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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 to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in **Samson Paper Holdings Limited**, you should at once hand this circular, together with the enclosed proxy form, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**SAMSON PAPER HOLDINGS LIMITED**

**森信紙業集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 731)**

**MAJOR TRANSACTION IN RELATION TO THE  
DISPOSAL OF 22.30% EQUITY INTEREST IN  
MISSION SKY GROUP LIMITED**

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A letter from the board of directors of Samson Papers Holding Limited (the “Company”) is set out on pages 4 to 11 of this circular.

A notice convening a special general meeting (the “SGM”) of the Company to be held at 3/F Seapower Industrial Centre, 177 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 15 March 2012 at 4:30 p.m. is set out on pages 18 to 20 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the principal office of the Company at 3/F Seapower Industrial Centre, 177 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so desire.

\* *For identification purpose only*

Hong Kong, 27 February 2012

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 8 February 2012 in relation to the Disposal and the Disposal Agreement
“Balance”	has the meaning ascribed to it in the section headed “Consideration” in the Letter from the Board set out in this circular
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturdays) on which banks are generally open for transactions of normal banking business in Hong Kong
“BVI”	the British Virgin Islands
“Company”	Samson Paper Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms of the Disposal Agreement
“Completion Date”	the date on which Completion takes place
“Condition”	has the meaning ascribed to it in the section headed “Conditions Precedent” in the Letter from the Board set out in this circular
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Sale Shares
“CP Share”	the convertible non-voting preference shares of HK\$0.10 each in the capital of the Company
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the sale and purchase agreement dated 8 February 2012 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares
“Extended Long Stop Date”	has the meaning ascribed to it in the section headed “Conditions Precedent” in the Letter from the Board set out in this circular

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## DEFINITIONS

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“First Payment”	has the meaning ascribed to it in the section headed “Consideration” in the Letter from the Board set out in this circular
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholder(s) other than DaiEi Papers (HK) Limited
“Latest Practicable Date”	23 February 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	has the meaning ascribed to it in the section headed “Conditions Precedent” in the Letter from the Board set out in this circular
“Mission Sky”	Mission Sky Group Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Vendor as at the Latest Practicable Date
“Mission Sky Group”	Mission Sky and its subsidiaries
“Parties”	collectively, the Vendor and the Purchaser
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this circular
“Purchaser”	Kokusai Pulp and Paper Company Limited, a company incorporated in Japan
“Remaining Group”	the Group immediately after Completion
“RM”	Malaysian Ringgit, the lawful currency of Malaysia
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	2,230 shares representing 22.30% of the issued share capital of Mission Sky as at the Latest Practicable Date and as at Completion
“SGD”	Singapore dollars, the lawful currency of Singapore

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## DEFINITIONS

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“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal Agreement, the Shareholders’ Agreement and the transactions contemplated thereunder
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among the Vendor, the Purchaser and Mission Sky on Completion
“Share(s)”	ordinary share(s) of the Company of HK\$0.10 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UPPI”	UPP Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Mission Sky
“UPP-SD”	遠通紙業(山東)有限公司 (Universal Pulp & Paper (Shandong) Co., Ltd.*), a company incorporated in the PRC with limited liability and a 90% owned subsidiary of UPPI
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Skyway Top Holdings Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company
“%”	per cent

\* For identification purpose only



**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:*

Mr. SHAM Kit Ying (*Chairman*)  
Mr. LEE Seng Jin  
Mr. CHOW Wing Yuen  
Ms. SHAM Yee Lan, Peggy  
Mr. LEE Yue Kong, Albert

*Non-executive Director:*

Mr. LAU Wang Yip, Eric

*Independent Non-executive Directors*

Mr. PANG Wing Kin, Patrick  
Mr. TONG Yat Chong  
Mr. NG Hung Sui, Kenneth

*Registered Office:*

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Principal Place of Business  
in Hong Kong:*

