



C&D Newin Paper & Pulp Corporation Limited

(Formerly known as “Samson Paper Holdings Limited”)

(Incorporated in Bermuda with limited liability)

(Stock Code : 0731)

2022/2023

INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Shi Yaofeng (*Chief Executive Officer*)
Ms. Shi Chenye (*Vice Chief Executive Officer*)
Mr. Huang Tiansheng

Non-executive Directors

Mr. Cheng Dongfang (*Chairman of the Board*)
Mr. Li Shengfeng
Mr. Choi Wai Hong, Clifford

Independent non-executive Directors

Mr. Wong Yiu Kit, Ernest
Mr. Lam John Cheung-wah
Mr. Zhao Lin

AUDIT COMMITTEE

Mr. Wong Yiu Kit, Ernest (*Chairman*)
Mr. Choi Wai Hong, Clifford
Mr. Lam John Cheung-wah

REMUNERATION COMMITTEE

Mr. Zhao Lin (*Chairman*)
Mr. Cheng Dongfang
Mr. Lam John Cheung-wah

NOMINATION COMMITTEE

Mr. Zhao Lin (*Chairman*)
Mr. Cheng Dongfang
Mr. Lam John Cheung-wah

JOINT COMPANY SECRETARIES

Dr. Wong Chi Ho, Raymond
Ms. Li Jing

AUTHORISED REPRESENTATIVES

Mr. Cheng Dongfang
Dr. Wong Chi Ho, Raymond

REGISTERED OFFICE

5th Floor, Victoria Place,
31 Victoria Street, Hamilton HM10,
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 2306B & 2307,
23rd Floor, West Tower, Shun Tak Centre,
No. 168–200, Connaught Road Central,
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Corporate Services Limited
6 Front Street
Hamilton
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F, 148 Electric Road
North Point, Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China,
Xuecheng District Sub-branch
Bank of China, Xuecheng District Sub-branch
Standard Chartered Bank (Hong Kong) Limited,
Hong Kong

COMPANY WEBSITE

<http://www.cndnewin.com>

LEGAL ADVISERS

As to Hong Kong law
Seyfarth Shaw
Suites 3701, 3708–3710, 37/F,
Edinburgh Tower, The Landmark,
15 Queen's Road Central, Hong Kong

STOCK CODE

731

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND EVENTS AFTER REPORTING PERIOD

Change of Company Name

The shareholders of C&D Newin Paper & Pulp Corporation Limited (the “Company”, together with its subsidiaries, the “Group”) at the special general meeting held on 2 September 2022 approved, among other things, the change of name of the Company from “SAMSON PAPER HOLDINGS LIMITED” to “C&D Newin Paper & Pulp Corporation Limited”.

Details of the change of name of the Company were set out in the circular of the Company dated 25 July 2022 and the announcements of the Company dated 25 July 2022, 2 September 2022 and 19 October 2022, respectively.

Business Review

During the period under review, the impact of the COVID-19 pandemic persisted globally, while the macro situation of the international economy have been complicated and severe due to multiple factors such as the pandemic and geopolitics. The internal impetus to domestic economy is recovering slowly. Although the COVID-19 pandemic has been generally under control, frequent sporadic outbreaks still exist, which have an impact on the regional economy, resulting in slow recovery of social consumption, sluggish demand for wrapping paper in China and weak performance in paper prices. In addition, due to the high prices of coal, chemicals and wood pulp, coupled with the influences of domestic environmental protection policies such as “carbon peak and carbon neutrality” and the “dual-control” of energy consumption and energy intensity, energy costs are high and costs for paper production have increased significantly. Therefore, the paper packaging industry in China, including the Group, faces tremendous operating pressure.

With the aim of protecting employees’ health and maintaining production operations in the face of the pandemic, the Group’s top priority is to coordinate the precise and normalised pandemic prevention. Facing challenges of economic downturn and pressures of manifold kinds, the Group had adopted prudent marketing policies, expanded to new product market groups and developed a well-targeted sales model so as to cope with the impacts of various uncertainties. Meanwhile, the Group’s platform had allowed us to actively connect with a variety of high-quality distributors and seek in-depth cooperation. The Group adhered to the concept of sustainable development, promoted management innovation, technological innovation and energy-saving transformation, optimised the production process, achieved continuous optimisation of internal management, as well as enhanced the ability to withstand risks.

Prospects

The pandemic and downward pressures on the economy have not yet receded. The Group will continue to pay close attention of the market conditions, monitor its operation and make timely adjustments to its business strategy. In order to counteract the market risks effectively, the Group considers to strengthen internal management and optimise cost structure to contain the impact of rising raw material costs, product mix upgrade, equipment upgrade and process optimisation. By leveraging the abundant resources and industry experience of 廈門建發紙業有限公司 (Xiamen C&D Paper & Pulp Co.,Ltd.*) and 浙江新勝大控股集團有限公司 (Zhejiang Xinshengda Holding Group Co.,Ltd.*), introducing advanced management concepts and utilising the advantages of the capital platform in Hong Kong, the Group is gradually approaching the new stage of leaping development.

FINANCIAL PERFORMANCE

Revenue from continuing operations

The revenue from continuing operations of the Group increased from approximately HK\$268 million for the six months ended 30 September 2021 to approximately HK\$722 million for the six months ended 30 September 2022 primarily due to the resumption of self-operation of Universal Pulp & Paper (Shandong) Co. Ltd. (“UPPSD”), a wholly-owned subsidiary of the Company, since 1 August 2021. Thus, the six (2021: two) months period of revenue of UPPSD has been consolidated for the interim results of the six months ended 30 September 2022.

Gross loss from continuing operations

Gross loss from continuing operations of the Group for the six months ended 30 September 2022 was approximately HK\$10 million (30 September 2021: gross profit of approximately HK\$24 million).

Loss for the period from continuing operations

Loss for the period from continuing operations was approximately HK\$70 million (30 September 2021: profit for the period from continuing operations of approximately HK\$437 million). The loss for the period from continuing operations was primarily due to the following factors: (i) absence of the one-off gain on re-consolidation of a deconsolidated paper manufacturing subsidiary of the Company of approximately HK\$451 million; (ii) the frequent sporadic outbreaks 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 outbreaks of COVID-19, which caused extended overhaul and downtime of production equipment as compared with schedule, affecting production in the short term.

Liquidity and financial resources

As at 30 September 2022, the Group had bank and cash balances of approximately HK\$77 million with a net gearing ratio of 71.2%. Net gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings) less bank and cash balances. Total equity refers to shareholders' equity.

The current ratio (current assets divided by current liabilities) was 0.95 times (31 March 2022: 0.58 times).

Charge of assets

Certain land and buildings of the Company's subsidiaries, with a total carrying value of approximately HK\$97 million as at 30 September 2022 (31 March 2022: Nil) were pledged to banks as securities for bank loans of approximately HK\$77 million (31 March 2022: Nil).

Contingent liabilities

As at 30 September 2022, the Group did not have any material contingent liabilities.

Material acquisitions and disposals of subsidiaries, associates and joint ventures and future plans for material investments or capital assets

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2022 and there is no plan for material investments or capital assets as at the date of this interim report.

Foreign exchange risk

The Group's transaction currencies are principally denominated in Renminbi and Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the management closely monitors foreign exchange exposure and the Group will hedge foreign currency exposure when considered necessary.

Employees, staff costs and training

As at 30 September 2022, the Group had a total of 820 employees excluding directors (30 September 2021: 842 employees). For the six months ended 30 September 2022, the Group incurred staff costs (excluding directors' remuneration) of approximately HK\$38 million, representing an increase of approximately 72.7% as compared with approximately HK\$22 million for the six months ended 30 September 2021. The increase was mainly attributable to six (2021: two) month period of staff costs of UPPSD which has been consolidated during the six months ended 30 September 2022.

Training for various levels of staff is also undertaken depending on the needs and actual circumstances of the Group.

