
THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Samson Paper Holdings Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**SAMSON PAPER HOLDINGS LIMITED****森信紙業集團有限公司****(incorporated in Bermuda with limited liability)***(Stock Code: 731)**

**PROPOSALS INVOLVING
GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES
AMENDMENT TO BYE-LAWS
AND
RE-ELECTION OF DIRECTORS
AND
ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of the Company to be held at Elbrus Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 26th September, 2008 at 10:00 a.m. (or at any adjournment thereof), is set out on pages 13 to 16 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the principal place of business of the Company in Hong Kong at 3rd Floor, Seapower Industrial Centre, 177 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event so as to be received not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

* *For identification purpose only*

CONTENTS

| | <i>Page(s)</i> |
|---|----------------|
| Definitions | 1 |
| Letter from the Board | |
| 1. Introduction | 3 |
| 2. General Mandate to Issue New Shares | 4 |
| 3. General Mandate to Repurchase Shares | 4 |
| 4. Amendment to the Bye-laws | 4 |
| 5. Re-election of Retiring Directors | 5 |
| 6. Annual Report and Annual General Meeting | 6 |
| 7. Procedure for Demanding a Poll | 6 |
| 8. Recommendation | 7 |
| Appendix I — Explanatory Statement | 8 |
| Appendix II — Details of Directors Proposed to be Re-elected | 11 |
| Notice of Annual General Meeting | 13 |

DEFINITIONS

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

| | |
|---------------------------|---|
| “Annual General Meeting” | the annual general meeting of the Company to be held at Elbrus Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 26th September, 2008 at 10:00 a.m. or any adjournment thereof |
| “associate” | shall have the meaning ascribed to it in the Listing Rules |
| “CCASS” | the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited |
| “Company” | Samson Paper Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region, the People’s Republic of China |
| “Issue Mandate” | a general mandate to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in Ordinary Resolution no. A up to 20% of the issued share capital of the Company as at the date of passing such resolution |
| “Latest Practicable Date” | 29th August, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Ordinary Resolution(s)” | the proposed ordinary resolution(s) as referred to in item 5 of the notice of the Annual General Meeting |
| “Repurchase Mandate” | a general mandate to the Directors to exercise the power of the Company to repurchase Shares during the period as set out in Ordinary Resolution no. B up to 10% of the issued share capital of the Company as at the date of passing such resolution |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | share(s) of HK\$0.10 each in the capital of the Company |

DEFINITIONS

| | |
|----------------------|--|
| “Special Resolution” | the proposed special resolution as referred to in item 6 of the notice of the Annual General Meeting |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Codes on Takeovers and Mergers of Hong Kong |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |



SAMSON PAPER HOLDINGS LIMITED

森信紙業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 731)

Executive Directors:

Sham Kit Ying (alias Sham Kit) (*Chairman*)
Lee Seng Jin (*Deputy Chairman*)
Chow Wing Yuen
Sham Yee Lan, Peggy
Lee Yue Kong, Albert

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Non-Executive Director:

Lau Wang Yip, Eric

*Head office and principal place of
business in Hong Kong*

3rd Floor
Seapower Industrial Centre
177 Hoi Bun Road
Kwun Tong
Kowloon
Hong Kong

Independent Non-Executive Directors:

Pang Wing Kin, Patrick
Tong Yat Chong
Ng Hung Sui, Kenneth

3rd September, 2008

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS INVOLVING
GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES
AMENDMENT TO BYE-LAWS
AND
RE-ELECTION OF DIRECTORS
AND
ANNUAL GENERAL MEETING**

1. INTRODUCTION

On 25th September, 2007, general mandates were given to the Directors to exercise the powers of the Company to issue Shares and to repurchase its own Shares. These general mandates will lapse at the conclusion of the forthcoming Annual General Meeting. In view of the increasing demand from investors holding securities in the Company through CCASS for attending general meetings of the Company in person or appointing proxies to vote on

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LETTER FROM THE BOARD

their behalf, the Directors consider that it is necessary to amend the Bye-Laws of the Company so that the continuous admission of the Shares into CCASS will not be affected. The Ordinary Resolutions and the Special Resolution will therefore be proposed at the Annual General Meeting to approve, among others, general mandates to authorise the Directors to exercise the powers of the Company to repurchase its own Shares and to issue Shares, and amendment to the Bye-Laws of the Company.

