

ASX RELEASE

25 June 2019

RELEASE OF SINGAPORE PROPERTY ESCROW

Spicers Limited ("Spicers") announces that, further to its previous ASX announcements on completion of the sale of the Singapore Property⁽²⁾, the SG\$0.3m escrow retention has now been released by the buyer.

This follows the finalisation of the environmental 'baseline' soil survey required by the Jurong Town Corporation ('JTC'). The environmental baseline survey testing results did not uncover any material issues, and JTC has confirmed that no environmental remediation is required.

Under the terms of the agreement for the sale of Spicers Asian Operations⁽¹⁾, Spicers is entitled to receive the net proceeds from the sale of the Singapore Property⁽²⁾. Spicers has already received net proceeds of SG\$9.6m (A\$10.1m) earlier in June 2019, and will receive a further SG\$0.3m (A\$0.3m), by early-July 2019 at the latest, from this escrow retention release.

Net proceeds for the sale of the Singapore Property⁽²⁾ that Spicers receives 2 business days prior to the implementation⁽⁴⁾ of the proposed transaction between Spicers and Kokusai Pulp & Paper Co., Ltd⁽³⁾ will form part of the return of capital being proposed to shareholders under that transaction. Total Singapore Property⁽²⁾ sale net proceeds of SG9.9m (A\$10.4m) will thus form part of this return of capital to Spicers shareholders.

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(1) The Asian operations of Spicers consisted of operating subsidiaries in Malaysia (Spicers Paper (Malaysia) Sdn Bhd), and Singapore (Spicers Paper (Singapore) Pte Ltd). Spicers entered into an agreement to sell these operations to Japan Pulp & Paper Co. Ltd on 26 September 2018. Please refer to Spicers ASX announcements on 26 September 2018 and 27 November 2018 for further details on the transaction, which completed on 11 December 2018.

(2) As detailed in an ASX announcement on 24 January 2019, Spicers Paper (Singapore) Pte Ltd entered into an agreement with HLS Property Pte. Ltd. for the sale of the property at 3 Gul Crescent, Singapore 629519 ("the Singapore Property"). Under the terms of the agreement for the sale of Spicers Asian Operations⁽¹⁾, Spicers is entitled to receive net proceeds from the sale of the Singapore Property as deferred consideration. On 14 May 2019, Spicers announced to ASX that JTC had provided its written consent for the sale and change of use of the Singapore Property, with an environmental 'baseline' soil survey to take place as a post-completion item. On 4 June 2019 Spicers confirmed completion of the sale of the Singapore Property.

(3) As detailed in an ASX announcement on 17 January 2019 and the Explanatory Booklet released on ASX on 17 May 2019, Spicers has entered into a binding Scheme Implementation Deed with Kokusai Pulp & Paper Co., Ltd. ("KPP"), under which KPP would acquire all of the shares in Spicers pursuant to a Scheme of Arrangement ("the Scheme"). In conjunction with the Scheme, Spicers will propose a return of capital to shareholders.

(4) As detailed in the Explanatory Booklet released on ASX on 17 May 2019, the implementation date for the proposed transaction with Kokusai Pulp & Paper Co., Ltd is expected to be 16 July 2019.