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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)

**PROPOSAL FOR ADOPTION OF
THE NEW SHARE OPTION SCHEME
AND
NOTICE OF SGM**

A notice convening the SGM to be held at 10/F., United Centre, 95 Queensway, Hong Kong on Friday, 18 September 2015 at 11:30 a.m. (or as soon as possible immediately following the conclusion or adjournment of the annual general meeting of the Company to be held on the same date) is set out on pages 18 to 20 of this circular. A form of proxy for use at the SGM is enclosed herewith. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy enclosed 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 the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

* *For identification purpose only*

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DEFINITIONS

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

“2004 Share Option Scheme”	the share option scheme adopted by the Company on 26 February 2004;
“Adoption Date”	the date on which the New Share Option Scheme is adopted by resolution of the Shareholders in general meeting;
“Board”	the board of Directors, and in the Appendix to this circular, references to “Board” shall mean the board of directors of the Company or a duly authorised committee thereof for the time being, including the independent non-executive directors of the Company;
“Business Day”	means a day (other than a Saturday or a Sunday) on which licensed banks generally are open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities;
“Bye-Laws”	the bye-laws of the Company, as amended from time to time;
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time);
“Company”	Samson Paper Holdings Limited;
“connected person”	has the meaning ascribed thereto in the Listing Rules;
“Conversion Rate”	the basis upon which each holder of CP Shares is entitled to convert its CP Shares into fully paid Shares and, as at the Latest Practicable Date, being one Share for every CP Share;
“core connected person”	has the meaning ascribed thereto in the Listing Rules;
“CP Shares”	the convertible non-voting preference shares of HK\$0.10 each in the capital of the Company;
“Date of Grant”	the date (which shall be a Business Day) on which the grant of an Option is made to (and subject to acceptance by) an Eligible Person as determined in accordance with the New Share Option Scheme;
“Director(s)”	director(s) of the Company;
“Eligible Person(s)”	means any employee (whether full time or part-time, including any director) of the Company, its subsidiaries or Invested Entity or such other persons as the Board may approve from time to time, have contributed to the Company or the Group;

DEFINITIONS

“Grantee”	an Eligible Person who accepts the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) the legal personal representative(s) entitled under the New Share Option Scheme to exercise any such Option in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Invested Entity”	any entity in which the Group holds any equity interest;
“Latest Practicable Date”	26 August 2015, being the latest practicable date for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the SGM, a summary of the principal terms of which is set out in the Appendix to this circular;
“Option(s)”	an option to subscribe for Shares pursuant to the terms of the New Share Option Scheme;
“Option Period”	means a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised;
“SGM”	a special general meeting of the Company to be convened and held at 10/F., United Centre, 95 Queensway, Hong Kong on Friday, 18 September 2015 at 11:30 a.m. (or as soon as possible immediately following the conclusion or adjournment of the annual general meeting of the Company to be held on the same date) or any adjournment thereof;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Shareholders”	holders of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option, subject to adjustment in accordance with the New Share Option Scheme;

DEFINITIONS

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong; and
“%” 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 (*Chairman*)
LEE Seng Jin (*Deputy Chairman*)
CHOW Wing Yuen
SHAM Yee Lan, Peggy
LEE Yue Kong, Albert

Non-executive Director:

LAU Wang Yip, Eric

Independent Non-executive Directors:

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

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Hong Kong

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

3/F, Seapower Industrial Centre
177 Hoi Bun Road
Kwun Tong
Kowloon
Hong Kong

1 September 2015

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

Dear Sir or Madam,

**PROPOSAL FOR ADOPTION OF
THE NEW SHARE OPTION SCHEME**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed adoption of the New Share Option Scheme and to set out the notice of SGM.

* *For identification purpose only*

LETTER FROM THE BOARD

2. NEW SHARE OPTION SCHEME

The 2004 Share Option Scheme had a term of 10 years and had expired on 25 February 2014. In view of the expiry of the 2004 Share Option Scheme, the Board proposes to adopt the New Share Option Scheme. The New Share Option Scheme will become effective after all the conditions precedent as referred to under the paragraph headed “Conditions precedent of the New Share Option Scheme” below have been fulfilled.