OTHER INFORMATION

INTERIM DIVIDEND

The board of directors of the Company (the "Board") has resolved not to recommend an interim dividend for the six months ended 30 September 2022.

CHANGE IN INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Choi Wai Hong, Clifford, being a non-executive director of the Company, has been appointed as an independent non-executive director of EcoGreen International Group Limited, which is a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (stock code: 2341), in November 2022.

Mr. Lam John Cheung-wah, being an independent non-executive director of the Company, has been appointed as (i) an independent non-executive director of Blue River Holdings Limited, which is a company listed on the Main Board of the Stock Exchange (stock code: 498), in August 2022; and (ii) an independent non-executive director of Oshidori International Holdings Limited, which is a company listed on the Main Board of the Stock Exchange (stock code: 622), in August 2022.

Save as disclosed above, there is no change in the information of the Directors and the senior management required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2022, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”)) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules were as follows:

Interests in Shares and underlying Shares of the Company

Name of Director	Capacity/ Nature of interest	Total number of Shares/underlying Shares held ^(Note 1)	Approximate percentage of shareholding interest in the Company (%) ^(Note 1)
Mr. Li Shengfeng ^(Note 2)	Interest of controlled corporation	990,220,583 (L)	70.00

Notes:

1. As at 30 September 2022, the Company had issued 1,414,600,832 Shares in total. The letter “L” denotes the person’s long position in the Shares.
2. The Company issued 990,220,583 Shares to NCD Investment Holding Limited (“NCD”) on 26 January 2022. NCD is owned as to 45% by XSD Investment Holding Limited (“XSD”) and 55% by Glenfor Investment Holding Limited (“Glenfor”).

XSD is direct wholly-owned by XSD International Pte. Ltd. (“XSD International”), which is in turn direct wholly-owned by 浙江新勝大實業有限公司 (Zhejiang Xinshengda Industrial Co., Ltd.*) (“Zhejiang Xinshengda Industrial”). Zhejiang Xinshengda Industrial is direct wholly-owned by 浙江新勝大控股集團有限公司 (Zhejiang Xinshengda Holding Group Co., Ltd.*) (“Zhejiang Xinshengda Holding”), which is in turn owned as to 99% by Mr. Li Shengfeng (being a non-executive Director) and 1% by Ms. Lu Chengying.

Glenfor is direct wholly-owned by Hong Kong Paper Sources Co., Limited (“HK Paper Sources”), which is in turn direct wholly-owned by 廈門建發紙業有限公司 (Xiamen C&D Paper & Pulp Co., Ltd.*) (“Xiamen C&D Paper”). Xiamen C&D Paper is direct wholly-owned by 廈門建發股份有限公司 (Xiamen C&D Inc.), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600153.SH). 廈門建發集團有限公司 (Xiamen C&D Group Co., Ltd.*), being a controlling shareholder of Xiamen C&D Inc., is direct wholly-owned by 廈門市人民政府國有資產監督管理委員會 (Xiamen Municipal People’s Government State-owned Assets Supervision and Administration Commission*).

As at the date of this interim report, (i) Mr. Shi Yaofeng, being an executive Director and the chief executive officer of the Company, is a director of NCD and Glenfor as well as the vice general manager of Xiamen C&D Paper; (ii) Ms. Shi Chenye, being an executive Director, is a director of XSD and XSD International as well as a supervisor of Zhejiang Xinshengda Industrial; (iii) Mr. Huang Tiansheng, being an executive Director, is the assistant general manager of Xiamen X&D Paper; (iv) Mr. Li Shengfeng, being a non-executive Director, is a director of NCD, XSD and XSD International as well as an executive director and chairman of each of Zhejiang Xinshengda Industrial and Zhejiang Xinshengda Holding; and (v) Mr. Cheng Dongfang, being a non-executive Director and the chairman of the Board, is a director of each of NCD, Glenfor and Hong Kong Paper Sources, a director and general manager of Xiamen C&D Paper as well as the vice general manager of Xiamen C&D Inc.

Save as disclosed above, as at 30 September 2022, so far as is known to any Director or chief executive of the Company, none of the Directors or the chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders’ Interests and Short Positions in Shares and Underlying Shares

As at 30 September 2022, so far as the Directors are aware, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interests in Shares and underlying Shares of the Company

Name of Shareholder	Capacity/Nature of interest	Total number of Shares/ underlying Shares held ^(Note 1)	Approximate percentage of shareholding interest in the Company ^(Note 1)
NCD Investment Holding Limited ^(Note 2)	Beneficial owner	990,220,583 (L)	70.00
Glenfor Investment Holding Limited ^(Note 2)	Interest of controlled corporation	990,220,583 (L)	70.00
Hong Kong Paper Sources Co. Limited ^(Note 2)	Interest of controlled corporation	990,220,583 (L)	70.00
廈門建發紙業有限公司 ^(Note 2)	Interest of controlled corporation	990,220,583 (L)	70.00
廈門建發股份有限公司 ^(Note 2)	Interest of controlled corporation	990,220,583 (L)	70.00
廈門建發集團有限公司 ^(Note 2)	Interest of controlled corporation	990,220,583 (L)	70.00
廈門市人民政府國有資產監督管理委員會 ^(Note 2)	Interest of controlled corporation	990,220,583 (L)	70.00
XSD Investment Holding Limited ^(Note 2)	Interest of controlled corporation	990,220,583 (L)	70.00
XSD International Pte. Ltd. ^(Note 2)	Interest of controlled corporation	990,220,583 (L)	70.00
浙江新勝大實業有限公司 ^(Note 2)	Interest of controlled corporation	990,220,583 (L)	70.00
浙江新勝大控股集團有限公司 ^(Note 2)	Interest of controlled corporation	990,220,583 (L)	70.00
Strong Determine Limited ^(Note 3)	Beneficial owner	179,862,142 (L)	12.71
Quinselle Holdings Limited ^(Note 4)	Beneficial owner	73,059,817 (L)	5.16
Lee Seng Jin ^(Note 4)	Beneficial owner	12,845,969 (L)	6.08
	Interest of controlled corporation	73,059,817 (L)	
	Interest of spouse	114,511 (L)	
Sham Yee Lan Peggy ^(Note 4)	Beneficial owner	114,511 (L)	6.08
	Interest of spouse	85,905,786 (L)	

Notes:

- As at 30 September 2022, the Company had issued 1,414,600,832 Shares in total. The letter "L" denotes the person's long position in the Shares.
- The Company issued 990,220,583 Shares to NCD Investment Holding Limited ("NCD") on 26 January 2022. NCD is owned as to 45% by XSD Investment Holding Limited ("XSD") and 55% by Glenfor Investment Holding Limited ("Glenfor").

XSD is direct wholly-owned by XSD International Pte. Ltd. (“XSD International”), which is in turn direct wholly-owned by 浙江新勝大實業有限公司 (Zhejiang Xinshengda Industrial Co., Ltd.*) (“Zhejiang Xinshengda Industrial”). Zhejiang Xinshengda Industrial is direct wholly-owned by 浙江新勝大控股集團有限公司 (Zhejiang Xinshengda Holding Group Co., Ltd.*) (“Zhejiang Xinshengda Holding”), which is in turn owned as to 99% by Mr. Li Shengfeng (being the non-executive Director) and 1% by Ms. Lu Chengying.

Glenfor is direct wholly-owned by Hong Kong Paper Sources Co., Limited (“HK Paper Sources”), which is in turn direct wholly-owned by 廈門建發紙業有限公司 (Xiamen C&D Paper & Pulp Co., Ltd.*) (“Xiamen C&D Paper”). Xiamen C&D Paper is direct wholly-owned by 廈門建發股份有限公司 (Xiamen C&D Inc.), the shares of which are listed on Shanghai Stock Exchange (stock code: 600153.SH). 廈門建發集團有限公司 (Xiamen C&D Group Co., Ltd.*) being a controlling shareholder of Xiamen C&D Inc., is direct wholly-owned by 廈門市人民政府國有資產監督管理委員會 (Xiamen Municipal People’s Government State-owned Assets Supervision and Administration Commission*).