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

27 February 2012

*To the Shareholders and, for information only, holders of the CP Shares*

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO THE  
DISPOSAL OF 22.30% EQUITY INTEREST IN  
MISSION SKY GROUP LIMITED**

**1. INTRODUCTION**

Reference is made to the Announcement whereby the Board announced that, on 8 February 2012, the Vender (a wholly-owned subsidiary of the Company) entered into the Disposal Agreement with the Purchaser whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares representing 22.30% of the issued share capital of Mission Sky for a consideration of USD38,050,975. Upon Completion, the

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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Vendor, the Purchaser and Mission Sky shall enter into the Shareholders' Agreement in respect of the management and activities of Mission Sky and the rights and duties of the Parties with respect to their interests in Mission Sky and UPPI after Completion.

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the shareholders of the Company. The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, DaiEi Papers (HK) Limited, a wholly-owned subsidiary of the Purchaser holds 20,000,000 Shares representing approximately 1.75% of the issued share capital of the Company and is thus required to abstain from voting at the SGM. So far as the Directors are aware, no other Shareholders are required to abstain from voting at the SGM.

The purposes of this circular are to provide you with further information regarding, among other things, details of the Disposal Agreement, the Shareholders' Agreement and the transactions contemplated thereunder, the financial information of the Company, and the notice to convene the SGM.

## 2. THE DISPOSAL AGREEMENT

### Date

8 February 2012

### Parties

- (i) Vendor: Skyway Top Holdings Limited; and
- (ii) Purchaser: Kokusai Pulp and Paper Company Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

### *Assets to be disposed of:*

The assets to be disposed of under the Disposal Agreement are the Sale Shares, being 2,230 shares representing 22.30% of the issued share capital of Mission Sky as at the Latest Practicable Date and on Completion.

Mission Sky is an investment holding company established for the purpose of holding UPPI. As at the Latest Practicable Date, UPPI owns 90% equity interest of UPP-SD and the Company holds the remaining 10% equity interest in UPP-SD through another wholly-owned subsidiary.

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## LETTER FROM THE BOARD

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The principal activity of Mission Sky is investment holding. The principal activity of UPPI is investment holding of UPP-SD and it is also engaged in trading of various paper products. UPP-SD is principally engaged in manufacturing and trading of paper products in the PRC.

Set out below are the financial information extracted from (i) the unaudited consolidated management accounts of the Mission Sky Group for the year ended 31 March 2010 and 31 March 2011; and (ii) the unaudited consolidated management accounts of the Mission Sky Group for the six months from 1 April 2011 to 30 September 2011 prepared in accordance with the Hong Kong Financial Reporting Standards:

	<b>For the six months from 1 April 2011 to 30 September 2011</b>	<b>For the year ended 31 March 2011</b>	<b>For the year ended 31 March 2010</b>
	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>
Turnover	717.1	699.8	508.2
Profit before taxation	40.2	45.3	26.8
Profit after taxation	34.2	45.3	26.8
Net assets	465.5	420.6	274.3

As UPP-SD was owned as to 90% by Mission Sky through UPPI and 10% by another wholly-owned subsidiary of the Company, the unaudited equity value of the Mission Sky Group as at 30 September 2011 amounted to approximately HK\$418,950,000, representing the unaudited consolidated net asset value of the UPP-SD of the same date after excluding the 10% minority interest held by the other shareholder of UPP-SD.

*Consideration:*

The consideration for the Sale Shares shall be USD38,050,975 which has been/ shall be paid by the Purchaser to the Vendor in the following manner:

- (i) a sum of US\$3,805,097, being 10% of the Consideration, has been paid within 3 Business Days from the date of signing of the Disposal Agreement (“**First Payment**”); and
- (ii) a sum of US\$34,245,878, being the balance of the Consideration, shall be paid on Completion (“**Balance**”).