The purpose of this circular is to provide you with information regarding the proposed general mandates to repurchase Shares and to issue Shares, the proposed amendment to the Bye-Laws of the Company and the proposed re-election of retiring Directors and to provide you with the notice of the Annual General Meeting.

2. GENERAL MANDATE TO ISSUE NEW SHARES

An ordinary resolution will be proposed at the Annual General Meeting to grant the Issue Mandate to the Directors, details of which are set out in Ordinary Resolution no. A.

In addition, an ordinary resolution will be proposed to extend the Issue Mandate which would increase the limit of the Issue Mandate by adding to it an amount representing the aggregate nominal amount of Shares repurchased pursuant to the Repurchase Mandate up to a maximum of 10% of the issued share capital of the Company as at the date of passing of that ordinary resolution. Details of the extension of the Issue Mandate are set out in Ordinary Resolution no. C.

3. GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors, details of which are set out in Ordinary Resolution no. B.

In accordance with the Listing Rules, an explanatory statement to provide the shareholders of the Company with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to approve the Repurchase Mandate is set out in Appendix I to this circular.

4. AMENDMENT TO THE BYE-LAWS

To cater for the increasing demand from investors holding securities in the Company through CCASS for attending general meetings of the Company in person or appointing proxies to vote on their behalf, and pursuant to the relevant requirements for continuous admission into CCASS, the Directors propose to seek the approval of the shareholders of the Company for the amendment to the Bye-Laws in order to provide for the appointment of multiple proxies or corporate representatives by a recognised clearing house (or its nominee(s)) which is a member of the Company to vote in the general meetings of the Company.

LETTER FROM THE BOARD

The Directors propose to amend Bye-Law 86(B) of the Bye-Laws of the Company such that a clearing house (or its nominee(s)) may authorise or appoint person or persons as representative or representatives or proxy or proxies at any meeting of the Company and such persons shall be deemed to have been duly authorised or appointed without the need of producing supporting evidence or documents:

The existing Bye-Law 86(B) provides that:

“If a Clearing House (or its nominee) is a member of the Company, it may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company provided that if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised under the provisions of this Bye-Law shall be entitled to exercise the same powers on behalf of the Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise if it were an individual member.”

The Directors propose that the above existing Bye-Law 86(B) be deleted in its entirety and substituted therefor the following:

“Notwithstanding any other provision of these presents, if a Clearing House (or its nominee(s)) is a member of the Company, it may authorise or appoint such person or persons as it thinks fit to act as its representative or representatives or proxy or proxies at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised or appointed, the authorisation or the instrument(s) appointing the proxy(ies) shall specify the number and class of shares in respect of which each such person is so authorised or appointed; and the person so authorised or appointed shall be deemed to have been duly authorised or appointed without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised or appointed and shall be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents in respect of the number and class of shares specified in the relevant authorisation or the instrument(s) appointing the proxy(ies) as that Clearing House (or its nominee(s)) could exercise as if it were an individual member.”

5. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-Law 99 of the Bye-Laws of the Company, Mr. Lee Seng Jin, Mr. Pang Wing Kin, Patrick and Mr. Ng Hung Sui, Kenneth will retire from their respective offices and, being eligible, offer themselves for re-election at the Annual General Meeting. Details of the Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

LETTER FROM THE BOARD

6. ANNUAL REPORT AND ANNUAL GENERAL MEETING

A copy of the annual report of the Company for the financial year ended 31st March, 2008 has been sent to you for your review.

