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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)

**Proposed Open Offer with an assured allotment of
One Offer Convertible Non-voting Preference Share for Every 3 Existing Shares
Held at HK\$0.70 per Offer Convertible Non-voting Preference Share
Underwritten by**

QUINSELLE HOLDINGS LIMITED

**Bonus Issue of Warrants
in the Proportion of one Warrant for every six Shares
held on the Warrant Record Date**

The Company proposes to raise approximately HK\$100.16 million, before expenses, by issuing not less than 143,086,013 Offer CP Shares by way of Open Offer at a price of HK\$0.70 per Offer CP Share with an assured allotment of one Offer CP Share for every three existing Shares held on the Record Date. The Open Offer will be available only to the Qualifying Shareholders.

HK\$14,308,601.30 of the authorised but unissued share capital of the Company will be reclassified and designated into 143,086,013 convertible non-voting preference shares of HK\$0.10 each in the capital of the Company having the special rights and restrictions as more particularly set out in the section headed “Terms of the CP Shares to be created” in the full text of this announcement. Resolutions will therefore be proposed at the SGM to approve the increase of the authorised share capital of the Company and the amendments to the Bye-Laws of the Company in order to entrench the terms of the CP Shares. A circular containing further information on the amendments to the Bye-Laws together with the notice of SGM will be despatched to the Shareholders as soon as practicable.

As at the date of this announcement, Quinselle is interested in 219,620,000 Shares, representing approximately 51.16% of the existing issued share capital of the Company. The Company entered into the Underwriting Agreement with Quinselle and Mr. Lee Seng Jin, its controlling shareholder, on 24 September 2008, pursuant to which Quinselle agreed to apply (or procure application) for the entire number of the Offer CP Shares in the assured allotments in which Quinselle is beneficially interested as Shareholder and to underwrite the remaining Offer CP Shares. Save for those Offer CP Shares for which Quinselle agreed to apply, the Open Offer is fully underwritten by Quinselle.

The invitation to apply for the Offer CP Shares is not transferable nor capable of renunciation and there will not be any trading of entitlements to apply for Offer CP Shares on the Stock Exchange.

The Open Offer is conditional. Details of the conditions of the Open Offer are set out in the section headed “Conditions of the Open Offer” in the full text of this announcement below. **Accordingly, the Open Offer may or may not proceed. Investors are advised to exercise caution when dealing in the Shares.** To qualify for the Open Offer, a Shareholder (other than a Non-Qualifying Shareholder) must be registered as a member of the Company on the Record Date. Any transfers of Shares (with relevant certificates) must be lodged for registration by 4:30 p.m. on Friday, 17 October 2008 with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. The register of members of the Company will be closed from Monday, 20 October 2008 to Friday, 24 October 2008 (both days inclusive). No transfer of Shares will be registered during this period. Existing Shares will be dealt in on an ex-entitlements basis for the Open Offer from Thursday, 16 October 2008.

The Board also proposed a conditional bonus issue of Warrants to Shareholders (other than a Non-Qualifying Shareholder) whose names appear on the register of members of the Company on the Warrant Record Date on the basis of one Warrant for every six Shares (whether Ordinary Shares or CP Shares) in the Company then held by them on the Warrant Record Date. Each unit of Warrant will entitle its holder to subscribe for one new Ordinary Share at an initial subscription price of HK\$0.80 per Share, subject to adjustment, at any time on 5 December 2008 up to 4 June 2010, both days inclusive.

The net proceeds of the Open Offer are currently estimated to be approximately HK\$100.16 million and the net proceeds of the Bonus Warrant Issue is currently estimated to be approximately not less than HK\$57.23 million and not more than HK\$76.31 million assuming full subscription of new Shares under the Bonus Warrant Issue. It is intended that 50% of the net proceeds from the Open Offer will be used to finance capital expenditure of the production line of the Group in Shandong Province, the PRC with the remaining 50% to be used for general working capital purpose whereas the net proceeds from the Bonus Warrant Issue will be used for general working capital purpose.

The Prospectus containing, among others, further details of the proposed Open Offer and Bonus Warrant Issue will be sent to the Shareholders as soon as practicable.

OPEN OFFER

Issue Statistics

Basis of Open Offer : Assured allotments of one Offer CP Share for every three existing Shares held on the Record Date

Number of existing Shares : 429,258,039 Shares
in issue

Number of Offer CP : 143,086,013 Offer CP Shares
Shares to be issued
under the Open Offer

Subscription Price for the : HK\$0.70 per Offer CP Share
Offer CP Shares

Underwriter : Quinselle, the substantial shareholder of the Company

As at the date of this announcement, no option has been granted under the Share Option Scheme and therefore the Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for the Shares.

