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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)

ANNOUNCEMENT

CONNECTED & MAJOR TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF KINGSRICH GROUP LIMITED

On 13 July 2007, the Purchaser (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor and the Vendor Guarantor for the acquisition by the Purchaser of the entire issued share capital of, and shareholder's loan to, Kingsrich for an aggregate consideration of HK\$7,997,568.

Kingsrich is a company incorporated with limited liability in the BVI and, as at the date of this announcement, a wholly-owned subsidiary of the Vendor. JYTP is a Sino-foreign equity joint venture company with limited liability established in the PRC and in which Kingsrich has a 99% equity interest and JNGEDZC, an Independent Third Party, has a 1 % equity interest.

The terms of the Sale and Purchase Agreement were negotiated on an arm's length basis. The executive Directors believe that the terms of the Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Vendor is indirectly owned as to 100% by the Vendor Guarantor, who is the sister-in-law of Mr. Pang Wing-kin, Patrick, an independent non-executive Director. Pursuant to Rule 14A.11(4) of the Listing Rules, the Vendor Guarantor is considered to be an associate of Mr. Pang Wing-Kin, Patrick and therefore, a connected person of the Company.

In accordance with the requirements of Rule 14.15(3) of the Listing Rules, in calculating the consideration ratio, in addition to the Consideration, the amount of capital contribution to be made to JYTP by Kingsrich shall also be included since such capital contribution obligation of Kingsrich will, as a result of the Acquisition, effectively be taken up by the Group. On such basis, the consideration ratio for the Acquisition is not less than 25% but is less than 100%, the Acquisition therefore constitutes a connected and major transaction for the Company under Chapter 14A and Chapter 14 of the Listing Rules respectively and is subject to the reporting, announcement and independent shareholders' approval requirements pursuant to the Listing Rules.

The Company has obtained the Written Approval from Quinselle Holdings Limited and Mr. Lee Seng Jin who together controlled approximately 65.22% in nominal value of the issued Shares as at the date of this announcement. As no Shareholder has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereby, no Shareholder is required to abstain from voting if a general meeting of the Company is convened to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. Accordingly, pursuant to Rules 14A.43 and 14A.53 of the Listing Rules, the Company has applied to the Stock Exchange for a waiver of the requirement to hold a shareholders' meeting and the permission for the Independent Shareholders' approval be given in the form of the Written Approval.

The Board has appointed the Independent Board Committee to consider and advise the Independent Shareholders on the terms of the Sale and Purchase Agreement and an independent financial adviser will be appointed by the Company to provide its opinion to the Independent Board Committee and the Independent Shareholders.

A circular containing, among other things, (i) further details of the Acquisition; (ii) the recommendation of the Independent Board Committee; (iii) an advice from an independent financial adviser on the terms of the Acquisition; (iv) a valuation report on the Land; and (v) other information on the Company will be despatched to Shareholders as soon as practicable in accordance with the Listing Rules.

SALE AND PURCHASE AGREEMENT

DATE: 13 JULY 2007

- Parties:**
- (1) Vendor, an associate of the Vendor Guarantor
 - (2) Vendor Guarantor, an associate of an independent non-executive Director and therefore, a connected person of the Company
 - (3) Purchaser, an indirect wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the Vendor Guarantor, the intermediate holding company through which she held her 100% interest in the Vendor and the Vendor have no shareholding in the Company.

Subject matter:*The Sale Shares*

1,000 ordinary shares of US\$1 each in the share capital of Kingsrich, representing the entire issued share capital of Kingsrich.

The Loan

The aggregate amount of the loan owing by Kingsrich to the Vendor and outstanding as at the Completion Date (which shall be US\$295,528) (equivalent to approximately HK\$2,309,965) which is unsecured, interest-free and repayable on demand.