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## LETTER FROM THE BOARD

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If (other than due to the default of the Vendor) the Purchaser shall fail to observe or comply with any of the terms and conditions of the Disposal Agreement or the Purchaser shall fail to make payment of the Balance, then without prejudice to any other rights and remedies available to the Vendor under the Disposal Agreement or provided by law:

- (i) the Vendor shall be entitled to forfeit the First Payment (together with all interest accrued thereon) in accordance with the terms of the Disposal Agreement; and
- (ii) the Vendor shall be at liberty if it sees fit, by notice to the Purchaser, to terminate the Disposal Agreement.

The Consideration was determined after arms' length negotiations between the Vendor and the Purchaser and represented approximately 3.2 times of the unaudited equity value of the Mission Sky Group as at 30 September 2011 attributable to the Sale Shares and an excess of approximately HK\$201.5 million over the unaudited equity value of the Mission Sky Group as at 30 September 2011 attributable to the Sale Shares of approximately HK\$93.4 million.

*Conditions precedent:*

Completion of the Disposal Agreement is conditional upon the passing of resolution(s) to approve the Disposal Agreement and the Disposal by the Independent Shareholders at the SGM (the "**Condition**").

In the event that the Condition has not been fulfilled by 31 March 2012 (the "**Long Stop Date**"), the Parties shall discuss with a view to agreeing in writing to extend such date to a subsequent date (the "**Extended Long Stop Date**") for the relevant party to fulfill the outstanding Condition. If by the Long Stop Date or (where the Parties have agreed to an Extended Long Stop Date), the Extended Long Stop Date, the Condition has not been fulfilled, the Disposal Agreement shall, unless the Parties otherwise agree in writing, lapse and be of no further effect and the First Payment (to the extent that it is actually received by the Vendor) shall be refunded in full (together with all interest thereon received by the Vendor) to the Purchaser.

*Completion:*

The Completion is scheduled to take place within ten Business Days after the fulfilment of the Condition as notified in writing by the Vendor to the Purchaser, or such other date as the Parties may agree in writing.

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## LETTER FROM THE BOARD

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### 3. THE SHAREHOLDERS' AGREEMENT

Upon Completion, the Vendor, the Purchaser and Mission Sky will enter into the Shareholders' Agreement in respect of the ownership, management and activities of Mission Sky and the rights and duties of the Parties with respect to their interest in Mission Sky and UPPI after Completion. The principal terms of the Shareholders' Agreement are summarized as follows:

**Board composition:** Unless otherwise agreed by the Parties, Mission Sky shall have a maximum of six (6) directors, of which the Vendor shall be entitled to nominate a maximum of five (5) directors and the Purchaser shall be entitled to nominate one (1) director.

**Dividend policy:** Unless otherwise resolved by the board of Mission Sky, the directors of Mission Sky shall procure the board of directors of UPP-SD to distribute net profits of UPP-SD in the range of twenty (20)% to thirty (30)% of its net profits after tax (and all other necessary deductions and provisions as the directors of UPP-SD may determine) for the relevant financial year to UPPI by way of dividend, which shall in turn be distributed by UPPI to Mission Sky in full and by Mission Sky to its shareholders in proportion to their respective shareholdings in Mission Sky.

**Funding:** Mission Sky shall be responsible for raising the funds necessary to carry on the business of Mission Sky and/or its subsidiaries.

In case Mission Sky cannot raise funds on its own responsibility and if the Parties agree to finance such funds, the Parties shall, unless otherwise agreed, make loans in favor of Mission Sky in proportion to their then existing shareholdings in Mission Sky.

**Transfer of shares of Mission Sky:** After the execution of the Shareholders' Agreement, no new member may be accepted without the prior consent in writing of all the shareholders of Mission Sky and in accordance with the terms and conditions of the Shareholders' Agreement. Any new member proposed to be admitted shall, as a condition of such admission, agree to be bound by all the provisions contained in the Shareholders' Agreement so far as such provisions are applicable.