The notice of the Annual General Meeting to be held at Elbrus Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 26th September, 2008 at 10:00 a.m. (or at any adjournment thereof), is set out on pages 13 to 16 of this circular. At the Annual General Meeting, Ordinary Resolutions to approve the Issue Mandate, the extension of the Issue Mandate, the Repurchase Mandate and the re-election of retiring Directors and the Special Resolution to approve the amendment to the Bye-Laws of the Company will be proposed.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the form of proxy to the principal place of business of the Company in Hong Kong at 3rd Floor, Seapower Industrial Centre, 177 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong in accordance with the instructions printed on the form of proxy as soon as possible and in any event so as to be received not less than 48 hours before the time appointed for the Annual General Meeting or any adjournment thereof. The completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting should you wish to do so.

7. PROCEDURE FOR DEMANDING A POLL

Pursuant to the Bye-Laws of the Company, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules or regulations or unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (a) the chairman of the meeting; or
- (b) at least three shareholders of the Company present in person or by proxy or authorised representative for the time being entitled to vote at the meeting; or
- (c) any shareholder or shareholders of the Company present in person or by proxy or authorised representative and holding between them not less than one-tenth of the total voting rights of all shareholders of the Company having the right to attend and vote at the meeting; or
- (d) any shareholder or shareholders of the Company present in person or by proxy or authorised representative and holding Shares conferring a right to attend and vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

LETTER FROM THE BOARD

8. RECOMMENDATION

The board of Directors are pleased to recommend the retiring Directors, details of whom are set out in Appendix II to this circular, for re-election at the Annual General Meeting.

The Directors consider that the granting to them of the Issue Mandate and the Repurchase Mandate, the proposed amendment to the Bye-Laws of the Company and the re-election of the retiring Directors are in the interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend that all shareholders of the Company should vote in favour of the Ordinary Resolutions and the Special Resolution to be proposed at the Annual General Meeting.

By Order of the Board
SHAM Kit Ying
Chairman

This Appendix I contains the particulars which are required by the Listing Rules to be included in an explanatory statement to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the Repurchase Mandate.

- (1) As at the Latest Practicable Date, the issued share capital of the Company comprised 429,258,039 Shares.

Subject to the passing of the relevant Ordinary Resolution for approving the Repurchase Mandate, and on the basis that no further Shares would be issued or repurchased prior to the Annual General Meeting, the Company would be allowed to repurchase a maximum of 42,925,803 Shares (representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date) under the Repurchase Mandate.

- (2) The Directors believe that it is in the interests of the Company and its shareholders for the Directors to have the Repurchase Mandate. 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 only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.
- (3) In repurchasing its own Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-Laws, the applicable laws of Bermuda and the Listing Rules. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profit that would otherwise be available for dividend or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable may only be paid out of either the profits that would otherwise be available for dividend or out of the share premium or contributed surplus accounts of the Company.
- (4) There might be material adverse impact on the working capital or gearing levels of the Company as compared with the position disclosed in the latest published audited consolidated financial statements of the Company in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company as compared with the position disclosed in the latest published audited consolidated financial statements of the Company which in the opinion of the Directors are from time to time appropriate for the Company.
- (5) None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by shareholders of the Company.

- (6) The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchase of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Memorandum and Bye-Laws of the Company and the applicable laws and regulations of Bermuda.
- (7) If as a result of a share repurchase, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a shareholder or group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following persons (together the "Concert Group"), who are presumed to be acting in concert, were interested in an aggregate of 296,676,556 Shares, representing approximately 69.11% of the issued share capital of the Company within the meaning of Part XV of the SFO as recorded in the registers required to be kept by the Company under Sections 336 and 352 of the SFO:

| Name | Number of Shares | Approximate Percentage of Shareholding |
|----------------------------------|---------------------|--|
| Mr. Lee Seng Jin (<i>Note</i>) | | |
| — Personal interest | 279,964,000 | |
| — Family interest | 16,712,556 | |
| | 296,676,556 | 69.11% |
| Ms. Sham Yee Lan, Peggy | | |
| — Personal interest | 572,556 | |
| — Corporate interest | 16,140,000 | |
| — Family interest | 279,964,000 | |
| | 296,676,556 | 69.11% |