Consideration:

The Consideration of HK\$7,997,568, comprising the Loan Consideration and the Share Consideration, is arrived at on an arm's length basis between the Vendor and the Purchaser. In the determination of the Consideration, the Purchaser has considered the paid up capital of Kingsrich of US\$1,000 (equivalent to approximately HK\$7,816) and the amount of the Loan as at 31 May 2007 of US\$295,528 (equivalent to approximately HK\$2,309,965 at the Agreed Exchange Rate) and has also considered (i) the market value of the Land as at 31 March 2007 of approximately RMB65 million (equivalent to approximately HK\$66.74 million) as indicated to the Company by an independent property valuer which is higher than the amount of land premium payable by JYTP under the Land Use Right Grant Contract; and (ii) the time and effort spent by the Vendor in the setting up of JYTP including, but not limited to, the negotiation of the terms of the joint venture contract and the joint venture articles of JYTP and the Land Use Right Grant Contract. The executive Directors considered that taking into account in particular the increase in market value of the Land as compared to the amount of land premium payable in respect of the Land, the premium represented by the difference between the Consideration and the aggregate amount of paid up capital of Kingsrich and the Loan is fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

In giving its indication of the market value of the Land, the independent property valuer has assumed the Land is freely transferable in the market at no extra land premium and other onerous charges payable and on the basis that it is given vacant possession and free from encumbrances.

The Loan Consideration is an amount denominated in Hong Kong dollars (at the Agreed Exchange Rate) equivalent to the principal amount of the Loan. The aggregate amount of the loan owing by Kingsrich to the Vendor and outstanding as at the date of this announcement is the same as the amount outstanding as at 31 May 2007 of US\$295,528 (equivalent to approximately HK\$2,309,965 at the Agreed Exchange Rate). The Share Consideration is the difference between HK\$7,997,568 and the Loan Consideration. The Consideration is payable by the Company to the Vendor in cash on Completion. The Purchaser will fund the Consideration through internal resources and existing banking facilities of the Group.

Conditions:

Completion of the Sale and Purchase Agreement is conditional upon the satisfaction or (where applicable) waiver of the following conditions:

1. the Company having obtained approval of the Sale and Purchase Agreement and the transactions contemplated thereunder from its Shareholders in accordance with the requirements of the Listing Rules;
2. due diligence on Kingsrich and JYTP being completed to the satisfaction of the Purchaser and there being no matter appearing to the Purchaser from such due diligence which in the opinion of the Purchaser may adversely affect the value of the Sale Shares and/or the Loan;
3. all consents, approvals and waivers as may be required or necessary under any instrument, contract, document or agreement to which the Vendor, the Vendor Guarantor, Kingsrich or JYTP is a party or by which any of them or their respective assets are bound for the sale and transfer of the Sale Shares and the Loan to give effect to the transactions contemplated by the Sale and Purchase Agreement being obtained and where any consent or approval is subject to conditions, such conditions being satisfactory to the Purchaser in its sole and absolute discretion; and
4. the representations, warranties and undertakings set out in the Sale and Purchase Agreement given by the Vendor remaining true, accurate and not misleading as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date.

The conditions set out in 2, 3 and 4 above may be waived by the Purchaser in writing at any time either in whole or in part and such waiver(s) may be made subject to such terms and conditions as the Purchaser may require. If any of the conditions to the Sale and Purchase Agreement is not fulfilled or waived by the Purchaser in accordance with the Sale and Purchase Agreement on or before the Long Stop Date or such other date as may be agreed in writing between the Vendor and the Purchaser, the Sale and Purchase Agreement shall lapse and be terminated with immediate effect and, save in respect of any antecedent breaches, all rights and liabilities of the parties to the Sale and Purchase Agreement thereunder shall cease and determine and no party thereto shall have any claim against the others but such termination shall be without prejudice to any rights or remedies of the Purchaser and the Vendor to the Sale and Purchase Agreement which have accrued prior to such termination.

Guarantee:

The Vendor Guarantor has unconditionally and irrevocably guaranteed to the Purchaser the due and punctual performance and discharge by the Vendor of all obligations due, owing or incurred to the Purchaser by the Vendor under the Sale and Purchase Agreement.