Qualifying Shareholders:

The Company will send the Prospectus Documents to Qualifying Shareholders only.

To qualify for the Open Offer, a Shareholder must on the Record Date:

- be registered as a member of the Company; and
- not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificate(s)) with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. (Hong Kong time) on Friday, 17 October 2008.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 20 October 2008 to Friday, 24 October 2008 (both days inclusive) for determination of entitlements under the Open Offer. No transfer of Shares will be registered during this period.

TERMS OF THE CP SHARES TO BE CREATED

HK\$14,308,601.30 of the authorised but unissued share capital of the Company will be reclassified and designated into 143,086,013 convertible non-voting preference shares of HK\$0.10 each in the capital of the Company having certain special rights and restrictions.

The following is a summary of the special rights and restrictions to be attached to the CP Shares:

(1) Voting and General meetings

The holders of CP Shares will be entitled to receive notice of every general meeting of the Company but will not be entitled (i) to vote upon any resolution unless it is a resolution for winding-up the Company or reducing its share capital in any manner or a resolution modifying, varying or abrogating any of the special rights attached to the CP Shares or (ii) to attend or speak at any general meeting of the Company unless the business of the meeting includes the consideration of a resolution upon which the holders of CP Shares are entitled to vote.

(2) Conversion

- (a) Unless previously redeemed, cancelled or converted, each holder of CP Shares will be entitled to convert in respect of the whole or any part of its CP Shares into fully paid Ordinary Shares on the basis of one Ordinary Share for every CP Share at any time after the date of issue of the CP Shares upon the giving of a Conversion Notice.
- (b) If the Continuing Notice is served before the Maturity Date, the relevant CP Shares will not be subject to mandatory conversion.
- (c) At the end of business on the Maturity Date, unless previously redeemed, purchased and cancelled, converted or that a Continuing Notice has been served and delivered to the Company, all CP Shares will be mandatorily converted into Ordinary Shares by the Company.
- (d) The Dividend entitlement attaching to any CP Shares will cease to apply with effect from the date of conversion. Ordinary Shares arising on conversion shall rank pari passu in all respects with Ordinary Shares, including the rights to receive any dividends and other distributions declared.
- (e) So long as the Company remains listed in Hong Kong, those holders of the CP Shares will not exercise their right to convert the CP Shares into Ordinary Shares of the Company unless at least 25% of the Company's total issued share capital that are listed on the Stock Exchange will at all times be held by the public.

(3) Dividend

The holders of CP Shares shall have the same right to dividend payment as to the holders of Ordinary Shares ("Dividend"). Apart from the Dividend, the CP Shares shall not confer on the holders thereof any right to participate in the profits of the Company until conversion into Ordinary Shares.

(4) Transferability

None of the CP Shares will be assignable or transferable without the prior written approval of the board of Directors of the Company. The Company will not apply for a listing of any of the CP Shares on any stock exchange anywhere in the world.

(5) Capital

On a distribution of assets on a winding-up or other return of capital, the surplus assets of the Company remaining after payment of its liabilities will be applied in priority to any payment to the holders of the Ordinary Shares in paying to the holders of the CP Shares a sum equal to (i) the nominal capital paid up or credited as paid up on the CP Shares held by them respectively; and (ii) all arrears (if any) of the Dividend thereon as at (and calculated up to) the date of commencement of the winding up (in the case of a winding up) or the return of capital (in any other case), apart from the aforesaid, the CP Shares will not confer on the holders thereof any further right to participate in the assets of the Company.

(6) Other Provisions

- (a) So long as any CP Shares are not yet redeemed, cancelled or converted, then save with such consent or sanction on the part of the holders of CP Shares as is required for a variation of the rights attached to such shares:
 - (i) If any offer or invitation by way of rights or otherwise or any capital distribution is made to the holders of the Ordinary Shares then (unless the Conversion Rate falls to be adjusted in consequence of the proposed offer, invitation or capital distribution and the Directors shall have determined to do so) the Company will make or, so far as it is able, procure that there is made at the same time a like offer, invitation or capital distribution to each holder of CP Shares as if its conversion rights had been exercisable and exercised in full on the record date for such offer, invitation or capital distribution (as the case may be) on the basis of the Conversion Rate then applicable.
 - (ii) If an offer is made to the holders of Ordinary Shares (other than the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company or if any person proposes a scheme with regard to such acquisition, and the Company becomes aware that the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror, the Company will give written notice to all holders of CP Shares of such vesting and each such holder shall be entitled within the period of 3 months from the date of such notice to convert the whole or any part of its CP Shares into fully-paid Ordinary Shares except that the restriction in the first sentence of sub-paragraph (b) below shall not apply.
- (b) Any Dividend on the CP Shares remaining unclaimed after a period of 6 years from the date of declaration of such dividend will be forfeited and will revert to the Company.