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## LETTER FROM THE BOARD

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Default: A Party is deemed to have defaulted under the Shareholders' Agreement upon the occurrence of any of the following events if:

- (i) any Party fails to perform any obligations under the Shareholders' Agreement and shall fail to remedy the breach, if capable of remedy, within 30 days after being given written notice by the other Party to do so;
- (ii) any Party is unable to or omits to pay its debts as they fall due or enters into any composition or arrangement with its creditors generally;
- (iii) any decree or order is made by any competent court in any jurisdiction adjudging any Party insolvent or any resolution is passed for the appointment of any liquidator, receiver or similar official in respect of all or a substantial part of its assets; and
- (iv) any Party is being wound-up.

Upon the occurrence of any of the aforesaid events of default, the non-defaulting Party shall have the right (but not an obligation) to acquire the shares in Mission Sky of the defaulting Party at a price which is equivalent to the fair value per share as determined and certified in writing by the auditors for the time being of Mission Sky.

#### 4. GENERAL INFORMATION

The Group is principally engaged in investment holding, manufacturing, trading and marketing of paper products, the trading of consumable aeronautic parts and marine services.

The Purchaser, based in Japan and established since 1924, is a trading conglomerate and principally engaged in trading and marketing of paper and board. The Purchaser has more than 20 sales offices all over the world, including the United States of America (Los Angeles), South America (Sao Paulo), Asia Pacific regions (Hong Kong, Singapore, Seoul, Melbourne, Taipei, Jakarta, Manila, Bangkok, Kuala Lumpur, Penang and Ho Chi Minh), South Africa (Johannesburg), India (Bangalore, Delhi, Mumbai) and China (Shanghai). Its products include paper and board, pulp, waste paper, packaging materials and machineries. For the financial year ended 31 March 2011, the Purchaser and its subsidiaries recorded a turnover of approximately US\$3.5 billion.

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## LETTER FROM THE BOARD

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### 5. FINANCIAL EFFECTS OF THE DISPOSAL

Immediately after Completion, Mission Sky will continue to be a subsidiary of the Company and the Purchaser will own a non-controlling interest in the Mission Sky Group sharing 22.30% of the net assets of Mission Sky Group of approximately HK\$93,410,000. In return, the Remaining Group will have an increase in cash of US\$38,050,975, being the Consideration paid by the Purchaser.

It is expected that upon Completion, there would be no immediate material effect on the earnings of the Group. It is expected that the Remaining Group will recognize an increase in reserve of approximately HK\$179.2 million, being the Consideration less the unaudited equity value of the Mission Sky Group to be disposed as at 30 September 2011 attributable to the Sale Shares of approximately HK\$93.4 million and estimated direct transaction costs of approximately HK\$22.4 million which are expected to be incurred.

### 6. REASONS FOR THE DISPOSAL

With an introduction of the Purchaser as a strategic business partner, the manufacturing operation of Mission Sky Group will be raised to a new position with an international distribution network for its paper products apart from its existing domestic market, as well as a more competitive position for sourcing of raw materials used for its production; as a result, the earnings capability of its manufacturing operation is expected to be increased and Mission Sky Group is expected to have a higher growth potential in the coming years.

The Board also considers that the Disposal also benefits the Group by (i) unlocking the value of the manufacturing operation and setting a benchmark for its future valuation, it is believed that the Disposal may also enable the Group to attract more investors' attention, demand higher valuation and raise more funds in future given its earnings growth prospects are expected to enhance after the Purchaser's investment; (ii) enlarging the capital base and provision of funds for expanding the production capability and working capital needs of the Group; and (iii) enhancing the liquidity position of the Group.

Based on the above, the Board considers that the terms of the Disposal Agreement and the Shareholders' Agreement are fair and reasonable and the entering into of the Disposal Agreement and the Shareholders' Agreement is in the interests of the Company and the Shareholders as a whole.

The Company currently intends to apply the sale proceeds from the Disposal for meeting its general working capital requirement.