Completion:

Completion of the Sale and Purchase Agreement shall take place on the Completion Date which shall be the second business date after all the conditions to the Sale and Purchase Agreement are fulfilled or (where applicable) waived or such other date as the parties to the Sale and Purchase Agreement shall agree. Upon Completion, the Vendor will cease to be interested in Kingsrich and Kingsrich will become an indirect wholly-owned subsidiary of the Company, and, through Kingsrich, JYTP will become an indirect subsidiary of the Company.

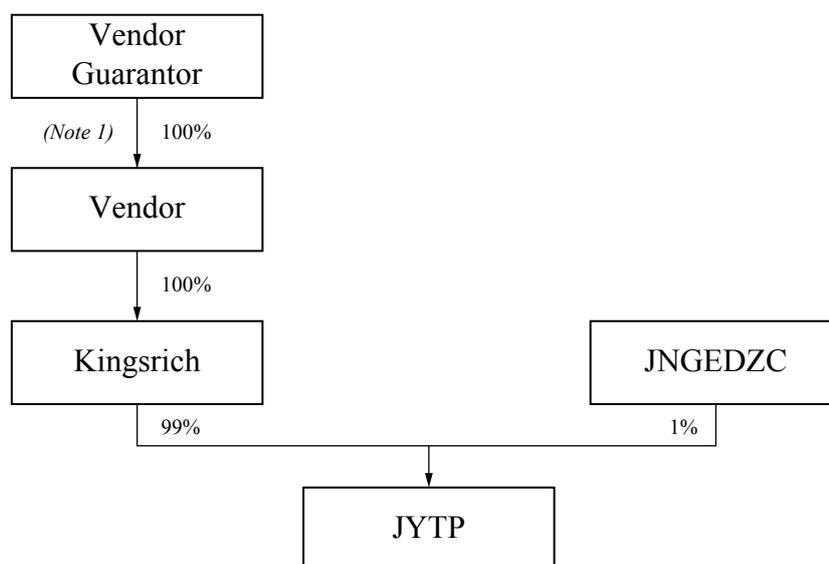
INFORMATION ON KINGSRICH AND JYTP

Kingsrich was incorporated in the BVI and is an investment holding company. As at the date of this announcement, its only investment was its 99% interest in the registered capital in JYTP.

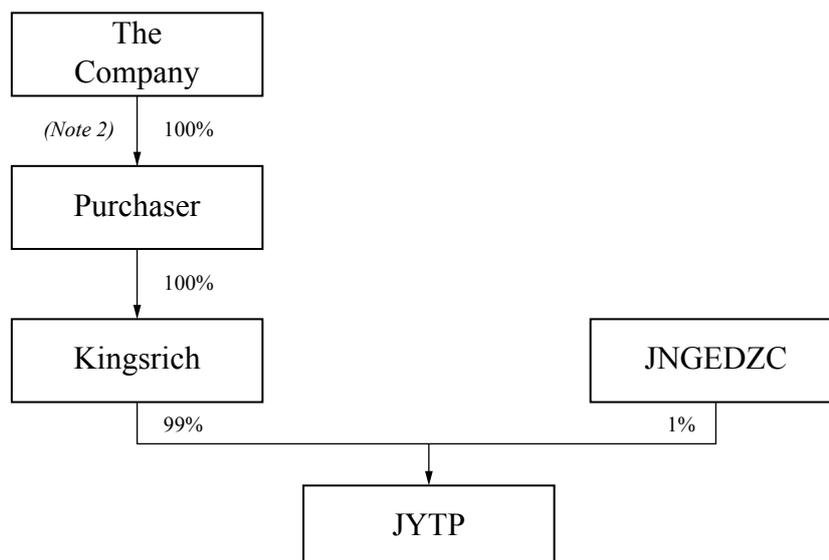
JYTP is a Sino-foreign equity joint venture with limited liability established in the PRC and is approved to engage in the manufacturing and sales of kraffliner board and corrugated medium. As at the date of this announcement, JYTP has not commenced any operation yet. JYTP has a registered capital of US\$30,000,000, 99% of which (being US\$29,700,000 (equivalent to HK\$232,147,080)) shall be contributed by Kingsrich and 1% of which (being US\$300,000 (equivalent to HK\$2,344,920)) shall be contributed by JNGEDZC. As at the date of this announcement, both Kingsrich and JNGEDZC have not yet made any capital contribution to the registered capital of JYTP. As at the date of this announcement, other than the capital contribution obligation as mentioned above, Kingsrich has no other capital commitment (whether equity, loan or otherwise). The obligation of Kingsrich to contribute to the registered capital of JYTP pursuant to the joint venture contract and joint venture articles of JYTP is not conditional on the completion of the Sale and Purchase Agreement and vice versa. Subject to Completion having taken place, it is the current intention of the Company that Kingsrich's capital contribution obligation shall be funded by internal resources of the Group and bank borrowings.