As at the Latest Practicable Date, there were a total of 1,141,075,827 Shares in issue and the Company also has 132,064,935 CP Shares in issue. Assuming that there is no change in issued share capital of the Company between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be issued pursuant to the New Share Option Scheme and any other schemes (if any) will be 114,107,582 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date, unless the Company obtains a fresh approval from its Shareholders to renew the 10% limit on the basis that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

The Company currently does not have any plan and is not contemplating to grant any share options.

3. PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix to this circular. The terms of the New Share Option Scheme are in line with the provisions of Chapter 17 of the Listing Rules, which governs the terms of the share option schemes of listed companies.

There is no trustee appointed for the purposes of the New Share Option Scheme.

4. VALUE OF THE OPTIONS

The Directors consider that it is not appropriate to state the value of all Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the value the Options have not been determined. Such variables include but are not limited to the exercise price, exercise period and any performance targets set. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

LETTER FROM THE BOARD

5. CONDITIONS PRECEDENT OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme is conditional upon:

- (1) the passing of an ordinary resolution by the Shareholders in general meeting to approve the adoption of the New Share Option Scheme; and
- (2) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any new Shares which may fall to be issued and allotted pursuant to the exercise of the Options under the New Share Option Scheme.

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

Once the New Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of material nature, must be approved by the Shareholders, except where the alterations take effect automatically pursuant to the terms originally provided in the New Share Option Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolution to be proposed at the SGM approving the New Share Option Scheme.

6. POSSIBLE ADJUSTMENT TO THE CONVERSION RATE OF THE CP SHARES

One of the factors for determining the Subscription Price in respect of each Share issued pursuant to the exercise of Options granted under the New Share Option Scheme is the prevailing market value of the Shares on the Date of Grant, while the reference date for determining whether there will be any adjustment to the Conversion Rate of the CP Shares as a result of a grant of options by the Company is the prevailing market value of the Shares on the date of announcement of such grant. Following the adoption of the New Share Option Scheme, the Conversion Rate of the CP Shares in issue may be adjusted if the prevailing market value of the Shares on the date of announcement of the grant of Options is higher than the Subscription Price in respect of the relevant Options granted. If any adjustment is required to be made in accordance with the terms of the CP Shares, the Company will determine and announce the appropriate adjustment (if any) to the Conversion Rate and the number of Shares which may fall to be issued upon the conversion of the CP Shares following the grant of Options.

LETTER FROM THE BOARD

7. ACTION TO BE TAKEN

The SGM is to be held for the purposes of seeking the approval of the Shareholders of the adoption of the New Share Option Scheme. A notice convening the SGM to be held at 10/F., United Centre, 95 Queensway, Hong Kong on Friday, 18 September 2015 at 11:30 a.m. (or as soon as possible immediately following the conclusion or adjournment of the annual general meeting of the Company to be held on the same date) is set out on pages 18 to 20 of this circular.

A form of proxy for use at the SGM is enclosed herewith. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy enclosed 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 the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

8. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

9. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the rules of the New Share Option Scheme is available for inspection 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 during normal business hours from the date of this circular up to and including the date of the SGM, which is a period of not less than 14 days before the date of the SGM.

10. RECOMMENDATION

The Directors consider that the adoption of the New Share Option Scheme is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the ordinary resolution to be proposed at the SGM.

11. 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 Group. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information

LETTER FROM THE BOARD

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.

By order of the Board
Samson Paper Holdings Limited
Sham Kit Ying
Chairman

The following is a summary of the principal terms of the New Share Option Scheme to be approved at the SGM. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme. The Directors reserve the right at any time prior to the SGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary of this Appendix.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME AND CONDITIONS

The purpose of the New Share Option Scheme is to provide incentives to Eligible Persons to contribute to the Group and to enable the Group to recruit high-calibre employees and attract human resources and business relationships that are valuable to the Group and any Invested Entity.