Note: Mr. Lee Seng Jin is the husband of Ms. Sham Yee Lan, Peggy.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate and assuming that the shareholdings of the Concert Group as disclosed in this circular and the issued share capital of the Company remain unchanged, the interests of the Concert Group in the Shares would be increased to approximately 76.79% of the issued share capital of the Company and such increase would not give rise to any obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

In any event, the Repurchase Mandate will be exercised only if the number of Shares held by the public would not fall below 25%.

- (8) No purchase of Shares (whether on the Stock Exchange or otherwise) has been made by the Company in the six months prior to the Latest Practicable Date.
- (9) No connected person (as defined in the Listing Rules) has notified the Company that he has any present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders of the Company.
- (10) The following table shows the highest and lowest prices at which the Shares had been traded on the Stock Exchange in each of the twelve months prior to the Latest Practicable Date:

| Month | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
|--------------|-------------------------------|------------------------------|
| 2007 | | |
| August | 2.40 | 0.98 |
| September | 2.40 | 1.58 |
| October | 1.90 | 1.55 |
| November | 2.08 | 1.62 |
| December | 1.97 | 1.77 |
| 2008 | | |
| January | 2.17 | 1.36 |
| February | 1.99 | 1.42 |
| March | 1.83 | 1.32 |
| April | 1.56 | 1.20 |
| May | 1.39 | 1.23 |
| June | 1.28 | 0.85 |
| July | 1.15 | 0.71 |
| August | 0.89 | 0.66 |

The following are the particulars of the Directors who will be retiring from their respective offices and be proposed to be re-elected at the Annual General Meeting in accordance with the Bye-Laws of the Company:

Mr. LEE Seng Jin, an executive Director, aged 51, is the Deputy Chairman and Chief Executive Officer of the Group. Mr. Lee joined the Group since 1997. Mr. Lee is responsible for the formulation of the Group's corporate strategies and development. Mr. Lee is also the Non Executive Chairman of United Pulp and Paper Company Limited, a company listed in Singapore.

He is the husband of Ms. Sham Yee Lan, Peggy (an executive Director) and the son-in-law of Mr. Sham Kit Ying (the Chairman of the Company and an executive Director). Save as disclosed above, Mr. Lee does not have any relationship with other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Lee has a personal interest in 279,964,000 Shares and family interests in 16,712,556 Shares within the meaning of Part XV of the SFO.

The service contract of Mr. Lee does not contain any provision on the term of his appointment. However, he is subject to retirement by rotation pursuant to the Bye-Laws of the Company. Pursuant to his service contract, Mr. Lee received emoluments of a total value of approximately HK\$7,325,000 for the financial year ended 31st March, 2008, of which approximately HK\$3,600,000 is discretionary bonus. For the financial year ending 31st March, 2009, Mr. Lee will be entitled to a remuneration of HK\$3,725,000 per annum. Mr. Lee will also be entitled to discretionary bonus as may be decided by the board of Directors having regard to the Group's profitability. His emoluments are determined by the board of Directors with reference to the Group's performance and profitability as well as remuneration benchmark in the industry and the prevailing market conditions.

The Directors are not aware of any other matter in respect of the proposed re-election of Mr. Lee as an executive Director required to be disclosed pursuant to any of the requirements of the provision under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which the Directors consider necessary to be brought to the attention of the shareholders of the Company.

Mr. PANG Wing Kin, Patrick, an independent non-executive Director, aged 52, is a qualified accountant and has over 25 years of working experience in the auditing, finance and general management areas. He is a member of the CPA Australia, the Hong Kong Institute of Certified Public Accountants and the Institute of Internal Auditors of the United Kingdom. Mr. Pang has been an independent non-executive Director since 1995. He is currently the Vice President, Finance of an international corporation. Mr. Pang did not hold any directorship in other listed public company in the last three years.

