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## **C&D Newin Paper & Pulp Corporation Limited**

### **建發新勝漿紙有限公司\***

*(formerly known as Samson Paper Holdings Limited 森信紙業集團有限公司\*)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 731)**

### **PROFIT WARNING**

This announcement is made by C&D Newin Paper & Pulp Corporation Limited (formerly known as Samson Paper Holdings Limited) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the management of the Company and a preliminary review and assessment of the Group’s latest unaudited consolidated management accounts (the “**Management Accounts**”) for the six months ended 30 September 2022 (the “**Period**”), the Group is expected to record (i) a revenue of approximately HK\$722 million for the Period, representing an increase of approximately 169% as compared to that of the six months ended 30 September 2021; and (ii) a net loss ranging from approximately HK\$65 million to HK\$75 million for the Period, as compared to the net profit of approximately HK\$165 million for the six months ended 30 September 2021.

Such net loss for the Period was mainly attributable to the following factors: (i) absence of net gain from one-off restructuring matter for the six months ended 30 September 2021, including (1) the one-off gain on re-consolidation of a deconsolidated paper manufacturing subsidiary of the Company of approximately HK\$451 million; and (2) the one-off loss for the period from discontinued operations of approximately HK\$272

million; (ii) the frequent sporadic outbreak of COVID-19 in China, which resulted in insufficient domestic market demand and decreased price of wrapping paper products as compared to the corresponding period in the previous year; (iii) the increase in prices of wood pulps and other raw materials as well as energy imposed pressure on the production cost control, which resulted in a squeeze in gross margin; and (iv) the sporadic outbreak of COVID-19, which caused extended overhaul and downtime of production equipments as compared with schedule, affecting production in the short term.

The Group will continue to pay close attention of the market conditions, monitor its operation and make timely adjustments to its business strategy. The pandemic and downward pressures on the economy have not yet receded. In order to counteract the market risks effectively, the Group considers strengthening internal management and optimising cost structure to contain the impacts of rising raw material costs, product mix upgrade, equipment upgrade and process optimisation.

As the Company is still in the course of finalising its interim results for the Period, the information contained in this announcement is only based on a preliminary review and assessment of the Management Accounts and other information currently available, which have not been reviewed, confirmed or audited by the auditors of the Company or reviewed by the audit committee of the Company as at the date of this announcement, and is subject to possible adjustments arising from further review. The unaudited interim results of the Group for the Period are presently scheduled to be announced on 25 November 2022, in accordance with the Listing Rules.

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

By order of the Board  
**C&D Newin Paper & Pulp Corporation Limited**  
**Mr. SHI Yaofeng**  
*Executive Director*

Hong Kong, 9 November 2022

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. SHI Yaofeng, Mr. HUANG Tiansheng and Ms. SHI Chenye; three non-executive Directors, namely Mr. CHENG Dongfang, Mr. LI Shengfeng and Mr. CHOI Wai Hong, Clifford; and three independent non-executive Directors, namely Mr. ZHAO Lin, Mr. WONG Yiu Kit, Ernest and Mr. LAM John Cheung-wah.*

\* *For identification purpose only*