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## LETTER FROM THE BOARD

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### 7. LISTING RULES IMPLICATION

As one of the applicable percentage ratios in respect of the Disposal exceeds 25% but all applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction for the Company which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The results of the poll will be published on the websites of the Company and the Stock Exchange following the SGM.

Any Shareholder with a material interest in the Disposal Agreement or the transactions as contemplated thereunder or his/her associates shall abstain from voting at the SGM. As at the Latest Practicable Date, DaiEi Papers (HK) Limited, a wholly-owned subsidiary of the Purchaser, holds 20,000,000 Shares representing approximately 1.75% of the issued share capital of the Company and is thus required to abstain from voting at the SGM. So far as the Directors are aware, no other Shareholders are required to abstain from voting at the SGM.

### 8. RECOMMENDATION

The Directors consider that the Disposal Agreement and the Shareholders' Agreement are fair and reasonable and all transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including all independent non-executive Directors) recommends the Shareholders to vote in favour of the ordinary resolutions as set out in the notice of the SGM.

Your attention is drawn to the additional information as set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of  
**SAMSON PAPER HOLDINGS LIMITED**  
**Mr. Sham Kit Ying**  
*Chairman*

**1. INDEBTEDNESS STATEMENT**

At the close of business on 31 January 2012, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular:

**(i) Debt Securities**

the Group did not have any debt securities issued and outstanding, or authorized or otherwise created but unissued, or any term loans;

**(ii) Borrowings**

the Company continued to provide corporate guarantees on banking facilities granted to its subsidiaries. The amounts of facilities utilized by the subsidiaries amounted to approximately HK\$2,133 million, comprising bank loans of approximately HK\$1,472 million, trust receipt loans of approximately HK\$656 million and finance leases of approximately HK\$5 million, details of which are set out below:

	<i>HK\$' million</i>
Bank loans	
— Secured	94
— Unsecured	1,378
Trust receipt loan	
— Secured	236
— Unsecured	420
Finance leases	<u>5</u>
Total	<u><u>2,133</u></u>

Save as disclosed above, and apart from any intra-group liabilities and normal trade payables in the ordinary course of the business of the Group, the Group did not have any other outstanding borrowings or indebtedness in the nature of borrowing, including any bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, or hire purchase commitments;

**(iii) Charges**

the Group had no mortgages or charges other than the pledging of certain land, buildings and investment properties in Hong Kong of the Company's subsidiaries, with a total carrying value of approximately HK\$281 million, to banks as securities for bank loans of approximately HK\$94 million and trust receipt loans of approximately HK\$236 million granted to the Group; and

**(iv) Contingent liabilities**

the Group did not have any contingent liabilities or guarantees.

*For the purpose of the above statement of indebtedness, amounts denominated in RMB have been translated into Hong Kong dollars at an exchange rate of RMB1 = HK\$1.2315; amounts denominated in SGD have been translated into Hong Kong dollars at an exchange rate of SGD1 = HK\$6.2341; and amounts denominated in RM have been translated into Hong Kong dollars at an exchange rate of RM1 = HK\$2.5661.*

**2. WORKING CAPITAL**

Taking into account the expected completion of the Disposal and the financial resources available to the Group, including the internally generated funds and the available banking facilities, the directors of the Company are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular.

**3. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP**

As disclosed in the interim report of the Company for the period from 1 April 2011 to 30 September 2011, there was a significant increase in the domestic supply of paper products during the said period while the new addition of supply has not yet been fully absorbed by the market demand. Against this background, given that the domestic economy is blessed with an outlook that is more optimistic than other western countries, the Group believes that these impacts will merely linger for a short term. In the long run, a balance can be struck between paper supply and demand. The paper industry can thus sustain positive development.