Mr. Pang does not have any relationship with other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Pang did not have any interest in the Shares within the meaning of Part XV of the SFO.

The service contract of Mr. Pang does not contain any provision on the term of his appointment. However, he is subject to retirement by rotation pursuant to the Bye-Laws of the Company. Pursuant to his service contract, the director's fee of Mr. Pang as an independent non-executive Director and also as a member of the audit committee of the Company is HK\$80,000 for the financial year ended 31st March, 2008. For the financial year ending 31st March, 2009, Mr. Pang will be entitled to receive a remuneration of HK\$80,000 per annum. The director's fee of Mr. Pang is based on the negotiation between Mr. Pang and the Company and is determined by the board of Directors with reference to the prevailing market conditions.

The Directors are not aware of any other matter in respect of the proposed re-election of Mr. Pang as an independent non-executive Director required to be disclosed pursuant to any of the requirements of the provision under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which the Directors consider necessary to be brought to the attention of the shareholders of the Company.

Mr. NG Hung Sui, Kenneth, an independent non-executive Director, aged 41, is a solicitor practicing in Hong Kong. He is currently a partner of a local law firm. He has also been a member of the Criminal Law and Procedure Committee of the Law Society of Hong Kong since January 2007. He was appointed as a Notary Public of Hong Kong in April 2008. Mr. Ng holds a Bachelor's degree in Laws and has been admitted as a solicitor in Hong Kong. He was also admitted as a solicitor in England and Wales and as a legal practitioner in Tasmania, Australia. He was appointed as an independent non-executive Director of the Company in 2005. Mr. Ng is an independent non-executive director of Mexan Limited (Stock Code: 22).

Mr. Ng does not have any relationship with other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Ng did not have any interest in the Shares within the meaning of Part XV of the SFO.

The service contract of Mr. Ng does not contain any provision on the term of his appointment. However, he is subject to retirement by rotation pursuant to the Bye-Laws of the Company. Pursuant to his service contract, the director's fee of Mr. Ng as an independent non-executive Director and also as a member of remuneration committee is HK\$80,000 for the financial year ended 31st March, 2008. For the financial year ending 31st March, 2009, Mr. Ng will be entitled to receive a remuneration of HK\$80,000 per annum. The director's fee of Mr. Ng is based on the negotiation between Mr. Ng and the Company and is determined by the board of Directors with reference to the prevailing market conditions.

The Directors are not aware of any other matter in respect of the proposed re-election of Mr. Ng as an independent non-executive Director required to be disclosed pursuant to any of the requirements of the provision under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which the Directors consider necessary to be brought to the attention of the shareholders of the Company.



SAMSON PAPER HOLDINGS LIMITED

森信紙業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 731)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Samson Paper Holdings Limited (the “Company”) will be held at Elbrus Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Admiralty, Hong Kong on Friday, 26th September, 2008 at 10:00 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the audited statement of accounts and the reports of the directors and auditors for the year ended 31st March, 2008.
2. To declare a final dividend for the year ended 31st March, 2008.
3. To re-elect the retiring directors of the Company (the “Directors”) and authorize the board of Directors (the “Board”) to fix the remuneration of the Directors.
4. To re-appoint auditors and authorize the Board to fix their remuneration.

