

# TARGET

## Intelligence Report

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### **SAMSON PAPER HOLDINGS LTD: DAYS OF GLORY OF YESTERYEAR MAY NEVER RETURN TO THIS PAPER COMPANY**

In days of yore, Samson Paper Holdings Ltd (森信紙業集團有限公司) (Code: 731, Main Board, The Stock Exchange of Hongkong Ltd) was well known in many circles of Hongkong, especially in business circles.

But that was during the days when these 416 square miles were part of the British Colonial Empire.

Since July 1, 1997, however, Hongkong underwent a name change and became known as the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**: The sovereign territory of the PRC.

Great Britain agreed to hand over the territory and all that it entailed to the Government of the PRC, following the signing of amicable bilateral agreements, having been agreed and put in place, prior to July of 1997.

Samson Paper Holdings Ltd was, prior to the handover of the territory to the PRC Government, a major purveyor of paper and paper products in the 416 square miles that constitute that which, today, is acknowledged as being the sovereign territory of the PRC proper, being separate and distinct from the HKSAR of the PRC.

But, as in the Biblical story of Samson and Delilah, Samson fell victim to a lamentable haircut, brought about while he slept in the arms of Delilah, his lover, and, as a direct result, the story goes, he found himself bereft of most of his once massive strength.

So it is, today, that Samson Paper Holdings Ltd is in very serious trouble, bereft of its previous, well-heeled glory as a major player in the territory of paper and paper products.

#### **The August Writ Of Summons**

On August 18, 2020, Samson Paper Holdings Ltd (Provisional Liquidators Appointed) made the following announcement, the gist of which was:

***'APPOINTMENT OF JOINT AND SEVERAL LIQUIDATORS OVER  
A HONG KONG SUBSIDIARY***

*‘The Company (Samson Paper Holdings Ltd) announces that after due and careful consideration, the shareholder of Samson Paper Company Limited (森信洋紙有限公司) (“SMHK”), a wholly-owned indirect subsidiary of the Company resolved that SMHK could not by reason of its liabilities, continue its business, and that it should be wound up.’*

Under the sub-heading, **‘REASONS FOR THE VOLUNTARY WINDING-UP OF SMHK’**, this announcement stated:

*‘SMHK was placed into creditors’ voluntary liquidation because of its insolvency, as evidenced by its various defaults in payments.*

*‘The board of the Company (the “Board”) believes that following the liquidation of SMHK, the Company should be able to reallocate management resources to develop its existing business.’*

Trading in the shares of Samson Paper Holdings Ltd have been suspended from July 2, 2020.

Exactly, four days prior to the above-mentioned announcement in respect of the determination to wind up Samson Paper Company Ltd, Mr Lee Seng Jin (李誠仁), the Chairman of Samson Paper Holdings Ltd, informed his shareholders, inter alia:

*‘On 13 August 2020, the Hong Kong Court granted an order to, inter alia, recognize the appointment of the JPLs (Joint Provisional Liquidators) and that so long as the Company remains in provisional liquidation in Bermuda, no action or proceeding shall be proceeded with or commenced against the Company or its assets or affairs, or its property within the jurisdiction of the Hong Kong Court, except with leave of the Hong Kong Court and subject to such terms as the Hong Kong Court may impose.’*

On that same day – Friday, August 14, 2020 – Bank SinoPac (永豐商業銀行股份有限公司) lodged an Action in the High Court of the HKSAR, naming the two Defendants as being:

Samson Paper Company Ltd  
Samson Paper Holdings Ltd

First Defendant  
Second Defendant

Bank SinoPac is a bank, incorporated in Taiwan, and, also, registered in the HKSAR as an overseas company.

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