(7) Adjustments

Save and except for the issue of the Warrants of the Company which is expected to be in December 2008, the number of Ordinary Shares arising on any subsequent conversion of CP Shares will be adjusted if, whilst any CP Shares remain outstanding, (i) the Company shall make any issue of Ordinary Shares by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) other than capitalisation of profits or reserves in lieu of cash dividends or in connection with a redemption or conversion of CP Shares to the holders of Ordinary Shares; (ii) there shall

be an alteration to the nominal value of Ordinary Shares as a result of a consolidation or sub-division; (iii) the Company shall make any capital distribution to holders of Ordinary Shares; (iv) the Company shall offer to holders of Ordinary Shares as a class new Ordinary Shares by way of rights at a price which is less than the current market price per Share (being the average closing prices published in the Daily Quotation Sheet of the Stock Exchange for the five consecutive preceding business day) at the date of announcement of the terms of the offer; (v) the Company shall offer to holders of Ordinary Shares as a class, to the public generally or by way of placement any warrants or options (other than pursuant to the share option scheme established by the Company on 26 February 2004) to subscribe for Ordinary Shares.

(8) Redemption

Subject to the provisions of the Companies Act, the Company shall be entitled, at any time after the fifth anniversary of the date of issue of the CP Shares by resolution of the directors of the Company to redeem all or any of the CP Shares. There shall be paid on each CP Share redeemed a sum equal to (i) the subscription price thereof and (ii) all arrears (if any) of the Dividend thereon. As from the Redemption Date such Dividend shall cease to apply.

TERMS OF THE OPEN OFFER

Subscription price

HK\$0.70 per Offer CP Share, payable in full when a Qualifying Shareholder applies for the Offer CP Shares.

The Subscription Price was determined with reference to the then market environment and the prevailing market prices of the Share and represents (i) a premium of approximately 12.9% to the closing price of HK\$0.62 per Share quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 9.4% to the theoretical ex-entitlement price of HK\$0.64 per Share based on that closing price per Share on the Last Trading Day; and (iii) a premium of approximately 7.7% to the average closing price of HK\$0.65 per Share for the last ten full trading days up to and including the Last Trading Day.

The theoretical ex-entitlement price is calculated by adding the market value of all outstanding Shares (based on the closing price on the Last Trading Day) with the total amount expected to be received from the Open Offer (assuming 143,086,013 Offer CP Shares will be issued), and then divided by the total number of outstanding Shares after the Open Offer.

The Directors consider the terms of the Open Offer and the Subscription Price to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Basis of assured allotment

One Offer CP Share for every three existing Shares held by a Qualifying Shareholder on the Record Date

Fractions of Offer Shares

Fractions of assured allotments will not be issued and will be aggregated and made available for application by the Qualifying Shareholders who wish to apply for Offer CP Shares in excess of their own assured allotments.

Status of the Offer CP Shares

The Offer CP Shares will not be listed on the Stock Exchange or any other stock market. However, the Company will apply for the listing on the Stock Exchange of the Shares issuable upon the exercise of the conversion rights of the Offer CP Shares.

When allotted, issued and fully-paid, the Offer CP Shares will rank equally in all respects with the existing Shares then in issue and shall have the special rights and restrictions as more particularly set out in the section headed “Terms of the CP Shares to be created” in this announcement.

Rights of Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. The Company will make enquiries as to whether the offer or issue of Offer CP Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges pursuant to Rule 13.36(2) (a) of the Listing Rules. If after making such enquiry the Board is of the opinion that it would be necessary or expedient not to offer the Offer CP Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Accordingly the Offer CP Shares will not be offered to the Non-Qualifying Shareholders and no application for Offer CP Shares will be accepted from the Non-Qualifying Shareholders. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the Application Forms to them.

Any Offer CP Shares which would otherwise have been in assured allotments of the Non-Qualifying Shareholders will be available for application by the Qualifying Shareholders who wish to apply for Offer CP Shares in excess of their own assured allotments.

Application for Offer CP Shares in excess of assured allotments

Qualifying Shareholders will have the right to apply for any Offer CP Shares in excess of their own assured allotments under the Application Forms but are not assured of being allocated any Offer CP Shares in excess of those in their assured allotments.

The Directors will allocate the Offer CP Shares in excess of assured allotments at their discretion, but on a fair and equitable basis, to Qualifying Shareholders who have applied for excess Offer CP Shares based on a pro-rata basis to the excess Offer CP Shares applied by them.