Set out below are the shareholding structure of Kingsrich and JYTP as at the date of this announcement and immediately after Completion respectively:

As at the date of this Announcement



Immediately after Completion



Note 1: The Vendor is indirectly held by the Vendor Guarantor through a company incorporated in BVI wholly-owned by the Vendor Guarantor.

Note 2: The Purchaser is indirectly held by the Company through a company incorporated in the BVI wholly-owned by the Company.

Some of the major terms of the joint venture contract and the joint venture articles of JYTP are summarised as follows:

- Date:** 8 May 2006
- Parties:** (1) Kingsrich
(2) JNGEDZC
- Business scope of JYTP:** Manufacturing and sales of kraftliner board and corrugated medium
- Registered capital of JYTP:** US\$30,000,000, which shall be contributed as to 99% by Kingsrich in cash and in specie (equipment) and as to 1% by JNGEDZC in cash. Pursuant to the terms of the approval of the relevant approving authority, 20% of the registered capital of JYTP shall be contributed within 90 days of the date of issue of its business licence (i.e. by 26 June 2007) and the remaining 80% shall be contributed within two years.

The Company has been informed by the Vendor that Kingsrich and JNGEDZC have been in discussion with 江蘇省南通工商行政管理局(Administration for Industry and Commerce of Nantong, Jiangsu Province) for an extension of the time limit for payment of the first 20% of the registered capital of JYTP. As advised by the Company's PRC legal advisers, failure to make capital contribution in the prescribed time limit may result in the registration authority of JYTP issuing notice demanding ratification of such failure; and/or imposing a fine at the rate of 5% to 15% of the amount of the registered capital that has not been contributed within the prescribed time limit and if the delay in making capital contribution shall continue for more than 2 years, the registration authority of JYTP may revoke the business licence of JYTP.

Total investment of JYTP: US\$90,000,000. Under the terms of the joint venture contract and joint venture articles of JYTP, JYTP may raise funds necessary for its development needs through borrowings within or outside the PRC and there is no provision requiring its shareholders to fund such needs in addition to their obligation to contribute to the registered capital of JYTP mentioned above.

Restrictions on transfer of interest: Transfer or mortgage of any interest in JYTP by a party shall require the approval of the other party. In addition, transfer of interest in JYTP by any of Kingsrich and JNGEDZC to a third party is subject to the pre-emptive right of the other and the terms of transfer offered to the third party shall not be more favourable than those offered to the other shareholder. Moreover, without the prior consent of the other shareholder, Kingsrich or JNGEDZC shall not transfer its interest in JYTP to any third party with a conflict of interest or competitive interest with the other shareholder.

Board composition of JYTP: The board of directors of JYTP shall consist of six members. Kingsrich and JNGEDZC are entitled to appoint five directors and one director of JYTP respectively. The chairman and vice-chairman of the board of directors of JYTP shall be appointed by Kingsrich. The directors appointed by Kingsrich may also be appointed as general manager of JYTP. Each term of office of the directors of JYTP is two years and a director may remain in office if the party appointing him/her shall continue to appoint him/her. Pursuant to the joint venture articles of JYTP, four directors of JYTP shall form a quorum of board meetings.

