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SAMSON PAPER HOLDINGS LIMITED

森信紙業集團有限公司*

(Provisional Liquidators Appointed)

(For Restructuring Purpose Only)

(Incorporated in Bermuda with limited liability)

(Stock Code: 731)

UPDATE ON THE APPLICATION FOR APPOINTMENT OF PROVISIONAL LIQUIDATORS FOR RESTRUCTURING PURPOSES

This announcement is made by Samson Paper Holdings Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.25 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 20 July 2020 and 22 July 2020 (the “**Announcements**”) in relation to, amongst others, the JPL Application on a “light touch” basis filed by the Company with the Bermuda Court. Unless otherwise defined, terms in this announcement shall have the same meaning as the Announcement.

UPDATES ON THE JPL APPLICATION

On 25 July 2020 (Hong Kong time), the Company received the sealed Court Order (the “**Order**”) dated 24 July 2020 in relation to the JPL Application. As set out in the Order, the Bermuda Court has ordered that, amongst others:

1. Lai Kar Yan (Derek) and Ho Kwok Leung (Glen), both of Deloitte Touche Tohmatsu, and Rachelle Ann Frisby of Deloitte Ltd., be appointed as the JPLs of the Company with the power to act jointly and severally.

2. The JPLs shall be empowered to carry out, among other things, the following functions:
- a. to develop and propose a restructuring of the Company's indebtedness in a manner designed to allow the Company to continue as a going concern, with a view to making a compromise or arrangement with the Company's creditors, including (without limitation) a compromise or arrangement by way of a scheme of arrangement;
 - b. to monitor, oversee and supervise the Board in its management of the Company with a view to developing and proposing any compromise or arrangement with the Company's creditors, and any corporate and/or capital reorganisation of the Group (including but not limited to any share subscription and placement of shares in the Group);
 - c. to monitor, consult with and otherwise liaise with the creditors and/or shareholders of the Company (the "**Shareholders**") (as deemed appropriate in the sole discretion of the JPLs) in relation to a restructuring and its implementation, including the establishment of a creditors' committee if deemed appropriate by the JPLs (in their absolute discretion);
 - d. without prejudice to the generality of the foregoing, for the purpose of any proposal to be presented to the Stock Exchange for the resumption of trading of the Shares and maintenance of the Company's listing on the Stock Exchange, and to satisfy any resumption conditions: (i) to investigate matters and report to the regulatory authorities where appropriate; (ii) to liaise with the Company's auditors in relation to the provision of the annual results and annual report of the Group for the year ended 31 March 2020; and (iii) to undertake a review of the internal control systems; and (iv) to monitor the progress of the independent committee of the Company;
 - e. to seek out investors and financiers for the purpose of investing in and/or providing finance to the Company;
 - f. to terminate, complete or perfect any agreement or transaction relating to the business of the Company, including, without prejudice to the generality of this power, to novate or assign any such agreements or transactions, so far as may be necessary for the purpose of managing the affairs of the Company, protecting the assets of the Company and restructuring the Company's assets and affairs to enable the resumption of trading of the Shares and maintenance of the Company's listing on the Stock Exchange;
 - g. to oversee the existing Board (and attend any Board meetings) so as to protect the interests of and effect a maximisation of returns to the stakeholders of the Company;

- h. to locate, protect, secure and take into their possession and control the books, papers and records of the Company including the accountancy and statutory records within the jurisdiction of the Bermuda Court and to investigate the assets and affairs of the Company and the circumstances which gave rise to its insolvency, including, without limitation, to require the Company to make a forensic image of the Company's and its subsidiaries' management information systems including records stored on their computers. Such forensic image is to be stored on behalf of the Company and appropriately safeguarded to protect the integrity of the data (including all metadata) and shall only be accessed with the mutual written consent of the Board and the JPLs or as directed by the Bermuda Court. The books, records and documents of the Company include:
 - i. emails exchanged and other correspondence between the Company and its auditors, and the Company and other third parties; and
 - ii. documents and information provided by the Company to its auditors and provided by the auditors to the Company in relation to the audit work;
 - i. in relation to the Company and its subsidiaries, to review and approve any asset disposition valued at more than HK\$1 million. The JPLs will obtain the prior sanction of the Bermuda Court for any disposition of the assets of the Company or its subsidiaries where the value of those assets is an amount in excess of HK\$7.8 million;
 - j. to do all such things as may be necessary or expedient for the protection or recovery of the Company's property and assets at law or in equity within the jurisdiction of the Bermuda Court as the JPLs may consider to be appropriate;
 - k. to communicate with and carry out any necessary filings with regulatory bodies as appropriate, including, without limitation, the Stock Exchange and the Securities and Futures Commission in the name and on behalf of the Company; and
 - l. to do all other things incidental to the exercise of the powers set out in the Order.
3. The JPLs shall be entitled to receive advance materials, receive advance notice of and, at the expense of the Company, attend all of the Company and its subsidiaries' Board meetings and such meetings of management or sub-committees of the Board as the JPLs may request.

4. The JPLs shall submit a report to the Bermuda Court on the conduct of the provisional liquidation and prospects of a restructuring at least every three months or as the Bermuda Court may otherwise request from time to time.
5. Save as specifically set out in the Order, the JPLs will have no general or additional powers or duties with respect to the property or records of the Company, and the Board shall continue to manage the Company's day-to-day affairs in all respects and exercise the powers conferred upon it by the Company's Memorandum of Association and Bye-laws, subject to the JPLs' oversight and monitoring of the exercise of such powers in relation to matters related to the ordinary course of business of the Company and, in relation to matters outside of the ordinary course of business of the Company, the JPLs granting prior approval of the exercise of such powers. In the event that the JPLs and the Board cannot agree upon a proposed course of action outside the ordinary course of the Company's business, the JPLs and the Board have liberty to apply to the Bermuda Court for directions.

The Bermuda Court further ordered that letters of request be issued to the High Court of Hong Kong (the "**Hong Kong Court**") seeking its assistance in aid of the Bermuda Court in the proceedings by ordering, if the Hong Kong Court shall consider it appropriate, that the Order be recognised such that the Order be treated in all respects in the same manner as if the Order had been made and the JPLs had been appointed by the Hong Kong Court, to the fullest extent permitted by Hong Kong law.

An application will be made to the Hong Kong Court for, among other things, the recognition of the Order.

The Company will make further announcement(s) to provide updates to the shareholders and potential investors of the Company as and when appropriate.

Trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 2 July 2020 pending the release by the Company of an announcement in relation to the audited annual results for the year ended 31 March 2020.

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 Purpose Only)
Mr. LEE Yue Kong, Albert
Company Secretary

Hong Kong, 26 July 2020

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*