To flexibly keep ahead of the developments in the macro-economic environment, the Group will strive to make itself well-positioned to enhance its own strengths. In fact, the cost and financial control measures exercised by the Group have been proved to be effective. This is an indication of the adequate execution capacity of the Group. Looking ahead, the Group will further tighten customer credit in order to further reduce the turnover days of accounts receivable, and will use cash on hand even more efficiently. Also, the Group will offer high value-added services for quality customers to reduce credit risk. The Group believes that the said targeted measures will help the Group meet different challenges in the future.

Leveraging on the widespread distribution network built by the Group over the years, together with the synergies of the paper manufacturing business, a solid foundation has been laid for the Group's business. The Group will adopt a flexible business development strategy. The Group will continue to enhance its competitive edges and capture each and every opportunity for promoting its development, with a vision to deliver the best return for the Shareholders.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive or any of their respective associates is taken or deemed to have under such provisions of the SFO); or (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

### Long position in shares of the Company

#### Ordinary Shares

Name of Director	Capacity	Personal interest	Corporate interest	Family interest	Total number of Shares held	Approximate % of total issued shares
Mr. LEE Seng Jin	Beneficial owner	128,459,688	688,533,247 <i>(Note 1)</i>	33,425,112	850,418,047	74.53%
Ms. SHAM Yee Lan, Peggy	Beneficial owner	1,145,112	32,280,000	816,992,935	850,418,047	74.53%
Mr. CHOW Wing Yuen	Beneficial owner	1,080,000	—	—	1,080,000	0.09%

*CP Shares*

Name of Director	Capacity	Personal interests	Corporate interests	Family interests	Total number of CP Shares held	Approximate % of total issued CP Shares
Mr. LEE Seng Jin	Beneficial owner	—	132,064,935 <i>(Note 1)</i>	—	132,064,935	100.00%

*Note:*

- The 688,533,247 Shares and 132,064,935 CP Shares are held by Quinselle Holdings Limited which is wholly owned by Mr. Lee Seng Jin. Mr. Lee Seng Jin is therefore deemed under the SFO to be interested in such Shares and CP Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares or underlying shares or debentures of, the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) required to be entered in the register required to be kept under Section 352 of the SFO or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Other than those interests disclosed above, as at the Latest Practicable Date, the Directors and chief executives of the Company also hold shares of certain subsidiaries of the Company solely for the purpose of ensuring that the relevant subsidiary has more than one member.

### 3. SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years from the date of their respective contract and each of such service contracts will continue thereafter but are subject to retirement by rotation and re-election pursuant to the Company's bye-laws until terminated by either party concerned with not less than three months' notice in writing.

As at the Latest Practicable Date, none of the Directors had entered, or prepare to enter, into a service contract with a member of the Group which does not expire or is not terminable within one year without payment of compensation (other than statutory compensation).

### 4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and his/her associates (as defined under the Listing Rules) had any interests in any business which competed or may compete, either directly or indirectly, with any business of the Group.

**5. OTHER INTERESTS**

As at the Latest Practicable Date, none of the Directors or proposed Directors had any direct or indirect interest in any assets which had since 31 March 2011 (being the date which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

**6. MATERIAL CONTRACTS**

There were no contracts (not being contracts entered into in the ordinary course of business) entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date and which are or may be material except for the Disposal Agreement.

**7. LITIGATION**

As at the Latest Practicable Date, the Directors were not aware of any litigation or claims of material importance which were pending or threatened against any members of the Group.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at the principal office of the Company at 3rd Floor, Seapower Industrial Centre, 177 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong from the date of this circular and the date of the SGM:

- (a) the memorandum of association and the bye-laws of the Company;
- (b) service contracts referred to in the paragraph headed "Service contracts" in this appendix;
- (c) the Disposal Agreement;
- (d) the published annual report of the Company for each of the two financial years ended 31 March 2010 and 2011; and
- (e) the published interim report of the Company for the six months ended 30 September 2011.