As at the date of this interim report, (i) Mr. Shi Yaofeng, being the executive Director and chief executive officer of the Company, is a director of NCD and Glenfor as well as the vice general manager of Xiamen C&D Paper; (ii) Ms. Shi Chenye, being an executive Director, is a director of XSD and XSD International as well as a supervisor of Zhejiang Xinshengda Industrial; (iii) Mr. Huang Tiansheng, being an executive Director, is the assistant general manager of Xiamen X&D Paper; (iv) Mr. Li Shengfeng, being a non-executive Director, is a director of NCD, XSD and XSD International as well as an executive director and chairman of each of Zhejiang Xinshengda Industrial and Zhejiang Xinshengda Holding; and (v) Mr. Cheng Dongfang, being a non-executive Director and chairman of the Board, is a director of each of NCD, Glenfor and Hong Kong Paper Sources, a director and general manager of Xiamen C&D Paper as well as the vice general manager of Xiamen C&D Inc.

3. On 26 January 2022, the Company issued 240,482,142 Shares to SchemeCo (namely, Strong Determine Limited) pursuant to the Listco Scheme for the benefit of Scheme Creditors. As at 30 September 2022, (i) 179,862,142 Shares were owned by Strong Determine Limited; (ii) each of Ho Kwok Leung Glen, Kam Chung Hang and Lai Kar Yan, being administrators of the Listco Scheme, was deemed to have an interest in 179,862,142 Shares.
4. As at 30 September 2022, 73,059,817 Shares were held by Quinselle Holdings Limited which was wholly-owned by Mr. Lee Seng Jin (being the former executive Director, chairman and chief executive officer of the Company). Mr. Lee Seng Jin was therefore deemed under the SFO to be interested in such Shares held by Quinselle Holdings Limited.

Both Mr. Lee Seng Jin and Ms. Sham Yee Lan Peggy (being the former executive Director and deputy chief executive officer of the Company) were also deemed to be interested in the Shares held by each other due to their spousal relationship.

Save as disclosed above, as at 30 September 2022, the Company had not been notified by any other persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

At the special general meeting of the Company held on 18 September 2015, the Shareholders approved the adoption of a share option scheme (the “Share Option Scheme”) which complies with the requirements under Chapter 17 of the Listing Rules.

No option has been granted, exercised, cancelled or lapsed since the date of adoption of the Share Option Scheme. There are therefore no outstanding options at the beginning and at the end of the six months ended 30 September 2022.

The principal terms and conditions of the Share Option Scheme are set out below.

i. Purpose

The purpose of the Share Option Scheme is to provide incentives to Participants (as defined below) to contribute to the Group and to enable the Group to recruit high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest (the “Invested Entity”).

ii. Participants

All directors and employees of the Group and suppliers, consultants, advisors, agents, customers, service providers, contractors, any member of or any holder of any securities issued by any member of the Group or any Invested Entity.

iii. Maximum number of shares

The number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 10% in the nominal amount of the issued share capital of the Company as at the date of adoption of the Share Option Scheme. The total number of shares available for issue under the Share Option Scheme is nil as at the date of this interim report.

iv. Maximum entitlement of each Participant

The maximum number of shares issued and to be issued upon exercise of the options granted to any one Participant (including both exercised and unexercised options) in any 12-month period shall not exceed one percent of the Shares in issue as at the date of grant.

v. Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be notified by the Board to each grantee of the option at the date of grant provided that such period shall not exceed a period of ten years from the date of grant but subject to the provisions for early termination of the option as contained in the terms of the Share Option Scheme.

vi. The eligible person shall pay HK\$1.0 to the Company in consideration of the grant of an option upon acceptance of the grant of option.

vii. Exercise price

The option price per share payable on the exercise of an option is determined by the Board and shall not be less than the highest of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share on the date of grant.

viii. Remaining life of the Share Option Scheme

The Share Option Scheme will remain in force until 17 September 2025.

AUDIT COMMITTEE

The Audit Committee of the Company (the “Committee”) was set up to review and provide supervision of the Group’s financial reporting process and internal controls. The Committee has reviewed the Group’s unaudited interim report for the six months ended 30 September 2022, including the accounting principles and practices adopted by the Group, before it was tabled for the Board’s approval.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 September 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding the Directors’ dealings in the Company’s securities. Specific enquiries have been made to all Directors and all Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 September 2022.

CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. The Company has complied with all applicable code provisions of the CG Code during the six months ended 30 September 2022.

BOARD OF DIRECTORS

As at the date of this report, 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.

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

Hong Kong, 25 November 2022

The Board hereby announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2022 as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2022

		Unaudited	
		Six months ended 30 September	
		2022	2021
	<i>Note</i>	HK\$'000	HK\$'000
			(Re-presented)
Continuing operations			
Revenue	4	722,184	268,069
Cost of sales		<u>(732,100)</u>	<u>(244,330)</u>
Gross (loss)/profit		(9,916)	23,739
Other gains and income/(loss), net		4,889	(927)
Gain on re-consolidation of a deconsolidated subsidiary	5	—	451,012
Selling expenses		(1,022)	(360)
Administrative expenses		(55,729)	(19,221)
Impairment losses of financial assets, net		(613)	(1,174)
Recognition of financial guarantee liabilities		<u>—</u>	<u>(15,722)</u>
(Loss)/profit from operations		(62,391)	437,347
Finance costs		<u>(7,253)</u>	<u>(68)</u>
(Loss)/profit before tax		(69,644)	437,279
Income tax (expense)/credit	6	<u>(346)</u>	<u>215</u>
(Loss)/profit for the period from continuing operations	7	(69,990)	437,494
Discontinued operations	8		
Loss for the period from discontinued operations		<u>—</u>	<u>(272,378)</u>
(Loss)/profit for the period		<u>(69,990)</u>	<u>165,116</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	Unaudited	
	Six months ended 30 September	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit for the period	<u>(69,990)</u>	<u>165,116</u>
Other comprehensive income, net of tax:		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(48,800)	141,212
Exchange reserves reclassified to profit or loss on deconsolidation/deregistration of subsidiaries	<u>—</u>	<u>(96,505)</u>
Other comprehensive income for the period, net of tax	<u>(48,800)</u>	<u>44,707</u>
Total comprehensive income for the period attributable to owners of the Company	<u>(118,790)</u>	<u>209,823</u>
(Loss)/earnings per share	10	
From continuing and discontinued operations		
Basic	<u>HK(4.9) cents</u>	<u>HK144.7 cents</u>
Diluted	<u>HK(4.9) cents</u>	<u>HK129.7 cents</u>
From continuing operations		
Basic	<u>HK(4.9) cents</u>	<u>HK383.4 cents</u>
Diluted	<u>HK(4.9) cents</u>	<u>HK343.6 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	<i>Note</i>	Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
Non-current assets			
Property, plant and equipment	11	782,651	873,520
Right-of-use assets	12	196,007	222,550
Other intangible assets		177	187
		<u>978,835</u>	<u>1,096,257</u>
Current assets			
Inventories		242,161	352,634
Accounts and other receivables	13	79,943	122,636
Bank and cash balances		76,578	5,274
		<u>398,682</u>	<u>480,544</u>
Total assets		<u>1,377,517</u>	<u>1,576,801</u>
Current liabilities			
Accounts and other payables	14	296,372	334,563
Contract liabilities		14,478	37,035
Borrowings	15	—	314,976
Amount due to related parties	16	90,998	122,778
Amount due to ultimate holding company	16	—	179
Provision	17	17,706	19,732
		<u>419,554</u>	<u>829,263</u>
Net current liabilities		<u>(20,872)</u>	<u>(348,719)</u>
Total assets less current liabilities		<u>957,963</u>	<u>747,538</u>