2. ELIGIBLE PERSONS OF THE NEW SHARE OPTION SCHEME

Any employee (whether full time or part-time, including any director) of the Company, its subsidiaries or Invested Entity or such other persons as the Board may approve from time to time, who have contributed to the Company or the Group are eligible to participate in the New Share Option Scheme. Subject to the terms and conditions under the New Share Option Scheme, the Board may at its absolute discretion grant Options to Eligible Persons. In determining the basis of eligibility of each Eligible Person, the Board would take into account such factors as the Board may at its discretion consider appropriate.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (a) The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 10% of the number of Shares in issue as at the Adoption Date, unless the Company obtains an approval from its Shareholders pursuant to sub-paragraphs 3(b) or 3(c). Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating such 10% limit.
- (b) The Company may seek approval of its Shareholders in general meeting to refresh the 10% limit set out in sub-paragraph 3(a) under the New Share Option Scheme such that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of approval to refresh such limit. Options previously granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised Options) will not be counted for the purpose of calculating such limit as refreshed. In such a case, the Company shall send a circular to its Shareholders containing the information required under the Listing Rules.

- (c) The Company may seek separate approval of its Shareholders in general meeting for granting options beyond the 10% limit set out in sub-paragraphs 3(a) or (b) (as the case may be) provided that the Options in excess of such limit are granted only to the Eligible Persons specially identified by the Company before such approval is sought. In such case, the Company shall send a circular to its Shareholders containing a generic description of the specified Eligible Person(s) who may be granted such Options, the number of Shares subject to the Options to be granted, the terms of the Options to be granted, the purpose of granting Options to the specified Eligible Person(s), an explanation as to how the terms of these Options serve such purpose, and such other information as required under the Listing Rules.
- (d) The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share options schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time (or such higher percentage as may be allowed under the Listing Rules). No options may be granted under the New Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.
- (e) If the Company conducts a share consolidation or subdivision after the 10% limit set out in sub-paragraphs 3(a) or (b) (as the case may be) has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under all of the share option schemes of the Company under the 10% limit set out in sub-paragraphs 3(a) or (b) (as the case may be) as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

4. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

Unless approved by Shareholders in the manner as set out in this paragraph, the total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Person under the New Share Option Scheme or any other share option scheme adopted by the Company (including both exercised, cancelled and outstanding Options) in any 12-month period must not exceed 1% of the total number of Shares in issue. Where any further grant of Options to a Eligible Person would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Eligible Person under the New Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Person and such Eligible Person's close associates (within the meaning as ascribed under the Listing Rules) (or his associates if the Eligible Person is a connected person) abstaining from voting. The Company shall send a circular to its Shareholders containing, amongst other terms, the identity of such Eligible Person, the number and the terms of the Options to be granted (and options previously

granted to such Eligible Person), and such other information as required under the Listing Rules. The number and terms (including the Subscription Price) of Options to be granted to such Eligible Person shall be fixed before shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Subscription Price.

5. OPTION PERIOD

- (a) The period within which the Options must be exercised will be specified by the Company at the time of grant. This period must expire no later than 10 years from the relevant Date of Grant (being the Business Day on which the Board resolves to make an offer of Option to the relevant Grantee). The Board may also provide restrictions on the exercise of an Option during the period an Option may be exercised.
- (b) If the Grantee is an Eligible Person and ceases to be an Eligible Person for any reason other than death or for serious misconduct or other grounds referred to in sub-paragraph 5(d) below before exercising his Option in full, the Option (to the extent which has become exercisable and not already exercised) will lapse on the date of cessation and will not be exercisable unless the Board otherwise determines in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part (but if in part only in respect of a board lot for dealing in Shares on the Stock Exchange or any integral multiple thereof) within such period as the Board may determine following the date of such cessation, which will be taken to be the last day on which the Grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.
- (c) If the Grantee is an Eligible Person and ceases to be an Eligible Person by reason of his death before exercising the Option in full, his personal representative(s) may exercise the Option (to the extent which has become exercisable and not already exercised) in whole or in part (but if in part only in respect of a board lot for dealing in Shares on the Stock Exchange or any integral multiple thereof) within a period of 12 months, following the date of death or such longer period as the Board may determine.
- (d) If the Grantee is an Eligible Person and ceases to be an Eligible Person by reason that he has been guilty of misconduct or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Eligible Person's service contract with the Company or the relevant subsidiary or the relevant Invested Entity, his Option will lapse automatically on the date the Eligible Person ceases to be an employee of the relevant member of the Group or Invested Entity.

