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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 ACQUISITION OF ALL THE REMAINING ASSETS OF PROPERTIES OF 山東華眾紙業有限公司 (Shandong Huazhong Paper Co., Ltd.*) AND 山東華彩紙業有限公司 (Shandong Huacai Paper Co., Ltd.*)

FURTHER DELAY IN DESPATCH OF CIRCULAR

Reference is made to the Announcement dated 20 February 2008, Delay Despatch Announcement dated 12 March 2008 and Further Delay Despatch Announcement dated 11 April 2008 of the Company in relation to the Acquisition. The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules to further extend the time of despatch of the Circulars from 16 May 2008 to be on or before 30 June 2008.

Reference is made to the announcement dated 20 February 2008 (the “**Announcement**”), delay despatch of circular announcement dated 12 March 2008 (the “**Delay Despatch Announcement**”) and further delay despatch announcement dated 11 April 2008 (the “**Further Delay Despatch Announcement**”) of Samson Paper Holdings Limited (the “**Company**”) in relation to the acquisition of all the remaining assets of properties of Shandong Huazhong Paper Co., Ltd. and Shandong Huacai Paper Co., Ltd. Unless otherwise defined, capitalised terms used herein shall have the same meaning as those used in the Announcement.

With reference to the waiver granted by the Stock Exchange on 11 April 2008 from strict compliance with Rule 14.38 of the Listing Rules to extend the time of despatch of the Circulars from 14 April 2008 to be on or before 16 May 2008.

The Company is still in the process of obtaining the valuer's report. A PRC legal opinion is required for the valuer to issue the valuer's report. However, as the PRC lawyers are still in the process of preparing the legal opinion because they are awaiting receipt of supporting documents from the relevant authorities in PRC, the valuer's report is still unavailable. It is expected to be finalised or obtained on or before 16 June 2008.

Since the publication of the Further Delay Despatch Announcement dated 11 April 2008 and up to the date hereof, the Company has already obtained all bank confirmations in relation to their existing banking facilities for the period covering from 31 March 2008 to 31 March 2009 to ascertain the sufficiency of the working capital and to confirm their existing banking facilities. However, due to delay in despatch of Circulars, the end of period covered under the obtained bank confirmations exceed the requirement on the bank confirmations which should cover at least 12 months from the date of the Circulars as required under the "Statement 3.340 of Auditing Guideline issued by Hong Kong Institute of Certified Public Accountants" for the professional accountants in order to ascertain the sufficiency of the working capital of the Company. As such, the Company has already resent all bank confirmations for revised covered period up to 31 July 2009 and it is expected that all the revised bank confirmations will be obtained on or before 16 June 2008.

In view of above, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules to further extend the time of despatch of the Circulars from 16 May 2008 to be on or before 30 June 2008.

By Order of the Board
SHAM Kit Ying
Director

Hong Kong, 16 May 2008

As at the date hereof, 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.

* *For identification purpose only*