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SAMSON PAPER HOLDINGS LIMITED

森信紙業集團有限公司*

(Provisional Liquidators Appointed)

(For Restructuring Purposes Only)

(Incorporated in Bermuda with limited liability)

(Stock Code: 731)

QUARTERLY UPDATE ON RESUMPTION PROGRESS AND UPDATE ON WINDING UP PETITION

This announcement is made by Samson Paper Holdings Limited (the “**Company**”) pursuant to Rule 13.24A and Rule 13.25 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference are made to the announcements (the “**Announcements**”) of the Company dated 2 July 2020, 14 July 2020, 16 July 2020, 17 July 2020, 20 July 2020, 22 July 2020, 23 July 2020, 26 July 2020, 29 July 2020, 10 August 2020, 14 August 2020, 18 August 2020, 17 September 2020, 30 September 2020 and 27 November 2020. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

Reference is also made to the amendments to the delisting framework under the Listing Rules which came into effect on 1 August 2018.

UPDATE ON RESUMPTION PROGRESS

As disclosed in the Company’s announcements dated 23 July 2020 and 27 November 2020, the Stock Exchange has imposed on the Company certain Resumption Guidance, including, among others, conducting an appropriate independent investigation into the audit issues, which were set out in the Company’s announcement dated 17 September 2020. Following the appointment of the Independent Investigator by the IBC to conduct

an independent investigation on the audit issues, the Independent Investigator has been conducting fieldwork in both of Hong Kong and PRC. Based on the communications with the Independent Investigator, preliminary findings and results are expected to be made available to the IBC for review and consideration by February 2021. The Company will make relevant announcements(s) as and when appropriate.

BUSINESS UPDATE

The Group are principally engaged in paper manufacturing, sale and trading of paper and board, office suppliers and consumable, fast moving consumer goods business, property development as well as leasing of investment properties.

Universal Pulp & Paper (Shandong) Co. Ltd. (“**UPPSD**”), which is a principal operating subsidiary of the Group, is engaged in manufacturing of paper products and incorporated in PRC with limited liability.

On 23 December 2020, UPPSD received the “Notice from the People’s Court of Xuecheng District, Zaozhuang City, Shandong Province” (2020) Lu0403 Poshen No. 13 (the “**Notice**”) informing that a creditor of UPPSD has filed a bankruptcy application against UPPSD (the “**Bankruptcy Application**”) and if UPPSD had any objection to the Bankruptcy Application, it should submit its objection to the People’s Court of Xuecheng District, Zaozhuang City, Shandong Province (the “**Local Court**”) within seven days from the date of receipt of the Notice.

On 28 December 2020, UPPSD filed an objection letter to the Local Court against the Bankruptcy Application. On 30 December 2020, UPPSD received a civil judgement issued by the Local Court, advising that the Bankruptcy Application was accepted. The Company is seeking legal advice on this matter and is in the course of assessing the impact of the Bankruptcy Application.

As one or more of the percentage ratios as defined in Rule 14.04(9) of the Listing Rules for UPPSD are 5% or more, Rule 13.25(1)(b) of the Listing Rules applies to UPPSD according to Rule 13.25(2) of the Listing Rules.

The Group will continue to closely monitor the development and make additional announcement(s) as and when appropriate.

POTENTIAL RESTRUCTURING

The Company and the JPLs continue to maintain an active communication with the creditors of the Company and identify potentially interested parties, with the view to explore options for developing and proposing a restructuring of the Company’s indebtedness. A number of parties have expressed preliminary interests in participating in the potential restructuring and the Company and the JPLs have been in discussion

with them to gauge their interests and facilitate submission of restructuring proposal(s). As at the date of this announcement, no binding agreement has been entered into. The Company will make additional announcements(s) as and when appropriate.

UPDATE ON WINDING UP PETITION AND RECOGNITION OF APPOINTMENT OF JPLS BY THE HIGH COURT OF HONG KONG

Following the appointment of the JPLs pursuant to the Bermuda Court order dated 24 July 2020, the hearing of the Petition is adjourned to 5 February 2021.

As disclosed in the Company's announcement dated 14 August 2020, an order was granted by the Hong Kong Court on 13 August 2020 to, *inter alia*, recognize the appointment of the JPLs so long as the Company remains in provisional liquidation in Bermuda.

Further announcement(s) will be made by the Company in respect of the above matters as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 July 2020 and will remain suspended until further notice. The Company will keep its shareholders and the public informed of the latest development by making further announcement(s) as and when appropriate.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
SAMSON PAPER HOLDINGS LIMITED
(Provisional Liquidators Appointed)
(For Restructuring Purposes Only)
Mr. LEE Seng Jin
Chairman

Hong Kong, 4 January 2021

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. LEE Seng Jin, Mr. CHOW Wing Yuen, Ms. SHAM Yee Lan, Peggy and Mr. LEE Yue Kong, Albert; and three independent non-executive Directors, namely Mr. CHOI Wai Hong, Clifford, Mr. LAU Wai Leung, Alfred and Mr. LEUNG Vincent Gar-gene.

* *for identification purposes only*