Any Offer CP Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

The Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee as a single shareholder according to the register of members of the Company. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Share Certificates

Subject to the fulfilment of the conditions of the Open Offer, certificates for fully-paid Offer CP Shares are expected to be posted to successful applicants at their own risk on or before Wednesday, 19 November 2008. Refund cheques in respect of wholly or partially unsuccessful applications for Offer CP Shares in excess of assured allotments are also expected to be posted on or before Wednesday, 19 November 2008 by ordinary post to the applicants at their own risk.

Application for Listing

The CP Shares will not be listed on the Stock Exchange or any other stock market. However, the Company will apply for the listing on the Stock Exchange of the Shares issuable upon the exercise of the conversion rights of the CP Shares.

UNDERWRITING ARRANGEMENT

Underwriting Agreement:

Date : 24 September 2008

Underwriter : Quinselle

Number of Offer CP Shares underwritten : All Offer CP Shares other than the Quinselle Portion

Quinselle is, as at the date of this announcement interested in 219,620,000 Shares, representing approximately 51.16% of the issued share capital of the Company. Quinselle agreed under the Underwriting Agreement to apply or procure application for the entire number of the Offer CP Shares in the assured allotments in which they are beneficially interested, being 73,206,667 Offer CP Shares (the “Quinselle Portion”).

Quinselle and Mr. Lee Seng Jin, its controlling shareholder, also undertake under the Underwriting Agreement that they will exercise their right to convert the CP Shares into Ordinary Shares of the Company under the terms of the CP Shares allotted to them in such a way so that at least 25% of the Company’s total issued share capital will at all times be held by the public.

Quinselle shall not be entitled to receive any commission in connection with its obligations under the Underwriting Agreement.

Termination of the Underwriting Agreement

- (a) **The Underwriter may terminate the Underwriting Agreement by notice in writing to the Company at any time prior to 6:00 p.m. on the second business day following the latest time for acceptance of and payment for the Offer CP Shares, if at any time prior to 6:00 p.m. on such day:** there develops, occurs, exists or comes into force any event whereby in the reasonable opinion of the Underwriter, the success of the Open Offer or the business or financial condition and/or prospects of the Group would, might be or is likely to be adversely affected or which makes it inadvisable or inexpedient to proceed with the Open Offer, including:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or any prospective change in the judicial interpretation thereof) whether in Hong Kong or elsewhere; or
 - (ii) any change or deterioration (whether or not permanent) in local, national, regional or international, economic, financial, political or military, industrial, monetary conditions or any event beyond the control of the Company (including, without limitation, acts of government, strikes, wars, acts of violence, acts of terrorism, sabotage, raids, attacks, explosion, flooding, civil commotion, terrorist attack, acts of God or accident); or
 - (iii) any change or deterioration (whether or not permanent) in local, national, regional or international securities market conditions; or
 - (iv) without prejudice to sub-paragraphs (ii) and (iii) above, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial or political circumstances or otherwise; or
 - (v) any local, national, regional or international outbreak or escalation of hostilities, insurrection or armed conflict (whether or not war is or has been declared or other state of emergency or calamity or crisis in Hong Kong or elsewhere); or
 - (vi) any suspension in the trading of Shares on the Stock Exchange for a continuous period of five Business Days (save and except for any temporary suspension of trading of Shares which is temporary or routine in nature, including the suspension of trading of Shares for a period not exceeding ten consecutive Business Days pending the publication of the Announcement or any other public announcement by the Company as may be required by the Stock Exchange and/or the Securities and Futures Commission); or
 - (vii) a change or development involving a prospective change in taxation or exchange control in Hong Kong or elsewhere which will or may affect the Group or the present or prospective shareholders of the Company in their capacity as such; or
 - (viii) any change in the circumstances of the Company or any member of the Group (including, without limitation, the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up (other than for the purposes of a group reorganisation or reconstruction) or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group); or
 - (ix) there shall have occurred a general moratorium on commercial activities in Hong Kong or where the Group has operations or investment; or
- (b) there comes to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe that any of the undertakings or other obligations expressed to be assumed by or imposed on the Company under the Underwriting Agreement have not been complied with in any material respect; or

- (c) there comes to the notice of the Underwriter or the Underwriter shall have reasonable cause to believe that any of the representations or warranties given by the Company under the Underwriting Agreement was untrue, incorrect, misleading or inaccurate in any material respect which adversely affect the success of the Open Offer

which in the reasonable opinion of the Underwriter:

- (i) is or may or will be or is likely to be adverse to, or prejudicially affects, the business or financial or trading position or prospects of the Group taken as a whole; or
- (ii) is or may or will be or is likely to adversely affect the success of the Open Offer and/or makes it impracticable, inexpedient or inadvisable for any part of the Underwriting Agreement and the Open Offer to be performed or implemented as envisaged; or
- (iii) make or will or is likely to make it impracticable, inexpedient or inadvisable to proceed with the Open Offer or the delivery of the Offer CP Shares on the terms and in the manner contemplated by the Prospectus or the Underwriting Agreement.