- (e) If the Board at its absolute discretion determines that the Grantee of any Option (other than an Eligible Person) or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally, the Board shall determine that the outstanding Option granted to the Grantee shall lapse. In such event, his Option will lapse automatically and will not in any event be exercisable on or after the date on which the Board has so determined.
- (f) If a general offer (whether by takeover offer, merger, privatisation proposal, by scheme of arrangement between the Company and its members or otherwise in like manner other than a compromise or arrangement specified in paragraph (h)) is made to all the holders of Shares whether or not including an offer of the CP Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise in full the Option (to the extent not already exercised) at any time until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of 14 days after the date on which the offer becomes or is declared unconditional, after which the Option shall lapse.
- (g) In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two Business Days prior to the date on which such resolution is passed, exercise his Option (to the extent which has become exercisable and not already exercised) to its full extent in accordance with the provisions of the New Share Option Scheme. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.
- (h) If a compromise or arrangement between the Company and its members or creditors is proposed, the Company shall give notice to all Option holders on the same date as it despatches to each member or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Option holder shall be entitled to exercise all or any of his Options in whole at any time not later than five Business Days prior to the proposed date of the meeting directed to be convened by the Court for the purposes of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all Option holders to exercise their respective Options shall

forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall to the extent that they have not been exercised thereupon lapse and determine.

6. GRANT OF OPTIONS

- (a) Any grant of Options to an Eligible Person who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as such term is defined in the Listing Rules) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee).
- (b) Where any grant of Options is proposed to be made to an Eligible Person who is a substantial shareholder or an independent non-executive Director, or any of their respective associates (as such term is defined in the Listing Rules), which would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) under the New Share Option Scheme and any other share option schemes of the Company in the 12-month period up to and including the Date of Grant:
 - (i) representing in aggregate over 0.1% of the total number of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders in general meeting. In such case, the Company shall send a circular to its Shareholders containing all those terms as required under the Listing Rules. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll. Such Grantee, his/her associates and all core connected persons (as such term is defined in the Listing Rules) of the Company shall abstain from voting at such general meeting.

7. PERFORMANCE TARGET AND THE OTHER CONDITIONS

The New Share Option Scheme does not require a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. In the event that the Board resolves to impose any performance target or minimum period on the grant of an Option which decision may vary on a case by case basis, such terms should be stated in the offer to the relevant Eligible Person.

8. PAYMENT ON ACCEPTANCE OF AN OPTION

An Option shall be regarded as having been accepted when the duplicate of the grant letter, comprising acceptance of the Option, duly signed by the Eligible Person together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within 28 days from the Date of Grant. The remittance shall not be refundable.

9. SUBSCRIPTION PRICE

Subject to any adjustments made pursuant to paragraph 13, the Subscription Price in respect of each Share issued pursuant to the exercise of Options granted under the New Share Option Scheme shall be determined by the Board and notified to an Eligible Person at the time the grant of the Option(s) (and subject to acceptance by) the Eligible Person and shall be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a Business Day;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Date of Grant; and
- (c) the nominal value of a Share on the Date of Grant.

10. RIGHTS ATTACHING TO NEW SHARES

The new Shares to be issued upon the exercise of an Option will be subject to all the provisions of the Bye-laws and the Companies Act and will rank *pari passu* in all respects with the fully paid Shares in issue on the relevant issue date of the new Shares, and accordingly will entitle the holders to vote and participate in all dividends or other distributions or capitalization issue or rights issue paid or made on or after the relevant issue date (including those arising on the liquidation of the Company), other than any dividend or other distribution or entitlement previously declared to be paid or made with respect to a record date before the relevant issue date.

11. DURATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be valid and effective for a period of 10 years from the date of fulfilment of the conditions precedent for the New Share Option Scheme.

12. LAPSE OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;

- (b) the expiry of the periods referred to in sub-paragraphs 5(b) to (h) above; or
- (c) where the Grantee commits a breach of paragraph 15, the date on which the Board shall exercise the Company's right to cancel the Option.