		Unaudited 30 September 2022 HK\$'000	Audited 31 March 2022 HK\$'000
	<i>Note</i>		
Non-current liabilities			
Accounts and other payables	14	194,217	212,410
Borrowings	15	354,129	—
Amount due to related parties	16	—	4,246
Deferred tax liabilities		19,552	22,027
		<u>567,898</u>	<u>238,683</u>
NET ASSETS		<u>390,065</u>	<u>508,855</u>
Equity			
Share capital	18	70,730	70,730
Reserves		319,335	438,125
TOTAL EQUITY		<u>390,065</u>	<u>508,855</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to owners of the Company										
	Share capital	Share premium	Asset revaluation reserve	Contribution surplus	Capital reserve	Exchange reserve	Statutory reserve	Retained earnings/ (Accumulated losses)	Total	Non-controlling interests	Total equity/ (Capital deficiency)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2021 (audited)	127,315	161,262	8,922	—	201,994	37,841	12,395	(2,730,328)	(2,180,599)	2,405	(2,178,194)
Total comprehensive income for period (unaudited)	—	—	—	—	—	44,707	—	165,116	209,823	—	209,823
Deconsolidation/disposal/deregistration of subsidiaries (unaudited)	—	—	(40,390)	—	—	—	(10,978)	51,368	—	—	—
Change in equity for the period (unaudited)	—	—	(40,390)	—	—	44,707	(10,978)	216,484	209,823	—	209,823
At 30 September 2021 (unaudited)	<u>127,315</u>	<u>161,262</u>	<u>(31,468)</u>	<u>—</u>	<u>201,994</u>	<u>82,548</u>	<u>1,417</u>	<u>(2,513,844)</u>	<u>(1,970,776)</u>	<u>2,405</u>	<u>(1,968,371)</u>
At 1 April 2022 (audited)	70,730	104,016	—	161,262	108,403	12,559	—	51,885	508,855	—	508,855
Total comprehensive income for period (unaudited)	—	—	—	—	—	(48,800)	—	(69,990)	(118,790)	—	(118,790)
At 30 September 2022 (unaudited)	<u>70,730</u>	<u>104,016</u>	<u>—</u>	<u>161,262</u>	<u>108,403</u>	<u>(36,241)</u>	<u>—</u>	<u>(18,105)</u>	<u>390,065</u>	<u>—</u>	<u>390,065</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Unaudited	
	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash generated from/(used in) operating activities	<u>7,628</u>	<u>(391,134)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	—	(1,578)
Purchase of other intangible assets	(33)	—
Re-consolidation of a deconsolidated subsidiary	—	1,566
Deconsolidation/deregistration of subsidiaries	—	(47,406)
Interest received	—	361
Net cash used in investing activities	<u>(33)</u>	<u>(47,057)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings raised	128,136	301,925
Repayment of loans	(46,595)	—
Decrease in amount due to ultimate holding company	(179)	—
Interest paid	(13,547)	(68)
Net cash generated from financing activities	<u>67,815</u>	<u>301,857</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	75,410	(136,334)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	5,274	195,066
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(4,106)	129,162
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>76,578</u>	<u>187,894</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	<u>76,578</u>	<u>187,894</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

I. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 March 2022. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 March 2022 except for the adoption of new and revised standards as set out in note 2.

Going Concern

As at 30 September 2022, the Group’s current liabilities exceeded its current assets by approximately HK\$20,872,000. As at 30 September 2022, current portion of the Group’s amount due to related parties amounted to approximately HK\$90,998,000, which mainly included payables in trade nature to related parties of approximately HK\$82,433,000, which is due on 1 April 2023, and contract liabilities of related parties of approximately HK\$7,415,000. These conditions indicate that material uncertainties exist which may cast significant doubt on the Group’s ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group’s ability to continue as a going concern largely depends on the sufficiency of financial resources available to the Group. The Directors are of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from 30 September 2022, based on the following considerations:

- The Group is expected to continue to generate operating cash inflows from its future business operations; and
- In September 2022, Universal Pulp and Paper (Shandong) Co., Ltd.* (遠通紙業(山東)有限公司) (“UPPSD”) (as borrower) entered into an unsecured revolving loan agreement with Shandong Bairun Paper Co., Ltd.* (山東佰潤紙業有限公司) (“Shandong Bairun”) (as lender), which is under the common control of the shareholders of NCD Investment Holding Limited, (being a controlling shareholder of the Company). Pursuant to the said agreement, (i) UPPSD has been granted a revolving loan from Shandong Bairun to the extent that the principal amount of the loan shall not exceed RMB100,000,000 any time during the term of two years from the date of agreement at an interest rate of 0.4% above the one-year loan prime rate (LPR) published by the National Interbank Funding Center as at the drawdown date; and (ii) each drawdown shall be repaid within 18 months from the date of the relevant drawdown.

I. BASIS OF PREPARATION (CONTINUED)

Going Concern (Continued)

In view of the above, the Directors are confident that there will be sufficient financial resources available to the Group to enable it to continue as a going concern and hence have prepared these consolidated financial statements on a going concern basis. Should the Group be unable to continue as going concern, adjustments would have to be made to write down the carrying value of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

Listing status of the Company

By way of letters dated 21 July 2020, 26 November 2020 and 11 June 2021, the Stock Exchange imposed the following resumption guidance (the “Resumption Guidance”) for the Company:

1. Address all audit issues raised by the Former Auditors (the “Audit Issues”);
2. Conduct an appropriate independent investigation into the Audit Issues, announce the findings and take appropriate remedial actions;
3. Publish all outstanding financial results required under the Listing Rules and address any audit modifications;
4. Have the winding-up petition (or winding-up order, if made) against the Company withdrawn or dismissed;
5. Announce all material information for the Company’s shareholders and investors to appraise the Company’s position;
6. Demonstrate its compliance with Rule 13.24 of the Listing Rules;
7. Conduct an independent internal control review and demonstrate adequate internal control systems being put in place to meet the obligations under the Listing Rules; and
8. Re-comply with Rules 3.05, 3.10(1), 3.21 and 3.25 of the Listing Rules.

For details, please refer to the announcement made by the Company dated 23 July 2020, 27 November 2020, 18 June 2021 and 25 January 2022.

I. BASIS OF PREPARATION (CONTINUED)

Listing status of the Company (Continued)

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 1 January 2022 (the “Delisting Deadline”). If the Company fails to remedy the issue(s) causing its trading suspension, fully comply with the Listing Rules to the Stock Exchange’s satisfaction and resume trading in its shares by 1 January 2022, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company’s listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Group has fulfilled the Resumption Guidance imposed by the Stock Exchange on 26 January 2022. Trading in the Shares on the Stock Exchange has resumed on the same date.

For details, please refer to the announcement made by the Company dated 26 January 2022.

Restructuring of the Group

On 13 April 2021, the Company, Lai Kar Yan (Derek) and Ho Kwok Leung (Glen), both of Deloitte Touche Tohmatsu, and Rachelle Ann Frisby of Deloitte Ltd. (collecting, the “JPLs”), Xiamen C&D Paper & Pulp Co., Ltd.* (“Xiamen C&D Paper”) and Zhejiang Xinshengda Holding Group Co., Ltd.* (“Zhejiang Xinshengda”) entered into a term sheet in relation to the proposed restructuring of the Group (“Term Sheet”). For details, please refer to the announcement made by the Company dated 13 April 2021.

On 30 July 2021, the Company, the JPLs, Xiamen C&D Paper, Zhejiang Xinshengda, NCD Investment Holding Limited (the “Investor”) (a company incorporated in the British Virgin Islands owned by Xiamen C&D Paper as to 55% and Zhejiang Xinshengda as to 45%) and Shandong Bairun (background of which is set out in the paragraphs under the section headed “UPPSD Bankruptcy Reorganisation” below) entered into a restructuring agreement (as amended by a supplemental restructuring agreement dated 22 November 2021) (the “Restructuring Agreement”) in relation to the restructuring of the Group (the “Proposed Restructuring”) involving, inter alia, (i) the Capital Reorganisation; (ii) the Subscription; (iii) the Group Reorganisation; (iv) the Placement; (v) the ListCo Scheme; (vi) the UPPSD Bankruptcy Reorganisation; and (vii) the Resumption.