Profit and loss: Pursuant to the joint venture contract of JYTP, profits available for distribution shall be distributed to Kingsrich and JNGEDZC in proportion to their respective capital contribution to the registered capital of JYTP. The liability of Kingsrich and JNGEDZC towards the liabilities of JYTP shall be limited to the respective amounts of capital contribution responsible to be made by them.

Term of the Joint Venture Company: JYTP has a joint venture period of fifty years commencing on the date of issuance of its business licence (which has been issued on 28 March 2007).

On 27 April 2007, JYTP (as transferee) entered into the Land Use Right Grant Contract for the acquisition of the land use right in respect of a piece of land with a gross area of approximately 194,000 square meters located at 中國江蘇省南通市港閘區通港路南側 (Southern Side of Tong Gang Road, Gangzha Area, Nantong City, Jiangsu Province, the PRC) for a land premium of approximately RMB26.22 million (equivalent to approximately HK\$26.92 million). Pursuant to the Land Use Right Grant Contract, the land use right over the Land was for a term of 50 years until 26 April 2057 and the Land shall be used for industrial purposes. The registered capital to be injected to JYTP by Kingsrich and JNGEDZC is intended to be used to fund the land premium.

According to terms of the Land Use Right Grant Contract, JYTP is required to pay the aforesaid land premium within 10 days from the date of the Land Use Right Grant Contract (i.e. by 7 May 2007). As at the date of this announcement, JYTP has not yet paid the aforesaid land premium. The Company has been informed by the Vendor that JYTP has been in discussion with the Nantong Land Bureau for an extension of the time limit for payment of the said land premium. As advised by the Company's PRC legal advisers, pursuant to the terms of the Land Use Right Grant Contract, JYTP may be subject to a daily penalty at the rate of 1% of the amount of land premium not paid. If such delay continues for more than 6 months, Nantong Land Bureau may terminate the Land Use Right Grant Contract, resume the Land and ask JYTP for compensation in respect of any other losses suffered by Nantong Land Bureau and JYTP has no right to demand repayment of any deposit paid.

Under the terms of the Sale and Purchase Agreement, the Vendor has undertaken, among other things, to indemnify the Purchaser, Kingsrich and JYTP in respect of any penalties, claims and liabilities which any of them may incur or suffer resulting from the delay in payment of registered capital and land premium mentioned above. The Purchaser also has the right, prior to Completion, to terminate the Sale and Purchase Agreement if (i) the Land Use Right Grant Contract is or is liable to be terminated or rescinded or becomes void or invalid or the relevant authorities impose penalty for such late payment as mentioned above.

Kingsrich was incorporated on 12 April 2006 and JYTP was incorporated on 28 March 2007. No audited accounts of Kingsrich and JYTP have been prepared. According to the unaudited consolidated accounts of Kingsrich for the period from 12 April 2006 (the date of its incorporation) to 31 May 2007 (in which the accounts of JYTP, being a subsidiary of Kingsrich, have been consolidated), there were no results in respect of profit or loss for Kingsrich.

According to the unaudited consolidated accounts of Kingsrich for the period from 12 April 2006 to 31 May 2007, the unaudited consolidated net assets of Kingsrich was approximately US\$1,000 (equivalent to approximately HK\$7,816).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in trading and marketing of paper products. The principal products of the Group are book printing papers and packaging boards of which kraftliner boards, testliner boards and corrugated medium are currently accounted for less than five per cent. of the Group's sales. The Group has identified the PRC market as the growth engine for its paper business. In order to further enhance the growth in sales of and secure a stable supply of these types of paper products, the Group decides to make use of its experience and sales networks in distribution of paper products in the PRC market by vertically expanding its scope of business into manufacturing such types of paper products through the Acquisition.