**9. MISCELLANEOUS**

- (i) The company secretary of the Company is Mr. LEE Yue Kong, Albert. He is an associate member of the Institute of Chartered Accountants in Australia and the Hong Kong Institute of Certified Public Accountants.
- (ii) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.
- (iii) The Company's principal place of business in Hong Kong is situated at 3rd Floor, Seapower Industrial Centre, 177 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.
- (iv) The principal share registrar and transfer office of the Company is Butterfield Corporate Services Limited situated at 6 Front Street, Hamilton, Bermuda.
- (v) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited situated at Shop 1712–1716, 17th Floor, Hopewell centre, 183 Queen's Road East, Hong Kong.
- (vi) The English text of this circular, the notice of the SGM and the accompanying proxy form prevail over their respective Chinese texts in case of inconsistency.



**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 special general meeting of **Samson Paper Holdings Limited** (the “**Company**”) will be held at 3/F Seapower Industrial Centre, 177 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 15 March 2012 at 4:30 p.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as ordinary resolution of the Company:

**ORDINARY RESOLUTION**

“**THAT:**

- (a) (i) the sale and purchase agreement dated 8 February 2012 (the “**Disposal Agreement**”) entered into between Skyway Top Holdings Limited (the “**Vendor**”), a wholly-owned subsidiary of the Company, and Kokusai Pulp and Paper Company Limited (the “**Purchaser**”) in relation to the sale and purchase of 2,230 shares in Mission Sky Group Limited (“**Mission Sky**”) representing 22.30% of the issued share capital of Mission Sky (the “**Disposal**”) (a copy of the Disposal Agreement has been produced at the meeting and marked “A” and initialed by the chairman of the meeting for the purpose of identification); (ii) the shareholders’ agreement (the “**Shareholders’ Agreement**”) to be entered into among the Vendor, the Purchaser and Mission Sky on the date on which the completion of the Disposal shall take place in accordance with the terms of the Disposal Agreement (a copy of the Shareholders’ Agreement has been produced at the meeting and marked “B” and initialed by the chairman of the meeting for the purpose of identification); and all transactions contemplated thereunder and in connection therewith, be and are hereby approved, ratified and confirmed; and

\* *For identification purpose only*

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## NOTICE OF SPECIAL GENERAL MEETING

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(b) the board of the directors of the Company (the “**Board**”) be and is hereby authorised for and on behalf of the Company to execute all such documents and agreements and do such acts or things as they may in their discretion consider to be necessary, desirable or expedient to implement or give effect to or in connection with or incidental to the Disposal Agreement, the Shareholders’ Agreement and the transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the Board, in the interests of the Company.”

By Order of the Board  
**SAMSON PAPER HOLDINGS LIMITED**  
**Mr. Sham Kit Ying**  
*Chairman*

Hong Kong, 27 February 2012

*Registered Office:*  
Canon’s Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Principal place of business in Hong Kong:*  
3rd Floor  
Seapower Industrial Centre  
177 Hoi Bun Road  
Kwun Tong  
Kowloon  
Hong Kong

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## NOTICE OF SPECIAL GENERAL MEETING

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**Notes:**

- (1) Any member of the Company entitled to attend and vote at the special general meeting of the Company may appoint another person as his proxy to attend and vote instead of him. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint up to two proxies to attend on the same occasion.
- (2) The instrument appointing a proxy and 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 lodged with the Company's principal place of business at 3rd Floor, Seapower Industrial Centre, 177 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the special general meeting or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
- (3) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, votes of the shareholders of the Company at the special general meeting shall be taken by poll.

*As at the date of this notice, the executive directors of the Company are, Mr. SHAM Kit Ying, Mr. LEE Seng Jin, Mr. CHOW Wing Yuen, Ms. SHAM Yee Lan, Peggy and Mr. LEE Yue Kong, Albert, non-executive director of the Company is Mr. LAU Wang Yip, Eric and the independent non-executive directors of the Company are Mr. PANG Wing Kin, Patrick, Mr. TONG Yat Chong and Mr. NG Hung Sui, Kenneth.*