Details of the Restructuring Agreement are disclosed in the announcement of the Company dated 22 November 2021.

I. BASIS OF PREPARATION (CONTINUED)

Restructuring of the Group (Continued)

(1) Capital Reorganisation

Subject to the approval by the shareholders, the capital reorganisation (the “Capital Reorganisation”) comprised the following:

- (a) the reduction of the issued capital of the Company by cancelling the paid up capital to the extent of HK\$0.095 on each of the issued ordinary shares in the issued capital of the Company before the Capital Reorganisation becoming effective (the “Existing Shares”) such that the par value of each of the Existing Shares reduced from HK\$0.10 to HK\$0.005 (the “Capital Reduction”);
- (b) the cancellation of the authorised but unissued ordinary share capital of the Company in its entirety upon the Capital Reduction becoming effective (the “Authorised Share Capital Diminution”);
- (c) the cancellation of entire amount standing to the credit of the share premium account of the Company (the “Share Premium Cancellation”) of approximately HK\$161,000,000, being the aggregate amount subscribed for the Existing Shares in excess of such Existing Shares’ par value at that time, and credit the amount cancelled to the contributed surplus reserve account of the Company;
- (d) the consolidation of every ten issued and unissued shares of HK\$0.005 each into one new ordinary share of the Company of HK\$0.05 (the “New Shares”) upon the Capital Reduction, the Authorised Share Capital Diminution and the Share Premium Cancellation becoming effective (the “Share Consolidation”); and
- (e) the increase in authorised share capital — upon the Capital Reduction, the Authorised Share Capital Diminution, the Share Premium Cancellation and the Share Consolidation becoming effective, the Company’s authorised ordinary share capital increased from approximately HK\$5,710,000 divided into 114,107,582 New Shares of HK\$0.05 each to HK\$100,000,000 divided into 2,000,000,000 New Shares of HK\$0.05 each.

I. BASIS OF PREPARATION (CONTINUED)

Restructuring of the Group (Continued)

(2) *Subscription*

The Company issued and allotted, and the Investor subscribed for 990,220,583 New Shares (the “Subscription Shares”), representing 70% of the enlarged ordinary share capital of the Company upon the completion of the Capital Reorganisation and the issue and allotment of the Subscription Shares, Creditors’ Shares (as defined below) and Placement Shares (as defined below) and assuming all issued preference shares of the Company have been converted into ordinary shares of the Company, at the subscription price of HK\$0.121056 per share (the “Subscription Price”) for a total consideration of HK\$119,872,142 (the “Subscription Proceeds”). The Subscription Proceeds were used for settling the costs and expenses for implementing the Proposed Restructuring and discharging debts of the Company under the ListCo Scheme.

(3) *Group Reorganisation*

Pursuant to the Restructuring Agreement, the group reorganisation (the “Group Reorganisation”) involved, inter alia:

- (a) the incorporation of Greater Paper Development Limited (“SPV1”), a company incorporated in Hong Kong with limited liability, owned as to 100% by the Company;
- (b) the incorporation of Greater Paper (Shenzhen) Paper Limited (“SPV2”), a company incorporated in the People’s Republic of China (the “PRC”) with limited liability and owned as to 100% by SPV1;
- (c) SPV2 becoming the sole registered shareholder of UPPSD through the UPPSD Bankruptcy Reorganisation;
- (d) upon the completion of all the transactions under the Restructuring Agreement (the “Closing”), to effectuate the transfer of the subsidiaries of the Group other than SPV1, SPV2 and UPPSD (the “Excluded Subsidiaries”) to the SchemeCo (as defined below) for the Scheme Creditors (as defined below) pursuant to the terms of the ListCo Scheme by transferring the entire equity interests of Samson Paper (BVI) Ltd (being the holding company of the Excluded Subsidiaries and a directly wholly-owned subsidiary of the Company) held by the Company to the SchemeCo at a nominal consideration of HK\$1.0. The Retained Group comprises of the Company, SPV1, SPV2 and UPPSD and is principally engaged in manufacturing of paper product;

I. BASIS OF PREPARATION (CONTINUED)

Restructuring of the Group (Continued)

(3) Group Reorganisation (Continued)

- (e) provision of a loan not less than RMB80,000,000 by Shandong Bairun to SPV2 which was used in the daily business operations of UPPSD (which forms part of the loan of not less than RMB250,000,000 provided by Shandong Bairun to SPV2 under the UPPSD Bankruptcy Reorganisation, the remaining RMB170,000,000 of which was used for the first instalment payment under the UPPSD Bankruptcy Reorganisation plan);
- (f) the completion of the implementation of the UPPSD Bankruptcy Reorganisation plan; and
- (g) the above-mentioned loan was secured by charge over the shares of SPV1, SPV2 and UPPSD and the appropriate assets of UPPSD created in favour of the Investor or Shandong Bairun (as the case may be) by way of a first priority fixed charge, which has been discharged upon the completion of the Group Reorganisation.

(4) Placement

Pursuant to the Restructuring Agreement, the Company entered into a placing agreement with the Investor and a placing agent (the “Placing Agent for Placement”), pursuant to which the Placing Agent for Placement undertook to place, on fully underwritten basis, 56,584,032 placement shares (the “Placement Shares”) to no less than six places at HK\$0.121056 per Placement Share (the “Placement”).

The gross proceeds from the Placement were approximately HK\$6,849,837, and were used for discharging debts of the Company under the ListCo Scheme.

(5) Listco scheme

The ListCo Scheme included, inter alia:

- (a) upon the ListCo Scheme become effective, the scheme administrators incorporated a special purpose vehicle (the “SchemeCo”) to hold and realise assets of the SchemeCo for distribution to the creditors of the Company with unsecured claims admitted by the scheme administrators in accordance with the terms of the ListCo Scheme (the “Scheme Creditors”) and settle the costs and expenses arising from the implementation of the ListCo Scheme in accordance with the terms of the ListCo Scheme;

I. BASIS OF PREPARATION (CONTINUED)

Restructuring of the Group (Continued)

(5) Listco scheme (Continued)

- (b) all the claims against the Company shall be fully and finally discharged under ListCo Scheme by way of the SchemeCo accepting and assuming an equivalent liability in place of the Company in respect of the claims of the creditors of the Company. In return, the Scheme Creditors will be entitled to receive dividends from the realization of the assets of the SchemeCo pursuant to the ListCo Scheme in full and final settlement of their claims against the SchemeCo;
- (c) the assets of the SchemeCo to be realised for the benefit of the Scheme Creditors shall include:
 - (i) the remaining balance of the gross Subscription Proceeds of approximately HK\$119,872,142 after deducting the costs of implementing the Proposed Restructuring;
 - (ii) 240,482,142 New Shares to be issued and allotted by the Company to the SchemeCo (the “Creditors’ Shares”) for the benefit of the Scheme Creditors, representing approximately 17% of the issued ordinary share capital of the Company after the completion of the Capital Reorganisation and as enlarged by the issue and allotment of the Subscription Shares, Placement Shares and Creditors’ Shares and assuming all preference shares have been converted, subject to the right to dispose the Creditors’ Shares as detailed in paragraph (viii) below;
 - (iii) gross proceeds from the Placement of approximately HK\$6,849,837;
 - (iv) the shares and/other assets of the Excluded Subsidiaries;
 - (v) the inter-company account receivables due from the Excluded Subsidiaries to the Retained Group in the amount of approximately HK\$300 million;
 - (vi) the cash, bank deposits and account receivables of the Company as at the effective date of the ListCo Scheme (apart from the account receivables due from the Retained Group);
 - (vii) all claims or litigations and all potential claims or litigation rights against third parties raised by the Retained Group (to the extent transferrable under the applicable law and approved by the relevant party);