The planned scale of production of JYTP, which has been approved by 江蘇省發展和改革委員會 (Development and Reform Commission of Jiangsu Province), is 150,000 tonnes of kraftliner board and 100,000 tonnes of corrugated medium per annum. As the Group has substantial experience in, and an extensive sales distribution network for, the sales of paper products in the PRC, the management of the Company considers the Group will be able to sell and distribute the types of paper products proposed to be manufactured by JYTP. The management of the Company also believes that the paper products manufactured by JYTP can become one of the steady sources of supply of paper products to the Group. Since after Completion, the Company will have a 99% indirect interest in JYTP through Kingsrich, sales of JYTP can lead to a growth in sales of paper products of the Group and can have a positive contribution to the Group's revenue and profitability.

The executive Directors believe that the terms of the Sale and Purchase Agreement and the capital commitment to JYTP are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The original cost of the entire issued share capital of, and shareholder's loan to, Kingsrich to the Vendor is US\$296,528 (equivalent to approximately HK\$2,317,781).

LISTING RULES IMPLICATIONS

The Vendor is indirectly owned as to 100% by the Vendor Guarantor, who is the sister-in-law of Mr. Pang Wing-kin, Patrick, an independent non-executive Director. Pursuant to Rule 14A.11(4) of the Listing Rules, the Vendor Guarantor is considered to be an associate of Mr. Pang Wing-Kin, Patrick and therefore, a connected person of the Company.

In accordance with the requirements of Rule 14.15(3) of the Listing Rules, in calculating the consideration ratio, in addition to the Consideration, the amount of capital contribution to be made to JYTP by Kingsrich shall also be included since such capital contribution obligation of Kingsrich will, as a result of the Acquisition, effectively be taken up by the Group. On such basis, the consideration ratio for the Acquisition is not less than 25% but is less than 100%, the Acquisition therefore constitutes a connected and major transaction for the Company under Chapter 14A and Chapter 14 of the Listing Rules respectively and is subject to the reporting, announcement and independent shareholders' approval requirements pursuant to the Listing Rules.

As no Shareholder has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereby, no Shareholder is required to abstain from voting if a general meeting of the Company is convened to approve the Sale and Purchase Agreement and the transactions contemplated thereby. As at the date of this announcement, Mr. Lee Seng Jin, an executive Director, and Quinselle Holdings Limited respectively controlled 92,144,000 Shares and 187,820,000 Shares, representing approximately 21.47% and 43.75% of the nominal value of the securities giving the right to attend and vote at any general meeting of the Company respectively. Quinselle Holdings Limited held the said 187,820,000 Shares in its capacity of a trustee of a private unit trust. The majority units in such private unit trust are held by HSBC International Trustee Limited in its capacity as the trustee of a family trust. The objects of such family trust include Mr. Lee Seng Jin and, his spouse, Ms. Sham Yee Lan, Peggy (who is also an executive Director). The Company has obtained the Written Approval from Quinselle Holdings Limited and Mr. Lee Seng Jin. Pursuant to Rules 14A.43 and 14A.53 of the Listing Rules, the Company has applied to the Stock Exchange for a waiver of the requirement to hold a shareholders' meeting and the permission for the Independent Shareholders' approval be given in the form of the Written Approval.

The Board has appointed the Independent Board Committee to consider and advise the Independent Shareholders on the terms of the Sale and Purchase Agreement and an independent financial adviser will be appointed by the Company to provide its opinion to the Independent Board Committee and the Independent Shareholders.

GENERAL

The Group is principally engaged in investment holding, trading and marketing of paper products.

The Vendor is an investment holding company.

