

Press release

STORA[♀]

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STORA concludes acquisition of majority holding in China-based fine paper company

- In September 1997, STORA announced the first step in the Group's expansion into new high-growth markets – the Veracruz project. This project aims at securing the raw-material base for short fiber-based products.
- In January 1998, STORA announced the second step in this strategy, the signing of a Memorandum of Understanding under which STORA will acquire a majority holding in a China-based fine paper mill, the Suzhou Papyrus Paper Co., Ltd.
- At a ceremony in Suzhou on June 11, the deal was finally closed between STORA and China Renaissance Industries L.P., presently the major owner of Suzhou Papyrus through its subsidiary, Purple Charta Investments Limited.
- The final purchase price is to be decided in 2001, and is subject to the performance of the mill.

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On June 11, Stora Kopparbergs Bergslags AB and China Renaissance Industries L.P. jointly closed a deal under which STORA purchased from China Renaissance 75 percent of the ordinary shares of Purple Charta Investment Limited, a British Virgin Island corporation ("Purple Charta").

Purple Charta is a wholly-owned subsidiary of China Renaissance and owns 80 percent of Suzhou Papyrus Paper Co., Ltd., a Sino-foreign equity joint venture located approximately 90 kilometers west of Shanghai in the city of Suzhou in Jiangsu Province, The People's Republic of China. Suzhou Papyrus engages in the manufacturing, marketing and distribution of paper and coated paper products. Suzhou Papyrus is the largest and most efficient producer of high-quality woodfree coated paper in China. Its mill has a total annual capacity of 120,000 tonnes of woodfree coated paper and supplies art paper and uncoated offset paper for China's printing and publishing industries.

For further information, please contact

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