I. BASIS OF PREPARATION (CONTINUED)

Restructuring of the Group (Continued)

(5) *Listco scheme (Continued)*

(c) (Continued)

- (viii) a right to the SchemeCo exercisable by the scheme administrators in their absolute discretion (for the benefit of the Scheme Creditors other than the Scheme Creditors who elected to hold the Creditors' Shares in their own names or through CCASS) to dispose the Creditors' Shares on behalf of the relevant Scheme Creditors, either (i) in the open market at the market price; or (ii) instructing a placing agent (the "Placing Agent for Placing Out") at one or more times during the 12 months from the Closing to place such number of the Creditors' Shares to independent placees at price(s) procured by the Placing Agent for Placing Out on a best effort basis (the "Placing Price for Placing Out") and, given the guarantee by the Investor (the "Price Protection") to pay the shortfall between the Placing Price for Placing Out and the issue price of the Creditors' Shares (i.e. HK\$0.121056 per share) should the Placing Price for Placing Out be lower than the issue price of the Creditors' Shares, to realise such Creditors' Shares at a price not less than the issue price of the Creditors' Shares, thereby offering a certain minimum realization from the Creditors' Shares in exchange for the relevant Scheme Creditors releasing their admitted claims against the Company.

On 30 September 2021, the Company held a meeting of the creditors of the Company (the "Scheme Meeting") pursuant to the order dated 1 September 2021 granted by the Hong Kong Court. The resolution to approve the ListCo Scheme was duly passed. Subsequently, the ListCo Scheme was sanctioned by the Hong Kong Court on 28 October 2021.

(6) *UPPSD bankruptcy reorganisation*

Upon completion of the Proposed Restructuring, the Retained Group has continued to be engaged in paper manufacturing business conducted through UPPSD.

As set out in the Company's announcement dated 22 November 2021, due to the then liquidity shortage of the Group and the eventual suspension of production of UPPSD in late September 2020, in order to provide and ring-fence working capital to resume UPPSD's operation so as to preserve its operational value, UPPSD, Xiamen C&D Paper and Shandong Herun Holding Group Co., Ltd.* ("Shandong Herun") (a PRC company wholly-owned by Mr. Li Shengfeng, the majority ultimate beneficial owner of Zhejiang Xinshengda) entered into the an agreement dated 24 October 2020 (the "Entrusted Operation Agreement"), pursuant to which, Xiamen C&D Paper and Shandong Herun formed their joint venture Shandong Bairun (owned by Xiamen C&D Paper as to 55% and owned by Shandong Herun as at 45%) in November 2020 to operate the paper manufacturing facility of UPPSD (the "Entrusted Assets") on an entrusted basis (the "Entrusted Operation").

I. BASIS OF PREPARATION (CONTINUED)

Restructuring of the Group (Continued)

(6) UPPSD bankruptcy reorganisation (Continued)

The resumption of manufacturing operations of UPPSD was funded by Shandong Bairun on the bases that UPPSD was paid/reimbursed the costs of its staff and Shandong Bairun would pay all operating expenses (including raw material and maintenance costs). Shandong Bairun would not, however, bear liabilities (trade or otherwise) that arose prior to the commencement of the Entrusted Operation. Shandong Bairun would not be entitled to any increase in value of the Entrusted Assets and the operations of UPPSD. Also, Shandong Bairun would not bear any risk of deterioration in value of the Entrusted Assets and risks of seizure of the Entrusted Assets (e.g. Shandong Bairun could terminate the Entrusted Operation Agreement if major assets of UPPSD were under bankruptcy proceedings or enforcement action such that it became impractical for Xiamen C&D Paper, Shandong Herun and Shandong Bairun to continue production in accordance to the terms of the Entrusted Operation Agreement).

The Company/UPPSD also retained control over UPPSD/the Entrusted Assets, including but not limited to selling assets of and/or interests in UPPSD and rights to reject any proposed addition/upgrade to the Entrusted Assets.

In view of the above, the Company is of the view that there is no impact on the accounting treatment of UPPSD in the Company's consolidated financial statements after entering into the Entrusted Operation Agreement.

On 23 December 2020, UPPSD received the notice from the People's Court of Xuecheng District, Zaozhuang City, Shandong Province (the "Shandong Court"), informing that a creditor of UPPSD had filed a bankruptcy application against UPPSD (the "UPPSD Bankruptcy Application"). Despite the objection filed by UPPSD to the Shandong Court, UPPSD received a civil judgement issued by the Shandong Court, advising that the UPPSD Bankruptcy Application was accepted and that a bankruptcy administrator (the "UPPSD Bankruptcy Administrator") was appointed on 30 December 2020. Accordingly, the Company lost control over UPPSD and financial results and position of UPPSD were deconsolidated from the Group with effect from 31 December 2020 in accordance with the requirements of HKFRS 10 Consolidated Financial Statements.

Following the execution of the Term Sheet, UPPSD submitted an application to the Shandong Court and the UPPSD Bankruptcy Administrator to seek for a conversion of the bankruptcy proceedings of UPPSD into a bankruptcy reorganisation, which was approved by the Shandong Court with effect from 20 April 2021.

I. BASIS OF PREPARATION (CONTINUED)

Restructuring of the Group (Continued)

(6) UPPSD bankruptcy reorganisation (Continued)

On 29 July 2021, the UPPSD Bankruptcy Administrator convened the second meeting of creditors of UPPSD for the purpose of considering and approving the UPPSD Bankruptcy Reorganisation plan as summarised below:

- (a) UPPSD shall become a wholly-owned subsidiary of the Company (through SPV1 and SPV2) through the UPPSD Bankruptcy Reorganisation;
- (b) settlement of four creditors' priority claims with an aggregate amount of RMB4,960,533.58 in one lump sum payment by cash in priority to other creditors with unsecured claims, with their unsecured claims totalling RMB1,084,101,760.80 settled in the method as provided in (d), (e) and (f) below;
- (c) settlement of two creditors' verified tax claims with an aggregate amount of RMB48,333,787.65 in one lump sum payment by cash;
- (d) settlement of each creditor's unsecured claims with principal amount of RMB200,000 (inclusive) or below in full by way of cash;
- (e) for each creditor's unsecured claims with principal amount exceeding RMB200,000, settlement will be completed within four (4) years in five (5) instalments of 20% every year. The first instalment payment was made to repay creditor's unsecured claim of principal amount below RMB200,000 (inclusive) and 20% of the principal amount in excess of RMB200,000. The four subsequent instalments of 20% of the principal amount in excess of RMB200,000 shall be paid on or before the first, second, third and fourth anniversary date of the first instalment payment. Remaining debts shall not bear any interest for the period of settlement in instalments;
- (f) the settlement of the inter-company debts due by UPPSD to the Excluded Subsidiaries in the total sum of RMB741,989,908.38 as recognised by the UPPSD Bankruptcy Administrator in one lump sum payment of RMB50,000,000;
- (g) upon the completion of UPPSD Bankruptcy Reorganisation, UPPSD shall forfeit its all accounts receivables, prepayments and other receivables due by the Group to UPPSD, which amounted to RMB156,943,268.36 based on the liquidation audit on UPPSD commissioned by the UPPSD Bankruptcy Administrator; and
- (h) termination of the Entrusted Operation Agreement.

I. BASIS OF PREPARATION (CONTINUED)

Restructuring of the Group (Continued)

(6) UPPSD bankruptcy reorganisation (Continued)

The UPPSD Bankruptcy Reorganisation was approved by its creditors and the Shandong Court on 29 July 2021 and 31 July 2021 respectively and the UPPSD Bankruptcy Administrator was discharged with effect from 1 August 2021. The Entrusted Operation Agreement have also been terminated with effect from 1 August 2021 and UPPSD resumed its self-operation. Financial results and position of UPPSD were consolidated to those of the Group in accordance with the requirements of HKFRS 10 Consolidated Financial Statements with effect from 1 August 2021.

