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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 BONUS ISSUE OF SHARES**

The Board is pleased to announce that it has resolved to recommend the Bonus Issue, being a bonus issue of new Ordinary Shares on the basis of one Bonus Share for every one Ordinary Share to Shareholders who held or are deemed to hold Ordinary Shares on the Record Date and, in accordance with the terms of the CP Shares and the requirements set out in the Bye-Laws, for the purpose of the Bonus Issue, each CP Shareholder who held CP Shares on the Record Date shall be deemed to hold such number of Ordinary Shares as if the conversion rights attaching to the CP Shares held by it on the Record Date had been exercisable and exercised in full on the Record Date on the basis of the Conversion Rate applicable as at the Record Date. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount in the share premium account of the Company. Upon issuance, the Bonus Shares will rank *pari passu* in all respects with the then existing Ordinary Shares in issue except that they will not rank for the interim dividend for the six months ended 30 September 2010.

To qualify for the Bonus Issue, any transfer of Ordinary Shares must be lodged for registration by 4:30 p.m. on Tuesday, 4 January 2011. The register of members will be closed from Wednesday, 5 January 2011 to Friday, 7 January 2011, both days inclusive, during which period no transfers of Ordinary Shares will be effected. CP Shareholders are reminded that none of the CP Shares shall be assignable or transferable without the prior written approval of the Board. The Board will not give any such approval during the period from Wednesday, 5 January 2011 to Friday, 7 January 2011.

A circular containing, among other things, details of the Bonus Issue together with a notice of the SGM, will be despatched to the Shareholders as soon as practicable.

### **PROPOSED BONUS ISSUE**

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and, in accordance with the terms of the CP Shares and the requirements set out in the Bye-Laws, for the purpose of the Bonus Issue, each CP Shareholder who held CP Shares on the Record Date shall be deemed to hold such number of Ordinary Shares as if the conversion rights attaching to the CP Shares held by it on the Record Date had been exercisable and exercised in full on the Record Date on the basis of the Conversion Rate applicable as at the Record Date. The Bonus Shares will be credited as fully paid by way of capitalisation of an amount equal to the total par value of the Bonus Shares standing to the credit of the share premium account of the Company. Upon issuance, the Bonus Shares will rank pari passu in all respects with the then existing Ordinary Shares in issue except that they will not rank for the interim dividend for the six months ended 30 September 2010.

Pursuant to the terms of the CP Shares and the requirements set out in the Bye-Laws, if a bonus issue of Ordinary Shares by way of the capitalisation of share premium account of the Company is made to the Ordinary Shareholders, then the Company shall make at the same time a like bonus issue to each CP Shareholder as if its conversion rights had been exercisable and exercised in full on the relevant record date on the basis of the Conversion Rate applicable as at such a record date. Accordingly, the Bonus Issue is also made to the CP Shareholders on the Record Date as if the conversion rights attaching to the CP Shares held by it on the Record Date had been exercisable and exercised in full on the Record Date on the basis of the Conversion Rate applicable as at the Record Date and the entitlement of the CP Shareholders to the Bonus Issue shall be determined on the same basis as the other Ordinary Shareholders (i.e. one Bonus Share for every one Ordinary Share which such CP Shareholder is deemed to hold as aforesaid). No adjustment will be made to the Conversion Rate as a result of the Bonus Issue.

There are 504,505,446 Ordinary Shares and 132,064,935 CP Shares in issue as at the date of this announcement. Assuming that there is no change in the number of issued Ordinary Shares, the number of issued CP Shares and the Conversion Rate between the date of this announcement and the Record Date, a total of 636,570,381 Bonus Shares will be issued pursuant to the Bonus Issue.

Since the Bonus Issue is on the basis of one Bonus Share for every one Ordinary Share held or deemed to be held by the Shareholders on the Record Date, there will not be any fractional entitlements to the Bonus Shares.

### **Conditions of the Bonus Issue**

The Bonus Issue is conditional, among other things, upon:

- (i) the passing of an ordinary resolution by the Ordinary Shareholders at the SGM approving the Bonus Issue; and
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares.

Subject to fulfillment of the above conditions, certificates for the Bonus Shares are expected to be despatched to the Shareholders by ordinary post at their own risk on or before Thursday, 20 January 2011 and dealings in the Bonus Shares are expected to commence on Monday, 24 January 2011.