If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

CONDITIONS OF THE OPEN OFFER

The Open Offer is conditional upon happening of each of the following events:

- (i) the passing of a resolution by the Shareholders to approve the increase of the authorised share capital of the Company and the amendments to the Bye-laws of the Company in order to entrench the terms of the CP Shares at the special general meeting of the Company;
- (ii) the signing by or on behalf of two Directors on or before the Prospectus Posting Date of the Prospectus Documents certified in accordance with Section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- (iii) the filing and registration on or prior to the Prospectus Posting Date of one such signed copy of each of the Prospectus Documents (and all other documents required to be attached thereto) with the Registrar of Companies in Hong Kong, and otherwise complying with the requirements of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders and of the Prospectus marked “For information only” to the Non-Qualifying Shareholders (if any), in each case on the Prospectus Posting Date;
- (v) compliance by the Company with all its obligations under Clause 3 of the Underwriting Agreement relating to the offer of the Offer CP Shares under the Open Offer;
- (vi) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares issuable upon the exercise of the conversion of the CP Shares either unconditionally or subject to such conditions which the Company accepts and the

satisfaction of such conditions (if any and where relevant) by no later than the dates specified in such approval and not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the Settlement Date;

(vii) all necessary consents and approvals being obtained from the Shareholders and the regulatory authorities (if any) as the case may be required in connection with the Open Offer not later than the Final Application Date; and

(viii) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof.

If any of the above conditions is not fulfilled, the Open Offer will not proceed.

It is expected that the subscribers procured by the Underwriter will be third parties independent of the Group and not connected persons (as defined in the Listing Rules) of the Group, and it is expected that no subscribers procured by the Underwriter will become substantial Shareholders (as defined in the Listing Rules) as a result of the Open Offer.

Further details of the Open Offer will be contained in the Prospectus which is expected to be despatched to the Shareholders as soon as practicable.

WARNING OF THE RISKS OF DEALING IN SHARES

Existing Shares are expected to be dealt in on an ex-entitlements basis for the Open Offer from Thursday, 16 October 2008. If the Underwriter terminates the Underwriting Agreement (see the paragraph headed “Termination of the Underwriting Agreement” above), or if the conditions of the Open Offer (see the section headed “Conditions of the Open Offer” above) are not fulfilled, the Open Offer will not proceed.

Shareholders and investors are recommended to obtain professional advice regarding dealings in Shares during these periods.

SHAREHOLDING STRUCTURE

Assuming that (a) the Open Offer proceeds and is completed; (b) Quinselle's assured allotments under the Open Offer are applied for in full; and (c) there is no change in the shareholding structure of the Company from the date of the Underwriting Agreement to immediately before completion of the Open Offer, set out below is the shareholding structure of the Company as at the date of the Underwriting Agreement and immediately after completion of the Open Offer:

Beneficial owners of Shares	As at the date of the Underwriting Agreement		Immediately after full conversion of the Offer CP Shares and assuming that all Offer CP Shares are taken up by Qualifying Shareholders		Immediately after full conversion of the Offer CP Shares and assuming only assured allotments of Quinselle are applied for	
	Ordinary Shares	approx. %	Ordinary Shares	approx. %	Ordinary Shares	approx. %
Mr. Lee Seng Jin (Note 1)	60,344,000 (Personal interest)	14.06	80,458,667 (Personal interest)	14.06	60,344,000 (Personal interest)	10.54
	16,712,566 (Family interest)	3.89	22,283,421 (Family interest)	3.89	16,712,566 (Family interest)	2.92
	219,620,000 (Other interest)	51.16	292,826,667 (Other interest)	51.16	362,706,013 (other interest)	63.37
	Total: 296,676,556	69.11	Total: 395,568,741	69.11	Total: 439,762,579	76.84
Public	132,581,483	30.89	176,775,311	30.89	132,581,483	23.16
Total	429,258,039	100	572,344,052	100	572,344,052	100

Note: Mr. Lee Seng Jin is, as at the date of the Underwriting Agreement, personally interested in 60,344,000 Shares, Ms. Sham Yee Lan, Peggy, the spouse of Mr. Lee Seng Jin, is as at the date of the Underwriting Agreement personally interested in 572,556 Shares and interested in 16,140,000 Shares through Gold Century Worldwide Limited, a company owned by Ms. Sham Yee Lan, Peggy as to 50%. Mr. Lee Seng Jin is therefore taken to be interested in 16,712,556 Shares held by Ms. Sham Yee Lan, Peggy. The 219,620,000 Shares as at the date of the Underwriting Agreement is held by Quinselle which is 100% owned by Mr. Lee Seng Jin. Mr. Lee Seng Jin is therefore taken to be interested in the Shares held by Quinselle as well.