On 11 October 2021, following the first instalment payment by UPPSD in accordance to the UPPSD Bankruptcy Reorganisation plan, the Shandong Court handed down a judgment confirming that the UPPSD Bankruptcy Reorganisation has been successfully implemented and ordered the termination of the UPPSD's bankruptcy reorganisation proceedings.

(7) Resumption

To satisfy the Resumption Guidance as imposed by the Stock Exchange before the Delisting Deadline, the details of which are set out in the preceding paragraph.

The Restructuring has been completed upon taking effect of the Listco Scheme and the withdrawal of the Petition. Completion of the Capital Reorganisation, the Subscription, the Group Reorganisation, the Placement, and the taking effect of the Listco Scheme all took place on 26 January 2022. Accordingly, on 26 January 2022, the Company simultaneously issued to (i) the Investor the Subscription Shares, (ii) the Placees the Placement Shares; and (iii) the SchemeCo the Creditors' Shares.

For details, please refer to the announcement made by the Company dated 26 January 2022.

Basis of consolidation

The unaudited condensed consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

I. BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2022. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

The accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 March 2022. A number of new or amended standards are effective from 1 April 2022 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing the Group's condensed consolidated financial statements.

3. SEGMENT INFORMATION

The chief operating decision-makers have been identified as the executive directors of the Company. The executive directors review the Group's financial information mainly from business nature and geographical perspectives. From a perspective on business nature, the Group has a single reportable segment, namely paper manufacturing and selling segment, for the six months ended 30 September 2022. From a geographical perspective, management mainly assesses the performance of operations in the PRC.

For the six months ended 30 September 2022, the Group has carried on a single business under continuing operations, which is manufacturing and selling of paper products. Accordingly, there is only one single reportable segment of the Group which is regularly reviewed by the executive directors.

Three reportable segments (paper trading, property development and investment ("PID") and others) were all discontinued on or before 26 January 2022 (being the date of completion of restructuring). The segment information reported does not include any amounts of these discontinued operations, which are described in more detail in note 8.

Information about major customers

Revenues from customer contributing over 10% of the total revenue of the Group during the periods are as follows:

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	163,725	*
Customer B	84,756	*
Customer C	77,305	*
Customer D	*	102,101
Customer E	*	78,239

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective period.

4. REVENUE

Disaggregation of revenue from contracts with customers by major products or service line for the period from continuing operations is as follows:

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Sale of goods	<u>722,184</u>	<u>268,069</u>
Timing of revenue recognition		
Products transferred at a point in time	<u>722,184</u>	<u>268,069</u>

5. GAIN ON RE-CONSOLIDATION OF A DECONSOLIDATED SUBSIDIARY

During the six months ended 30 September 2021, the Company regained the control on a deconsolidated subsidiary, UPPSD.

Assets and liabilities as at the date of regain of control are as follows:

	HK\$'000
	(Unaudited)
Property, plant and equipment	884,230
Right-of-use assets	222,466
Other intangible assets	210
Inventories	2,601
Accounts and other receivables	74,763
Bank and cash balances	1,566
Accounts and other payables	(712,626)
Deferred tax liabilities	<u>(22,198)</u>
Gain on re-consolidation	<u>451,012</u>
Net cash inflow arising on re-consolidation:	
Cash and cash equivalents re-consolidated of	<u>1,566</u>

6. INCOME TAX EXPENSE/(CREDIT)

Income tax relating to continuing operations has been recognised in profit or loss as followings:

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Income tax — the PRC		
Provision for the current period	—	(215)
Under-provision in prior years	<u>572</u>	<u>—</u>
	572	(215)
Deferred tax	<u>(226)</u>	<u>—</u>
	<u>346</u>	<u>(215)</u>

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the period (2021: Nil).

The Company's PRC subsidiaries, save for UPPSD, are subject to the PRC corporate income tax rate of 25%. UPPSD, a PRC subsidiary of the Company, was entitled to the preferential tax rate of 15% from years 2016 to 2018, being accredited as a High and New Technology Enterprise according to the PRC Corporate Income Tax Law and its relevant regulations. As UPPSD has renewed the qualification of High and New Technology Enterprise and approved on 28 November 2019 with an effective period of three years starting from 2019, and therefore the tax rate used to recognise deferred tax assets and liabilities as at 30 September 2022 and 30 September 2021 was 15%.

Pursuant to the rules and regulations of Bermuda, the Group is not subject to any income tax in Bermuda.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

7. (LOSS)/PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS

The Group's (loss)/profit for the period from continuing operations is stated at after charging the following:

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Impairment losses of financial assets, net	613	1,174
Auditor's remuneration	<u>—</u>	<u>350</u>

8. DISCONTINUED OPERATIONS

With reference to note 1(3)(d), the Company transferred the Excluded subsidiaries to the SchemeCo for the Scheme Creditors (as defined below) pursuant to the terms of the ListCo Scheme by transferring the entire equity interests of Samson Paper (BVI) Ltd (being the holding company of the Excluded Subsidiaries and a directly wholly-owned subsidiary of the Company) held by the Company to the SchemeCo at a nominal consideration of HK\$1.0. The taking effect of the ListCo Scheme took place on 26 January 2022. For details, please refer to the announcement made by the Company dated 26 January 2022.

(a) Discontinued operations from paper trading segment

	Six months ended 30 September 2021 <i>HK\$'000</i> (Unaudited)
Revenue	23
Cost of sales	<u>(432)</u>
Gross loss	(409)
Other gains and income, net	1,538
Selling expenses	(518)
Administrative expenses	(12,475)
Impairment losses of financial assets	(16,977)
Other operating income, net	<u>25,311</u>
Loss from operations	(3,530)
Finance costs	<u>—</u>
Loss before tax	(3,530)
Income tax credit	<u>8,764</u>
Profit for the period	5,234
Loss on deconsolidation of subsidiaries	<u>(177,798)</u>
Loss for the period	<u><u>(172,564)</u></u>

8. DISCONTINUED OPERATIONS (CONTINUED)

(b) Discontinued operations from PID segment

	Six months ended 30 September 2021 <i>HK\$'000</i> (Unaudited)
Revenue	1,634
Cost of sales	<u>(1,180)</u>
Gross profit	454
Other gains and income, net	520
Selling expenses	(205)
Administrative expenses	<u>(1,874)</u>
Loss from operations	(1,105)
Finance costs	<u>—</u>
Loss before tax	(1,105)
Income tax expense	<u>—</u>
Loss for the period	(1,105)
Loss on deconsolidation of subsidiaries	<u>(64,903)</u>
Loss for the period	<u><u>(66,008)</u></u>

8. DISCONTINUED OPERATIONS (CONTINUED)

(c) Discontinued operations from others segment

	Six months ended 30 September 2021 <i>HK\$'000</i> (Unaudited)
Revenue	1,789
Cost of sales	<u>(1,668)</u>
Gross profit	121
Other gains and income, net	1,025
Selling expenses	(569)
Administrative expenses	(7,480)
Reversal of impairment losses of financial assets	32
Other operating expenses, net	<u>(26,926)</u>
Loss from operations	(33,797)
Finance costs	<u>—</u>
Loss before tax	(33,797)
Income tax expense	<u>(9)</u>
Loss for the period	<u><u>(33,806)</u></u>

9. DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended 30 September 2022 and 30 September 2021.

10. (LOSS)/EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss)/earnings per share is based on the following:

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/earnings		
(Loss)/earnings for the purpose of calculating basic and diluted (loss)/earnings per share	<u>(69,990)</u>	<u>165,116</u>
	Six months ended 30 September	
	2022	2021
	'000	'000
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	1,414,601	114,108
Effect of dilutive potential ordinary shares arising from conversion of preference shares issued by the Company	<u>—</u>	<u>13,207</u>
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share	<u>1,414,601</u>	<u>127,315</u>

The corresponding weighted average number of ordinary shares and effect of dilutive potential ordinary shares arising from conversion of preference shares issued by the Company for the year ended 30 September 2021 has been retrospectively adjusted to reflect the share consolidation.