## Reason for the Bonus Issue

The Bonus Issue is a token of gratitude for the support of the Shareholders. The Directors believe that the Bonus Issue will also increase the Company's capital base and enhance the liquidity of the Shares in the market and thereby enlarge the Company's shareholders' base.

## Closure of register of members

As announced by the Company on 24 November 2010, the register of members of the Company will be closed from Wednesday, 5 January 2011 to Friday, 7 January 2011, both days inclusive, during which period no transfer of Ordinary Shares will be effected. In order to qualify for the Bonus Issue, all transfers of Ordinary Shares must be duly completed, accompanied by the relevant share certificates and lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 4 January 2011.

CP Shareholders are reminded that none of the CP Shares shall be assignable or transferable without the prior written approval of the Board. The Board will not give any such approval during the period from Wednesday, 5 January 2011 to Friday, 7 January 2011.

## Expected timetable

	<i>Date</i>
Circular relating to the Bonus Issue to be despatched on or before . . . . .	Tuesday, 21 December 2010
Last day of dealings in Ordinary Shares cum-entitlements to the Bonus Issue . . . . .	Friday, 31 December 2010
First day of dealings in Ordinary Shares ex-entitlements to the Bonus Issue . . . . .	Monday, 3 January 2011
Latest time for lodging transfers of the Ordinary Shares for entitlement to the Bonus Issue . . . . .	4:30 p.m. on Tuesday, 4 January 2011
Closure of register of members of the Company . . . . .	Wednesday, 5 January 2011 to Friday, 7 January 2011
Latest date and time to return form of proxy for the SGM . . . . .	11:00 a.m. on Wednesday, 5 January 2011
Date and time of SGM . . . . .	11:00 a.m. on Friday, 7 January 2011
Record date for determination of entitlements to the Bonus Issue . . . . .	Friday, 7 January 2011
Register of members re-opens . . . . .	Monday, 10 January 2011
Despatch of share certificates for the Bonus Shares . . . . .	Thursday, 20 January 2011
First day of dealings in the Bonus Shares . . . . .	Monday, 24 January 2011

All times and dates refer to Hong Kong local time and dates. The expected timetable may be subject to change by the Company and is subject to fulfillment of all conditions. The Company will make further announcements in compliance with the Listing Rules as appropriate if such changes are made.

## **Listing and dealings**

An application has been made to the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares.

## **General**

A circular containing, amongst other things, further information on the Bonus Issue together with a notice convening the SGM, will be dispatched to the Shareholders as soon as practicable.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

“Board”	board of Directors
“Bonus Issue”	the proposed issue of one Bonus Share for every one Ordinary Share to the Shareholders whose names appear on the register of members of the Company on the Record Date and who held or are deemed to hold Ordinary Shares and for the purpose of the proposed issue, each CP Shareholder who held CP Shares on the Record Date shall be deemed to hold such number of Ordinary Shares as if the conversion rights attaching to the CP Shares held by it on the Record Date had been exercisable and exercised in full on the Record Date on the basis of the Conversion Rate applicable as at the Record Date
“Bonus Share(s)”	new Ordinary Share(s) to be issued by the Company pursuant to the Bonus Issue
“Bye-Laws”	the bye-laws of the Company
“Company”	Samson Paper Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange
“Conversion Rate”	the basis upon which each CP Shareholder is entitled to convert its CP Shares into fully paid Ordinary Shares, currently being one Ordinary Share for every CP Share
“CP Share(s)”	convertible non-voting preference share(s) of par value of HK\$0.10 each in the share capital of the Company
“CP Shareholder(s)”	registered holder(s) of CP Share(s)
“Director(s)”	director(s) of the Company
“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
“Ordinary Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Ordinary Shareholder(s)”	registered holder(s) of Ordinary Share(s)
“Record Date”	Friday, 7 January 2011, being the date for determining the entitlement to the Bonus Issue
“SGM”	the special general meeting of the Company to be held at 11:00 a.m. on Friday, 7 January 2011
“Share(s)”	share(s) of par value of HK\$0.10 each in the share capital of the Company (whether Ordinary Shares or CP Shares)
“Shareholders”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**SAMSON PAPER HOLDINGS LIMITED**  
**LEE Yue Kong, Albert**  
*Company Secretary*

Hong Kong, 3 December 2010

*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, 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*