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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)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY**

The Board is pleased to announce that on 6 March 2012, the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser for the disposal of the Property at a cash consideration of HK\$76,000,000.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Disposal is more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

#### **THE PROVISIONAL AGREEMENT**

On 6 March 2012, the Vendor entered into the Provisional Agreement with the Purchaser for the disposal of the Property.

The principal terms of the Provisional Agreement are as follows:

Date: 6 March 2012

Vendor: Boardton Consultants Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company.

Purchaser: Joint Grace Limited, a company incorporated in Hong Kong. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser is a third party who is independent of and not connected with the Company and its connected persons.

Payment terms: Pursuant to the terms of the Provisional Agreement, the Purchaser will acquire the Property from the Vendor at a consideration of HK\$76,000,000. An initial deposit of HK\$3,800,000 was paid by the Purchaser upon signing of the Provisional Agreement and a further deposit of HK\$3,800,000 shall be paid by the Purchaser to the Vendor on or before 20 March 2012. The balance of Consideration, being HK\$68,400,000, shall be paid upon Completion, which is scheduled to take place on or before 3 December 2012.

The Preliminary Agreement is unconditional.

## **INFORMATION ON THE PROPERTY**

The Property includes (i) godown A and (ii) loading space no. C1, C2, C3 and C4 both located at Second Floor, Sunshine Kowloon Bay Cargo Centre, No. 59 Tai Yip Street, Kowloon, Hong Kong. The property was revalued as HK\$73,827,300 at 31 March 2011 by an independent, professionally qualified valuer FPD Savills (Hong Kong) Limited. Such valuation was based on the then current prices as at 31 March 2011 in an active market for the Property.

The Property is subject to a tenancy agreement with a monthly rental of HK\$313,281 per month (excluding government rent, rates and management fees which are to be paid by the tenant) which will expire on 7 May 2012. Upon completion of the Disposal, the Vendor shall deliver vacant possession of the Property to the Purchaser.

For the year ended 31 March 2011, revenue from the Property amounted to approximately HK\$3,408,957 and net income from the Property (after deducting direct outgoings and excluding fair value gain on property revaluation) amounted to approximately HK\$2,445,068. For the year ended 31 March 2010, revenue from the Property amounted to approximately HK\$3,321,197 and net income from the Property (after deducting direct outgoings and excluding fair value gain on property revaluation) amounted to approximately HK\$2,485,686. The book and fair value of the Property as shown in the audited accounts of the Company as at 31 March 2011 amounted to HK\$73,827,300.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

In view of the improved market condition of the property market in Hong Kong, the Directors are of the view that the Disposal represents a good opportunity for the Group to realise its investment in the Property for attractive return. The Disposal will increase the working capital of the Group and enhance its cashflow. The Directors believe that the terms of the Disposal are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser and by reference to the recent transactions of similar type of units in the property market of Hong Kong. The Directors are of the view that the terms of the Provisional Agreement including the consideration are on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

The Disposal is expected to realise a profit of approximately HK\$1,500,000, which is calculated with reference to the Consideration less the book value of the Property as at 31 March 2011 and estimated related expenses to be incurred. The Company currently intends to apply the sale proceeds from the Disposal for meeting its general working capital requirement.

## GENERAL

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

The principal activity of the Purchaser is investment holding.

As one or more of the applicable percentage ratios in respect of the Disposal is more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	Samson Paper Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Disposal
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	the total consideration of HK\$76,000,000 for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the terms of the Provisional Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	all that (i) godown A and (ii) loading space no. C1, C2, C3 and C4, both located at Second Floor, Sunshine Kowloon Bay Cargo Centre, No. 59 Tai Yip Street, Kowloon, Hong Kong
“Provisional Agreement”	the binding provisional sale and purchase agreement dated 6 March 2012 in relation to the disposal of the Property by the Vendor to the Purchaser
“Purchaser”	Joint Grace Limited, a company incorporated in Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” Boardton Consultants Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company

“%” per cent.

By Order of the Board  
**SAMSON PAPER HOLDINGS LIMITED**  
**Mr. Lee Yue Kong, Albert**  
*Company Secretary*

Hong Kong, 6 March, 2012

*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 purposes only*