From continuing operations

The calculation of the basic and diluted (loss)/earnings per share from continuing operations is based on the following:

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/earnings		
(Loss)/earnings for the purpose of calculating basic and diluted (loss)/earnings per share	<u>(69,990)</u>	<u>437,494</u>

10. (LOSS)/EARNINGS PER SHARE (CONTINUED)

From discontinued operations

Basic loss per share and diluted loss per share from the discontinued operations for the six months ended 30 September 2021 are HK238.7 cents per share based on the loss for the year from discontinued operations attributable to the owners of the Company of approximately HK\$272,378,000 and the denominators used are the same as those detailed above for both basic and diluted loss per share.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2022, the Group did not acquire any property, plant and equipment (2021: HK\$1,578,000).

12. RIGHT-OF-USE ASSETS

During the six months ended 30 September 2022, the Group did not enter into any new lease agreement (2021: Nil).

13. ACCOUNTS AND OTHER RECEIVABLES

	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
Accounts and bills receivables, net of provision	9,555	15,877
Other receivables, deposits and prepayments	<u>70,388</u>	<u>106,759</u>
	<u>79,943</u>	<u>122,636</u>

The ageing analysis of accounts and bills receivables, based on the invoice date, and net of allowance, is as follows:

	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
Current to 60 days	<u>9,555</u>	<u>15,877</u>

14. ACCOUNTS AND OTHER PAYABLES

	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
Accounts payables	86,429	102,999
Accruals and other payables	145,204	160,761
Debt restructuring (note)	258,956	283,213
	<u>490,589</u>	<u>546,973</u>
Analysed as:		
Current liabilities	296,372	334,563
Non-current liabilities	194,217	212,410
	<u>490,589</u>	<u>546,973</u>

Note: According to the UPPSD's bankruptcy reorganisation plan approved by the PRC Court ("UPPSD Bankruptcy Reorganisation Plan"), for each creditor's unsecured claims with principal amount exceeding RMB200,000, settlement will be completed within four (4) years in five (5) instalments of 20% every year. The first instalment payment was made to repay creditor's unsecured claim of principal amount below RMB200,000 (inclusive) and 20% of the principal amount in excess of RMB200,000. The four subsequent instalments of 20% of the principal amount in excess of RMB200,000 shall be paid on or before the first, second, third and fourth anniversary date of the first instalment payment. Remaining debts shall not bear any interest for the period of settlement in instalments.

The ageing analysis of accounts payables, based on invoice date, is as follows:

	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
0 to 90 days	67,538	102,984
Over 90 days	18,891	15
	<u>86,429</u>	<u>102,999</u>

15. BORROWINGS

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Bank loans	77,466	—
Other borrowings	<u>276,663</u>	<u>314,976</u>
	<u>354,129</u>	<u>314,976</u>

The borrowings are repayable as follows:

	30 September 2022 HK\$000 (Unaudited)	31 March 2022 HK\$000 (Audited)
Within one year and on demand	—	314,976
More than one year, but not exceeding two years	354,129	—
More than two years, but not more than five years	—	—
More than five years	<u>—</u>	<u>—</u>
	354,129	314,976
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>—</u>	<u>(314,976)</u>
Amount due for settlement after 12 months	<u>354,129</u>	<u>—</u>

The interest rates per annum were as follows:

	30 September 2022	31 March 2022
Bank loans	4.3%	N/A
Other borrowings	3.85%	3.85%

15. BORROWINGS (CONTINUED)

Bank loans of approximately HK\$77,466,000 (31 March 2022: Nil) are arranged at fixed interest rates of 4.3% per annum. Other borrowings of approximately HK\$276,663,000 (31 March 2022: approximately HK\$314,976,000) are the loans due to related parties, which are arranged at fixed interest rates of 3.85% per annum.

Bank loans of approximately HK\$77,466,000 (31 March 2022: Nil) is secured by a charge over certain land and buildings of the Company's subsidiaries, with a total carrying value of approximately HK\$96,985,000 as at 30 September 2022 (31 March 2022: Nil).

At 30 September 2022, the Group had approximately HK\$110,665,000 (31 March 2022: Nil) of available undrawn borrowing facilities.

16. AMOUNTS DUE TO RELATED PARTIES/ULTIMATE HOLDING COMPANY

As at 30 September 2022, the payables in trade nature in the aggregate amount of approximately HK\$82,433,000 are unsecured and due on 1 April 2023, in which approximately HK\$45,572,000 carries an interest rate of 3.85% per annum and approximately HK\$36,861,000 is interest-free. The remaining amounts due to related parties are unsecured, interest-free and have no fixed repayment terms.

	Contingent liabilities <i>HK\$'000</i>	Account payables <i>HK\$'000</i>	Other payables <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts due to related parties				
As at 30 September 2022				
Current liabilities	<u>7,415</u>	<u>83,583</u>	<u>—</u>	<u>90,998</u>
Amounts due to related parties				
As at 31 March 2022				
Current liabilities	29,137	92,308	1,333	122,778
Non-current liabilities	<u>—</u>	<u>—</u>	<u>4,246</u>	<u>4,246</u>
	<u>29,137</u>	<u>92,308</u>	<u>5,579</u>	<u>127,024</u>

17. PROVISIONS

	<i>HK\$'000</i>
At 1 April 2022 (audited)	19,732
Exchange differences	<u>(2,026)</u>
At 30 September 2022 (unaudited)	<u><u>17,706</u></u>

On 7 June 2021, a claim was filed by a creditor of UPPSD, Hubei Province Industrial Construction Group Co., Ltd, who was a contractor on construction of manufacturing buildings, against UPPSD. The Group has made a provision of RMB16,000,000 in relation to an estimated outflow to the litigation.

The litigation proceeding is still on-going as at the date of this interim report.

18. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.05 each		
At 31 March 2022 (audited) and 30 September 2022 (unaudited)	2,000,000,000	100,000
Convertible non-voting preference shares of HK\$0.10 each		
At 31 March 2022 (audited) and 30 September 2022 (unaudited)	<u>143,086,013</u>	<u>14,309</u>
At 30 September 2022 (unaudited)	<u><u>2,143,086,013</u></u>	<u><u>114,309</u></u>
Issued and fully paid:		
Ordinary shares of HK\$0.05 each		
At 31 March 2022 (audited) and 30 September 2022 (unaudited)	1,414,600,832	70,730
Convertible non-voting preference shares of HK\$0.10 each		
At 31 March 2022 (audited) and 30 September 2022 (unaudited)	<u>—</u>	<u>—</u>
At 30 September 2022 (unaudited)	<u><u>1,414,600,832</u></u>	<u><u>70,730</u></u>

19. RELATED PARTY TRANSACTIONS

- (a) The remuneration of directors and other members of key management during the periods:

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Basic salaries and allowances	660	3,868
Retirement benefit scheme contribution	—	20
	660	3,888

- (b) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transaction with its related party during the period:

	Six months ended 30 September 2022 HK\$000 (Unaudited)
Purchase of raw materials from related parties (note)	844
Sales of finished goods to related parties	171,035
Finance cost to a related party	<u>6,283</u>

Note: The agreements in relation to the purchases of raw materials for the ordinary and usual course of business of UPPSD were entered into before the date of Resumption.

20. EVENTS AFTER THE REPORTING PERIOD

Change of Company Name

The shareholders of the Company at the special general meeting held on 2 September 2022 approved, among other things, the change of name of the Company from “SAMSON PAPER HOLDINGS LIMITED” to “C&D Newin Paper & Pulp Corporation Limited”.

Details of the change of name of the Company were set out in the circular of the Company dated 25 July 2022 and the announcements of the Company dated 25 July 2022, 2 September 2022 and 19 October 2022, respectively.