Mr. Lee Seng Jin and Quinselle undertake that they will exercise their right to convert the CP Shares into Ordinary Shares of the Company under the terms of the CP Shares allotted to them in such a way so that at least 25% of the Company's total issued share capital will at all times be held by the public.

BONUS ISSUE OF WARRANTS

Basis of Bonus Warrant Issue

The Board also proposed that a bonus issue of warrants to be granted to the Shareholders whose names appear on the register of members of the Company on the Warrant Record Date and whose addresses in the register of members of the Company are in Hong Kong on the basis of one Warrant for every six Shares (whether Ordinary Shares or CP Shares) held on the Warrant Record Date. Each unit of Warrant will entitle its holder to subscribe for one new

Ordinary Share. The Bonus Warrant Issue is conditional upon the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Warrants and any Ordinary Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants and the passing of an ordinary resolution by the Shareholders to approve the Bonus Warrant Issue at the SGM.

The Bonus Warrant Issue is separated from the proposed Open Offer and the Bonus Warrant Issue is not to be granted as part of the proposed Open Offer. If the conditions of the Open Offer are not fulfilled and the Open Offer is thus lapsed, the Bonus Warrant Issue will still go ahead.

Number of Warrants to be issued

Based on 429,258,039 Shares in issue as at the date of this announcement and the 143,086,013 Offer CP Shares to be issued under the proposed Open Offer, the total number of Warrants to be issued will be not less than 71,543,006 units (assuming that the Open Offer does not proceed) and not more than 95,390,675 units (assuming that the Open Offer do proceed and the issued share capital is thus enlarged), entitling the holders thereof to subscribe for not less than 71,543,006 new Ordinary Shares and not more than 95,390,675 new Ordinary Shares. However, the maximum number of Warrants to be issued will not exceed 20% of the number of the then issued Shares at the time the Warrants are issued.

Quinselle and Mr. Lee Seng Jin, its controlling shareholder, have confirmed to the Company that if it is foreseeable that they will hold more than 75% of the Warrants upon issue, they will place down the excess Warrants before listing so as to ensure that at least 25% of the Warrants will be held by the public at the time of listing. The Stock Exchange has indicated that it will not grant the listing of, and permission to deal in, the Warrants if there will be insufficient public float of the Warrants at the time of listing.

Subscription Price

The Warrants will entitle the holders to subscribe for new Ordinary Share at the price of HK\$0.80 per Share in cash, subject to adjustment. The initial subscription price represents (i) a premium of approximately 29% to the closing price of HK\$0.62 per Share quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 31.1% to the average closing price of HK\$0.61 per Share quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a premium of approximately 23.1% to the average closing price of HK\$0.65 per Share quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

Subscription Period

The Warrants may be exercised at any time for a period of 18 months commencing on the day of the issue of the Warrants, which is expected to be on 5 December 2008 and up to 4 June 2010 (both days inclusive).

Warrant Record Date

To qualify for the Bonus Warrant Issue, a Shareholder must on the Warrant Record Date:

- be registered as a member of the Company; and
- not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Warrant Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificate(s)) with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. (Hong Kong time) on Tuesday, 25 November 2008.

Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 26 November 2008 to Friday, 28 November 2008 (both days inclusive) for determination of entitlements under the Bonus Warrant Issue. No transfer of Shares will be registered during this period.

Fractional Entitlements to the Warrants

Fractional entitlements to the Warrants (if any) will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company. The net proceeds of sale will be retained for the benefit of the Company.

Overseas Shareholders

The documents to be issued in relation to the Bonus Warrant Issue will not be registered under any securities legislation outside Hong Kong. The Company will make enquiries as to whether the issue of Warrant to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges pursuant to Rule 13.36(2)(a) of the Listing Rules. If after making such enquiry the Board is of the opinion that it would be necessary or expedient not to issue the Warrants to such Overseas Shareholders, the Bonus Issue Warrant will not be available to such Overseas Shareholders.