As Special Business

5. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

Ordinary Resolutions

A. “THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting is required by law and the Bye-Laws of the Company to be held; and (iii) the revocation or variation of the approval given in this Resolution by an ordinary resolution of the shareholders of the Company in general meeting) of all powers of the Company to allot, issue and deal with additional shares in the capital of

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

the Company and make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares of the Company to be allotted, issued or dealt with during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved; and

- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval referred to in paragraph (a) of this Resolution, otherwise than pursuant to (i) a rights issue (for the purposes of this Resolution, “rights issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the Directors to holders of shares of the Company whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their holdings of such shares of the Company (or, where appropriate, such other securities) as at that date (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements 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 applicable to the Company)), or (ii) an issue of shares of the Company pursuant to a scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of the dividend on shares of the Company in accordance with the Bye-Laws of the Company, or (iii) an issue of shares of the Company upon the exercise of any subscription or conversion rights attaching to any warrants or any securities which are convertible into shares of the Company, or (iv) an issue of shares of the Company upon exercise of options under any option scheme or similar arrangement for the time being adopted by the Company for the grant or issue of shares of the Company or rights to acquire shares of the Company, or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution, and the said approval shall be limited accordingly.”

B. “THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of all powers of the Company to repurchase its own shares 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 is recognized by Securities and Futures Commission of Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and regulations, during the Relevant Period (being the period from the passing of this Resolution until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law and the Bye-Laws of the Company to be held; and (iii) the revocation or variation of the approval given in this Resolution by an ordinary resolution of the shareholders of the Company in general meeting) be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval referred to in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution, and such approval shall be limited accordingly; and
- (c) the approval referred to in paragraph (a) of this Resolution shall, where permitted by applicable laws and regulations and subject to the limitation in paragraph (b) of this Resolution, extend to permit the purchase of shares of the Company by subsidiaries of the Company.”

C. “**THAT** conditional upon Resolution Nos. A and B set out in item 5 of the notice of the meeting of which this Resolution forms a part being passed, the general mandate granted to the Directors pursuant to Resolution No. A set out in item 5 of the notice of the meeting of which this Resolution forms a part be and is hereby extended by the addition to the aggregate nominal amount of shares of the Company which may be allotted and issued of an amount representing the aggregate nominal amount of shares of the Company repurchased by the Company pursuant to the mandate granted pursuant to Resolution No. B set out in item 5 of the notice of the meeting of which this Resolution forms part, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution.”

- 6. To consider and, if thought fit, pass the following resolution as a special resolution:

Special Resolution

“**THAT** the Bye-Laws of the Company be and are hereby amended by deleting the existing Bye-Law 86(B) in its entirety and substituting therefor the following:

“(B) Notwithstanding any other provision of these presents, if a Clearing House (or its nominee(s)) is a member of the Company, it may authorise or appoint such person or persons as it thinks fit to act as its representative or representatives or proxy or proxies at any meeting of the Company or at any

NOTICE OF ANNUAL GENERAL MEETING

meeting of any class of members of the Company provided that, if more than one person is so authorised or appointed, the authorisation or the instrument(s) appointing the proxy(ies) shall specify the number and class of shares in respect of which each such person is so authorised or appointed; and the person so authorised or appointed shall be deemed to have been duly authorised or appointed without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised or appointed and shall be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents in respect of the number and class of shares specified in the relevant authorisation or the instrument(s) appointing the proxy(ies) as that Clearing House (or its nominee(s)) could exercise as if it were an individual member.””

By Order of the Board
LEE Yue Kong, Albert
Company Secretary

Hong Kong, 3rd September, 2008

Head Office:

3rd Floor, Seapower Industrial Centre
177 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Note: A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the principal place of business of the Company in Hong Kong at 3rd Floor, Seapower Industrial Centre, 177 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong (so as to be received) not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).

As at the date of this notice, the Board comprises five executive Directors, namely Mr. SHAM Kit Ying, Mr. LEE Seng Jin, Mr. CHOW Wing Yuen, Ms. SHAM Yee Lan, Peggy and Mr. LEE Yue Kong, Albert, one non-executive Director, namely Mr. LAU Wang Yip, Eric and three independent non-executive Directors, namely Mr. PANG Wing Kin, Patrick, Mr. TONG Yat Chong and Mr. NG Hung Sui, Kenneth.