects

On behalf of the Company, the Chairlady donated RMB10 million to Sun Yat-sen University to carry out the "International Exchange Program on Long Schooling Clinical Medicine between the Sun Yat-sen University and Nine Dragons Paper (中山大學玖龍紙業長學制臨床醫學國際交流計劃)", so as to cultivate medical talents with high quality for the country.





Chairlady offering encouragement to the students from "Nine Dragons Class"



"Nine Dragons Outstanding Youngsters" awarded by Chairlady



Chairlady took participation in the activity of "Appreciation from Qiao'ai — The Post-earthquake Reconstruction of Ya'an and Lushan, Sichuan at a Glance (感恩僑愛 — 四川雅安蘆山地震災後重建巡禮)"



Mr. Liu (Deputy Chairman), took participation in the Donation Ceremony of Audio-visual Classroom by the Youth Committee (青年委員會) of China Federation of Overseas Chinese Entrepreneurs to the School of Jishishan Village, Linxia, Gansu



II. Major Community Welfare Projects Conducted by Nine Dragons

1. Nine Dragons Class, Where Wings Take Dream

"Nine Dragons Class" is a loving care project initiated by over the years by providing education as well as job and development opportunities to students from underprivileged regions. The Company has cooperated with reputable professional institutions in China to hold comprehensive pulping, paper-making & equipment training classes equivalent to high school education qualification (including vocational high school, specialized secondary school, technical school) as a starting point. The Company covers student expenses including tuition fees, books, food and accommodation during their training period of 1 year term, as well as providing monthly living allowances. Students mainly learn about pulping and paper-making technology or professional theoretical knowledge and practical skills of equipment, with onsite internships arranged in the Company. Students would receive formal college graduate certificates from institutions after passing the examination and would be assigned to related professional and technical positions in the Company. They can enjoy the same salaries and benefits as the corresponding positions for college graduates.

"Nine Dragons Class" project has been successfully established for 11 terms since 2004, with an aggregate amount of over RMB10 million donated and more than 600 professional talents trained. Today, most of them have become professional and technical experts of the Company. Some of them hold management positions such as plant managers, supervisors, etc.



2. Proactively Participate in the "Guangdong Poverty Alleviation Day"

The "Guangdong Poverty Alleviation Day" initiated by the government of Guangdong province in 2010 falls on 30 June each year. In response, ND Paper proactively participated in events organized on 30 June each year, and has made an aggregate donation of RMB80.2 million by now, in addition to various effective poverty alleviation measures, such as offering support to underprivileged people to solve practical problems and improve production and living conditions, as well as subsidising educational projects in multiple locations.



Help Wanshancun Primary School in Luhe County improve school conditions



Provide financial support to an impounding reservoir project in Hangmei, Zhoutian, Huilai, Jieyang city



Completion of impounding after construction

3. Donations to Disaster Areas

On 12 May 2008, a 8.0 Ms earthquake hit WenChuan, Sichuan Province. Immediately after hearing the news, Ms. Cheung Yan (Chairlady of the Company) donated RMB10 million to the earthquake-hit areas in Wenchuan. Later, she went to Wenchuan in person for investigation and after joining in the activity named "Join Hands for Post-disaster Reconstruction — A Journey of Well-known Overseas Chinese Entrepreneurs to Sichuan" (「攜手共建 — 知名僑資企業家四川行」), which was organised by the Overseas Chinese Affairs Office of the State Council, she decided to make a joint contribution of RMB5 million with Mr. Liu Ming Chung (Chief Executive Officer of the Company) and establish the Nine Dragons Glorious Education Special Fund (玖龍光彩教育專項基金). In addition to assistance for post-disaster reconstruction, employees from different bases of Nine Dragons made a total voluntary donation of more than RMB0.6 million.

On behalf of ND Paper, Ms. Cheung Yan (Chairlady of the Company) promptly donated another RMB10 million to the earthquake-hit areas in Yushu for rescue, relief and reconstruction works.

