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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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

References 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, 27 November 2020, 4 January 2021, 25 January 2021, 9 February 2021, 28 March 2021, 8 April 2021, 13 April 2021, 27 April 2021, 2 May 2021, 25 May 2021 and 18 June 2021. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

UPDATE ON RESUMPTION PROGRESS

Bankruptcy reorganisation of UPPSD

On 23 April 2021, the bankruptcy administrator of UPPSD (the “**Bankruptcy Administrator**”) had convened the first creditors’ meeting of UPPSD.

During that meeting, the Bankruptcy Administrator had provided, *inter alia*, an introduction to the background of UPPSD's bankruptcy proceedings, an update on the progress of their work since their appointment on 30 December 2020, a summary of financial position of UPPSD, and the preliminary adjudication results of the claims filed against UPPSD.

As disclosed in the Company's announcement dated 13 April 2021, the PRC court's confirmation on the completion of the implementation of the bankruptcy reorganisation plan in respect of UPPSD is one of the conditions precedent of the completion of the Restructuring.

It is currently expected that the Bankruptcy Administrator could convene the second creditors' meeting in July 2021, for approval of UPPSD's bankruptcy reorganisation plan, which will then be subject to the PRC court's approval.

The Company will make further announcements(s) in respect of the bankruptcy reorganisation of UPPSD as and when appropriate.

The Restructuring Agreement

Reference is made to the announcement of 13 April 2021. As disclosed, the Term Sheet in relation to the proposed Restructuring of the Group, which shall include, among others, (i) the Capital Reorganisation, (ii) the Subscription, (iii) the Group Reorganisation, (iv) the Open Offer, (v) the Listco Scheme, and (vi) the Resumption has been executed.

The Term Sheet shall take effect from the signing date and shall be automatically terminated upon the earlier of (i) the long stop date (being 30 April 2021) or a later date otherwise agreed by the parties in writing; or (ii) the signing date of the Restructuring Agreement.

On 30 April 2021, the Company, the JPLs and the Investors entered into a confirmation letter to extend the long stop date to 20 May 2021 (or a later date otherwise agreed by the parties in writing).

The extended long stop date of the Term Sheet (i.e. 20 May 2021) has passed and the relevant parties are continuing to negotiate/finalise the terms, with a view to execute the Restructuring Agreement by the end of July 2021.

Independent Investigation

As disclosed in the Company's announcement dated 10 August 2020, the IBC appointed the Independent Investigator to conduct an independent investigation in respect of the Outstanding Audit Issues.

On 5 May 2021, the Independent Investigator issued its report to the Independent Board Committee. The key findings of the Independent Investigator were summarized in the Company's announcement dated 25 May 2021.

The Company shall, among other things, undertake a thorough review of its internal control system as and when appropriate.

BUSINESS UPDATE

The Group continues to look for opportunities to streamline its assets, business and corporate structure, which includes proposed disposal of several properties in China (including offices, commercial units and warehouses) under the PRC Paper Trading segment and the industrial park in Nantong, China under the Property Investment and Development segment.

The Company is currently liaising with various interested parties on the terms and conditions of the proposed disposal and have entered into two letters of intent with potential buyers in relation to the proposed disposal of two warehouses situated in the PRC. As at the date of this announcement, no binding agreement has been entered into. The Company will make further announcements(s) in the above matters as and when appropriate.

UPDATE ON WINDING UP PETITION

As mentioned in the Company's announcement dated 8 April 2021, the hearing of the Petition is adjourned to 2 July 2021. The Company believes that a successful restructuring is in the best interests of its stakeholders. Therefore, on 29 June 2021, an application has been filed with the Bermuda Court for adjourning the hearing of the Petition. On 2 July 2021, the Bermuda Court ordered that the hearing of the Petition be further adjourned to 26 November 2021.

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)
YU Ngai
Company Secretary

Hong Kong, 7 July 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. CHOI Wai Hong, Clifford and Mr. LAU Wai Leung, Alfred; and one independent non-executive Director, namely Mr. LEUNG Vincent Gar-gene.

* *for identification purposes only*