Any Warrants which would otherwise have been issued to the Non-Qualifying Shareholders will be sold in the market as soon as possible. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars pro rata to such persons and remittances thereof will be posted to them, at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

Status of Shares to be issued upon exercise of the Warrants

Shares which are allotted and issued on the exercise of the subscription rights attaching to the Warrants will rank pari passu in all respects with the Shares in issue on the date of such allotment and issue.

Listing and Board Lot

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Warrants and any Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants. The Warrants will be traded in board lots of 14,000 units entitling holders thereof to subscribe an amount of HK\$11,200 initially for new Ordinary Shares, on the basis of the subscription price of HK\$0.80.

Certificates for the Warrants

It is expected that certificates for the Warrants will be posted on or before Friday, 5 December 2008 at the risk of the person entitled thereto to their respective addresses shown on the register of members of the Company. Subject to the fulfillment of the condition for the Bonus Warrant Issue as referred to in the section headed “Basis of Bonus Warrant Issue” above, dealings in the Warrants on the Stock Exchange are expected to commence on Tuesday, 9 December 2008.

CAPITAL RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not carried out other capital raising activities during the 12 months immediately preceding date of this announcement.

REASONS FOR THE OPEN OFFER AND BONUS WARRANT ISSUE AND USE OF PROCEEDS

The Board believes that the Open Offer will provide Shareholders with an opportunity to further participate in the future growth of the Company. The Open Offer will also strengthen the equity base of the Company and increase the Company’s working capital and satisfy part of the capital expenditure of the production line of the Group in Shandong with the proceeds received from the Open Offer. At the same time, the Open Offer also allows the Shareholders to maintain their shareholdings in the Company if they so wish.

The net proceeds of the Open Offer is currently estimated to be approximately HK\$100.16 million and the net proceeds of the Bonus Warrant Issue is currently estimated to be approximately not less than HK\$57.23 million and not more than HK\$76.31 million assuming full subscription of new Ordinary Shares under the Bonus Warrant Issue. It is intended that 50% of the net proceeds from the Open Offer will be used to finance capital expenditure of the production line of the Group in Shandong Province, the PRC with the remaining 50% to be used for general working capital purpose whereas the net proceeds from the Bonus Warrant Issue will be used for general working capital purpose.

EXPECTED TIMETABLE OF THE OPEN OFFER AND THE BONUS WARRANT ISSUE

The expected timetable for the Open Offer and the Bonus Warrant Issue is set out below:

2008

Last day of dealings in Shares on a cum-entitlements basis for the Open Offer	Wednesday, 15 October
First day of dealings in Shares on an ex-entitlements basis for the Open Offer	Thursday, 16 October
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Friday, 17 October
Book closure period (both days inclusive)	Monday, 20 October to Friday, 24 October
Record Date	Friday, 24 October
Prospectus Documents to be despatched on	Monday, 27 October
Latest time for acceptance of and payment for Offer CP Shares	4:30 p.m. on Wednesday, 12 November
Underwriting Agreement becomes unconditional	6:00 p. m. on Monday, 17 November
Announcement of results of the Open Offer and excess application	Wednesday, 19 November
Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer CP Shares expected to be despatched on or before	Wednesday, 19 November
Certificates for Offer CP Shares expected to be despatched on or before	Wednesday, 19 November
Last day of dealings in Shares (whether ordinary Shares or CP Shares) on a cum-entitlements basis for the Bonus Warrant Issue	Friday, 21 November
First day of dealings in Shares on an ex-entitlements basis for the Bonus Warrant Issue	Monday, 24 November
Latest time for lodging transfers of Shares in order to qualify for the Bonus Warrant Issue	4:30 p.m. on Tuesday, 25 November
Book closure period (both days inclusive)	Wednesday, 26 November to Friday, 28 November
Warrant Record Date	Friday, 28 November

Certificates for the Warrants expected to be despatched
on or before Friday, 5 December

Dealings in Warrants to commence on Tuesday, 9 December

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Open Offer and the Bonus Warrant Issue are indicative only and may be extended or varied by the Company. Any changes to the anticipated timetable for the Open Offer and the Bonus Warrant Issue will be published or notified to Shareholders as appropriate.

PRINCIPAL ACTIVITIES OF THE GROUP

The Group is principally engaged in investment holding, trading and marketing of paper products. The principal products of the Group are book printing papers and packaging boards of which duplex boards, kraftliner boards, testliner boards and corrugated medium are currently accounted for approximately 16.9% of its paper product sales.

SGM

The SGM will be held for the Shareholders to consider, and if thought fit, to pass the relevant resolutions, *inter alia*, for the increase of the authorised share capital of the Company, the amendments to the Bye-Laws of the Company to entrench the terms of the CP Shares, the issue of the CP Shares and the Bonus Warrant Issue.