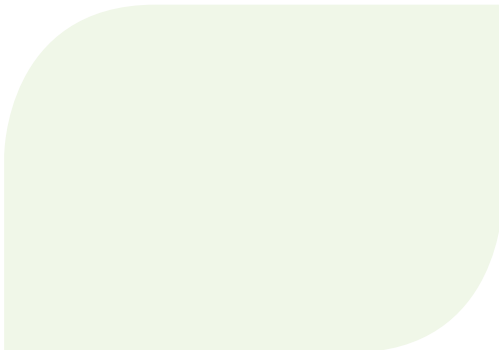




On 20 April 2014, a 7.0 Ms earthquake hit Ya'an, Sichuan Province. In support of the rescue, relief and reconstruction works by people in the affected area, Nine Dragons donated RMB10 million, together with more than RMB1 million from employees of the Company voluntarily. Later, RMB2 million was further donated for reconstruction.

In August 2014, the Nine Dragons Group donated RMB2 million to support the construction of Lushan Tunnel, one of the post-disaster reconstruction projects in Ya'an.

(After the earthquake in Ya'an in 2013, ND Paper donated RMB5 million through the Overseas Chinese Affairs Office of Guangdong province to assist the construction of Nine Dragons Qiao'ai village (玖龍僑愛新村))



Inauguration of Nine Dragons Qiao'ai village

4. Support “A Piece of Paper, Donate Your Love” Project

“A Piece of Paper, Donate Your Love” is a large charity project initiated by China Charity Federation in March 2008. It is to call people to donate old and waste paper. The proceeds from such donation will be applied to provide medical treatment to children with congenital heart diseases from underprivileged families in ethnic minority areas.

In 2016, ND Paper donated more than RMB1.7 million to “A Piece of Paper, Donate Your Love” project.



5. Nine Dragons donated RMB1 million during the “Overseas Chinese Caring Project — Lighting up new life in Tibetan Herdsmen Project” (僑愛工程——點亮藏區牧民新生活計劃) organized by the Overseas Chinese Affairs Office of the State Council in 2011.



6. Nine Dragons donated RMB0.6 million to the victims of flood and geologic hazards in Gaozhou, Guangdong province for the construction of “Heart Resettling Houses” (僑心居) in 2010.



Gaozhou victims moved into new houses

7. A total donation of more than HK\$24 million was made by Nine Dragons to various community activities in Hong Kong, including HK\$11 million to Hong Kong New Home Association and HK\$10 million to Our Hong Kong Foundation.

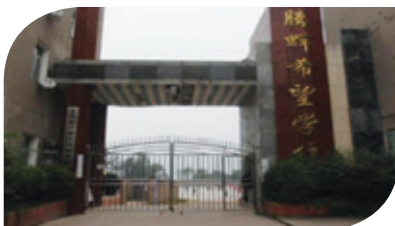


Senior management of the Group in ACCA Community Day 2016

Nine Dragons shows its care for education by the initiation of “Caring Lunches” and “Charity and Education Base”

Nine Dragons pays high attention to education at all times and is committed to make more children’s dreams come true.

From 2010, Nine Dragons commenced a charity project named “Caring Lunches”, providing “Nine Dragons Caring Lunches” to 400 (and later in 2012 increased to 800) unattended and underprivileged students in poverty-stricken mountain areas of Pengshui, Chongqing. An aggregate donation of more than RMB2 million was made by Nine Dragons.



In September 2013, Changjiang Primary School in Gaogang, Qingyuan was set as a long-term “Charity and Education Base” by, and has received constant financial assistance ever since from, Nine Dragons, who helped solve various problems such as student meals, water supply in winter, security monitoring and teaching facilities.



Since the commencement of operation of its first production line in July 1998, ND paper has made outstanding contributions to the construction of both national and local economy, including but not limited to the increase of tax income, upgrade of upstream and downstream industrial chains, development of local economy, introduction of new jobs and construction of a harmonious society, and has been awarded a number of honours such as “China Charity Prize”, “Guangdong Overseas Chinese Special Contribution Award in Commemoration of Three Decades of Economic Reform”, “Chinese Merchants Contribution Award”, “Poverty Alleviation Cotton Tree Golden Cup Award”, etc.