13. ADJUSTMENTS RELATING TO REORGANISATION OF CAPITAL STRUCTURE

In the event of any capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange whilst any Option remains exercisable, excluding any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in respect of a transaction to which the Company is a party, corresponding adjustments (if any) shall be made in:

- (a) the number or nominal amount of Shares comprised in the Options so far as outstanding and unexercised; and/or
- (b) the Subscription Price,

provided that any such adjustments shall be made such that the proportion of the issued share capital of the Company to which an Option entitles the Grantee to subscribe after such adjustment must be in the same proportion as that to which the Option entitled the Grantee to subscribe immediately before such adjustment, but so that no such adjustment shall be made to the extent that the effect of such adjustments would be to enable any Share to be issued at less than its nominal value (if any). The issue of Shares as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any adjustments required referred to in this paragraph, other than any made on a capitalisation issue, an independent financial adviser or the Company's auditors (acting as experts and not as arbitrators) shall confirm to the Directors in writing that the adjustments satisfy the requirements mentioned in this sub-paragraph and those set out in the note to rule 17.03(13) of the Listing Rules having regard to the supplementary guidance set out in the letter issued by the Stock Exchange dated 5 September 2005 and any further guidance/interpretation of Rule 17.03(13) of the Listing Rules. The capacity and role of the independent financial adviser or the Company's auditors pursuant to this paragraph is that of experts and not of arbitrators and their confirmation shall (in the absence of manifest error) be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Company's auditor shall be borne by the Company.

14. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be granted or accepted but the provisions of the New Share Option Scheme shall remain in force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required

in accordance with the provisions of the New Share Option Scheme, and all Options granted and accepted prior to such termination but not then exercised shall continue to be valid and exercisable subject to and in accordance with the New Share Option Scheme and their terms of issue. After such termination, details of the Options granted (including Options exercised or outstanding) under the New Share Option Scheme are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking approval of the first new scheme established after such termination.

15. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interests (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee (to the extent that it has not already been exercised) without incurring any liability on the part of the Company.

16. ALTERATION OF THE NEW SHARE OPTION SCHEME

- (a) Those specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Eligible Persons without the prior approval of Shareholders in general meeting.
- (b) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of the Options granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the then existing terms of the New Share Option Scheme.
- (c) Any change to the authority of the Directors or scheme administrators in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.
- (d) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements under Chapter 17 of the Listing Rules.

17. CANCELLATION OF OPTIONS

- (a) The Board may at any time at its absolute discretion effect the cancellation of any Options granted but not exercised.
- (b) Where the Company cancels any Options granted but not exercised and grants new Options to the same Grantee, such grant of new Options may only be made under the New Share Option Scheme if there is available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders as referred to in paragraph 3 above.

18. RESTRICTION ON THE TIME OF GRANT OF OPTIONS

A grant of Options may not be made after inside information has come to the knowledge of the Company until the Company has announced the information. In particular, during the period commencing one month immediately before the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. No Option may be granted during any period of delay in publishing results announcement.



SAMSON PAPER HOLDINGS LIMITED

森信紙業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 731)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Samson Paper Holdings Limited (the “**Company**”) will be held at 10/F., United Centre, 95 Queensway, Hong Kong on Friday, 18 September 2015 at 11:30 a.m. (or as soon as possible immediately following the conclusion or adjournment of the annual general meeting of the Company to be held on the same date) for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the ordinary shares of HK\$0.10 each in the capital of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options that may be granted under the new share option scheme of the Company (the rules of which are contained in the document marked “A” produced to the meeting and signed by the chairman of the meeting for the purpose of identification) (the “**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including but without limitation:

- (a) to manage and administer the New Share Option Scheme;
- (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);

* *For identification purpose only*

NOTICE OF SGM

- (c) the Directors be and are hereby authorised to grant options to subscribe for Shares in accordance with the rules of the New Share Option Scheme and the Listing Rules as at the date of passing this resolution, and to issue and allot from time to time such number of Shares as may fall to be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme and subject to the Listing Rules;
- (d) to make application at the appropriate time or times to the Stock Exchange; and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for listing of and permission to deal in any Shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme; and
- (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By Order of the Board
Samson Paper Holdings Limited
Mr. Sham Kit Ying
Chairman

Hong Kong, 1 September 2015

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

Principal Place of Business in Hong Kong:
3/F, Seapower Industrial Centre
177 Hoi Bun Road
Kwun Tong
Kowloon
Hong Kong

NOTICE OF SGM

Notes:

1. 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.
2. In order to be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney, must be deposited at the principal place of business in Hong Kong 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 meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the meeting convened or any adjournment thereof, if he so wishes. If such member attends and votes at the meeting, his form of proxy is to be regarded as revoked.

As at the date of this notice, the Board comprises of 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.