A circular containing, among other things, (i) further details of the Acquisition; (ii) the recommendation of the Independent Board Committee; (iii) an advice from the independent financial adviser on the terms of the Acquisition; (iv) a valuation report in respect of the Land; and (v) other information on the Company will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acquisition”	the acquisition of the Sale Shares and the Loan by the Company subject to and upon the terms and conditions of the Sale and Purchase Agreement
“Agreed Exchange Rate”	US\$1 to HK\$7.8164
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“BVI”	the British Virgin Islands

“Company”	Samson Paper Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date on which the sale and purchase of the Sale Shares and the Loan in accordance with the Sale and Purchase Agreement is completed
“Conditions”	the conditions precedent to Completion provided in the Sale and Purchase Agreement, a summary thereof is set out in this announcement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Sale Shares and the Loan, comprising the Share Consideration and the Loan Consideration
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company consisting of Mr. Tong Yat Chong and Mr. Ng Hung Sui, Kenneth, who are independent non-executive Directors
“Independent Shareholders”	Shareholders other than those prohibited from voting under the Listing Rules
“Independent Third Party”	a third party which is not a connected person of the Company
“JNGEDZC”	江蘇省南通港閘經濟開發區總公司(Jiangsu Nantong Gangzha Economic Development Zone Corp.), an unincorporated entity established in the PRC, an Independent Third Party
“JYTP”	江蘇遠通紙業有限公司 (Jiangsu Yuan Tong Paper Co. Ltd.), a company incorporated in the PRC with limited liability which is owned as to 99% by Kingsrich and 1% by JNGEDZC
“Kingsrich”	Kingsrich Group Limited, a company incorporated in the BVI with limited liability wholly-owned by the Vendor as at the date of this announcement

“Land”	the land located at 中國江蘇省南通市港閘區通港路南側 (Southern Side of Tong Gang Road, Gangzha Area, Nantong City, Jiangsu Province, the PRC) with a gross area of approximately 194,000 square meters
“Land Use Right Grant Contract”	國有土地使用權出讓合同 (Land Use Right of State-Owned Land Grant Contract) in respect of the Land dated 27 April 2007 made between the Nantong Land Bureau (as transferor) and JYTP (as transferee)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the aggregate amount of the loan owing by Kingsrich to the Vendor and outstanding as at the Completion Date (which shall be US\$295,528 (equivalent to approximately HK\$2,309,965) which is unsecured, interest-free and repayable on demand
“Loan Consideration”	the consideration for the Loan, which shall be an amount denominated in Hong Kong dollars equivalent to the principal amount of the Loan as at Completion Date
“Long Stop Date”	31 August 2007, or such other date as the Vendor and the Purchaser may agree in writing
“Nantong Land Bureau”	中華人民共和國江蘇省南通市國土資源局 (The Bureau of State Land and Resources of Nantong City, Jiangsu Province, the PRC)
“PRC”	the People’s Republic of China
“Purchaser”	Rise Gain Development Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 July 2007 entered into between the Vendor, the Vendor Guarantor and the Purchaser in relation to the Acquisition
“Sale Shares”	1,000 ordinary shares of US\$1 each, representing the entire issued share capital of Kingsrich
“Shares”	shares in the capital of the Company
“Share Consideration”	the consideration for the Sale Shares, which shall be the difference between HK\$7,997,568 and the Loan Consideration
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of the America
“Vendor”	Better Development Limited, a company incorporated in the BVI which is indirectly owned as to 100% by the Vendor Guarantor
“Vendor Guarantor”	Ms. Liu Lai Sum, Christina, the sister-in-law of Mr. Pang Wing-kin, Patrick, an independent non-executive Director
“Written Approval”	the written approval of the Sale and Purchase Agreement and the transactions contemplated thereby by Quinselle Holdings Limited and Mr. Lee Seng Jin
“%”	per cent.

In this announcement, for illustration purpose, amounts in United States dollars and Renminbi have been translated into Hong Kong dollars at the exchange rate of US\$1 to HK\$7.8164 and RMB1 to HK\$1.0267 respectively. Such translation does not constitute a representation that any amount has been, could have been or may be exchanged at such rates.

By order of the board of directors of
Samson Paper Holdings Limited
Mr. SHAM Kit Ying
Director

Hong Kong, 13 July 2007

As at the date of this announcement, 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, 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*