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PACIFIC PLYWOOD HOLDINGS LIMITED

太平洋實業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 767)

**INSIDE INFORMATION
FULFILLMENT OF GUARANTEED PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2015**

This announcement is made by Pacific Plywood Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Reference is made to the circular dated 29 September 2015 (the “**Circular**”) in relation to, among other things, the Acquisition and the transactions contemplated thereunder. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Circular.

As disclosed in the Circular, the Vendor has irrevocably and unconditionally guaranteed to the Company that the audited consolidated profit before tax of the Target Group (excluding any extraordinary items) for each of the year ended/ending 31 December 2015 and 31 December 2016 shall not be less than the amount set opposite to the relevant Guaranteed Period as defined in the table below:

Guaranteed Period	Guaranteed Profit
1 January 2015–31 December 2015	HK\$100,000,000
1 January 2016–31 December 2016	HK\$350,000,000

* *For identification purposes only*

The Company wishes to announce that the audited consolidated profit before tax of the Target Group (excluding any extraordinary items) for the financial year ended 31 December 2015 as shown in the audited accounts of the Target Group prepared by Company's auditors amounted to approximately HK\$103,140,000 and hence the Guaranteed Profit for the Guaranteed Period from 1 January 2015 to 31 December 2015 has been met. As the Acquisition was completed on 20 October 2015, only less than three months of the results of the Target Group was reflected in the audited consolidated financial statement of the Company for the year ended 31 December 2015.

Accordingly, the Retained Convertible Notes in the principal amount of HK\$266,670,000 for the Guaranteed Period from 1 January 2015 to 31 December 2015 have been released to the Vendor on 20 April 2016. The Directors (including the independent non-executive Directors) are of the view that the release of the Retained Convertible Notes in the principal amount of HK\$266,670,000 is made in accordance with the terms of the Sale and Purchase Agreement.

Further announcement(s) will be issued in relation to the Profit Guarantee for the Guaranteed Period from 1 January 2016 to 31 December 2016 as and when appropriate.

By order of the Board
Pacific Plywood Holdings Limited
Huang Chuan Fu
Executive Director and Chairman

Hong Kong, 21 April 2016

As at the date of this announcement, the Directors are:

Executive Directors

Mr. Huang Chuan Fu (*Chairman*)
Mr. Liang Jian Hua
Ms. Jia Hui
Mr. Jiang Yi Ren

Independent Non-executive Directors

Mr. Wong Chun Hung
Mr. Zheng Zhen
Mr. To Langa Samuelson

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.