A circular containing further information on the terms of the CP Shares, amendments to the Bye-Laws and the Bonus Warrant Issue together with the notice of SGM will be despatched to the Shareholders as soon as practicable.

GENERAL

The Prospectus containing, among others, further details of the proposed Open Offer and the Bonus Warrant Issue are expected to be sent to the Shareholders as soon as practicable. The Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

DEFINITIONS

“Application Form(s)”	the form(s) of application in respect of the Open Offer to be issued to the Qualifying Shareholders
“Board”	the board of Directors
“Bonus Warrant Issue”	the conditional bonus issue of Warrants by the Company to the Qualifying Shareholders as described in this announcement
“Business Day”	a day on which licensed banks generally are open for business in Hong Kong
“Company”	Samson Paper Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Continuing Notice”	the notice required to be served by the holders of CP Shares to the Company on or before the end of business on the Maturity Date so that the relevant CP Shares will not be mandatorily converted on the Maturity Date

“CP Shares”	the 143,086,013 convertible non-voting preference share(s) of HK\$0.10 each in the capital of the Company having the special rights and restrictions as more particularly set out in the section headed “Terms of the CP Shares to be created” in the full text of this announcement in the authorised share capital of the Company created by the reclassification and re-designation of HK\$14,308,601.30 of the authorised but unissued share capital of the Company
“Directors”	the directors of the Company
“Final Application Date”	4:30 p.m. on 12 November 2008 or such other time or date as the Underwriter may agree in writing with the Company (subject, if required, to the approval of the Stock Exchange and taking into account any other timetable adjustments) as the latest time for acceptance and payment for Offer CP Shares, provided that if on such date a Storm Warning is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m., then references to the “Final Application Date” shall mean 4:30 p.m. on the first Business Day thereafter on which no Storm Warning remains hoisted at any time between 9:00 a.m. and 4:00 p.m.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	23 September 2008, being the last trading day prior to the date of the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	31 March 2009, being the date when all outstanding CP Shares will be mandatorily converted into Ordinary Shares of the Company unless previously redeemed, purchased and cancelled, converted or that a Continuing Notice has been served and delivered to the Company
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Board, after making enquiry, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges in those places not to offer the Offer CP Shares and not to issue the Warrants to them
“Offer CP Share(s)”	the CP Shares proposed to be issued under the Open Offer
“Open Offer”	the proposed issue by the Company of the Offer CP Shares by way of open offer to Qualifying Shareholders on the basis of an assured allotment of one Offer CP Share for every three existing Shares held on the Record Date at the Subscription Price
“Ordinary Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company

“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date or the Warrant Record Date (as the case may be) and whose address(es) as shown in the register of members of the Company on that date is/are outside Hong Kong
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Taiwan, Hong Kong and Macau Special Administrative Region
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer and the Bonus Warrant Issue
“Prospectus Documents”	the Prospectus and the Application Forms
“Prospectus Posting Date”	27 October, 2008 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date
“Quinselle” or “Underwriter”	Quinselle Holdings Limited, a company incorporated in the British Virgin Islands which is, as at the date of this announcement, interested in approximately 51.16% of the issued shares of the Company
“Record Date”	Friday, 24 October 2008, being the record date for determining entitlements to participate in the Open Offer
“Settlement Date”	19 November 2008 (or such other time or date as the Underwriter and the Company may agree in writing)
“SGM”	the special general meeting of the Company to be convened at which resolutions will be proposed to approve, <i>inter alia</i> , the increase of the authorized share capital and the amendments to the Bye-laws
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company (whether ordinary shares or CP Shares)
“Shareholder(s)”	holder(s) of Share(s)
“Share Option Schemes”	the share option schemes of the Company adopted on 26 February 2004
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Storm Warning”	a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal
“Subscription Price”	the subscription price of HK\$0.70 per Offer CP Share
“Underwriting Agreement”	the underwriting agreement dated 24 September 2008 and entered into between the Company, the Underwriter and Mr. Lee Seng Jin in relation to the Open Offer

“Warrant(s)”	warrants to be constituted by an instrument by way of deed poll to be executed by the Company and to be issued by the Company entitling the holders to subscribe for not less than 71,543,006 new Ordinary Shares and not more than 95,390,675 new Ordinary Shares at an initial subscription price of HK\$0.80 per Share (subject to adjustments)
“Warrant Record Date”	Friday, 28 November 2008, being the record date for determining entitlements to participate in the Bonus Warrant Issue
“%”	per cent.

By Order of the Board
SHAM Kit Ying
Director

Hong Kong, 24 September 2008

As at the date of this announcement, 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*