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**HUARONG FINANCIAL SERVICES  
ASSET MANAGEMENT L.P.**

*(A Cayman Islands exempted limited partnership)*

**PACIFIC PLYWOOD HOLDINGS LIMITED  
太平洋實業控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 767)**

## **JOINT ANNOUNCEMENT**

### **SECOND SUPPLEMENTAL AGREEMENTS TO THE SALE AND PURCHASE AGREEMENT AND THE CN TRANSFER AGREEMENT**

References are made to the announcements jointly issued by Pacific Plywood Holdings Limited (the “**Company**”) and Huarong Financial Services Asset Management L.P. (the “**Offeror**”) dated (i) 5 October 2016 in respect of, amongst others, the Sale and Purchase Agreement, the Special Deals and the Offer (the “**First Joint Announcement**”); and (ii) 18 October 2016 in relation to the update on the Special Deals (together with the First Joint Announcement, collectively being the “**Joint Announcements**”). Capitalised terms used in this joint announcement shall have the same meanings as those defined in the Joint Announcements, unless the context requires otherwise.

On 15 November 2016 (after the trading hours of the Stock Exchange), (i) the Shares Vendor, the Offeror and the Guarantor entered into a second supplemental agreement to amend certain terms of the Sale and Purchase Agreement (the “**Second Supplemental Sale and Purchase Agreement**”); and (ii) the Shares Vendor, the CN Chargor and the Guarantor entered into a second supplemental agreement to amend certain terms of the CN Transfer Agreement (the “**Second Supplemental CN Transfer Agreement**”) (together with the Second Supplemental Sale and Purchase Agreement, collectively being the “**Second Supplemental Agreements**”).

\* *For identification purposes only*

The principal amendments contemplated under the Second Supplemental Agreements are summarised below:

## **SECOND SUPPLEMENTAL AGREEMENTS**

### **1. Second Supplemental Sale and Purchase Agreement**

As disclosed in the First Joint Announcement, the Initial Consideration as set out in the Sale and Purchase Agreement should be payable by the Offeror on the Sales and Purchase Completion.

Pursuant to the Second Supplemental Sale and Purchase Agreement, the Initial Consideration should be satisfied by the Offeror in the following manner:

- (a) as to HK\$60,000,000 shall be payable by the Offeror to the Shares Vendor (or its nominee(s)) in cash on 15 November 2016 as refundable deposit (the “**Deposit**”);  
and
- (b) as to the remaining balance of HK\$244,384,080 shall be payable by the Offeror to the Shares Vendor on the Sale and Purchase Completion Date.

Pursuant to the Sale and Purchase Agreement, the Sale and Purchase Completion will be conditional upon, among other matters, the Sale and Purchase Conditions. It was agreed by the parties under the Second Supplemental Sale and Purchase Agreement that in the event that the Offeror elects to terminate the Sale and Purchase Agreement if the Sale and Purchase Conditions (III) or (X) are not satisfied or waived on or before the Sale and Purchase Long Stop Date or the Sale and Purchase Conditions (I), (II), (IV) to (IX), (XI) to (XII) are not satisfied or waived (if applicable) as at the Sale and Purchase Completion Date, the Shares Vendor shall refund the Deposit without interest to the Offeror in cash in full within 10 Business Days upon receiving a written notice from the Offeror to terminate the Sale and Purchase Agreement and thereafter neither the Offeror, the Shares Vendor and the Guarantor shall have any obligations and liabilities towards each other save for any antecedent breaches of the terms under the Sale and Purchase Agreement.

Pursuant to the Second Supplemental Sale and Purchase Agreement, save for the above amendments and the corresponding and consequential changes, all other terms and conditions of the Sale and Purchase Agreement shall remain unchanged and continue in full force and effect.

## **2. Second Supplemental CN Transfer Agreement**

In view of the above-mentioned amendments to certain terms of the Sale and Purchase Agreement pursuant to the Second Supplemental Sale and Purchase Agreement, the Shares Vendor, the CN Chargor and the Guarantor entered into the Second Supplemental CN Transfer Agreement to make consequential amendments on certain terms of the CN Transfer Agreement accordingly.

Pursuant to the Second Supplemental CN Transfer Agreement, save for the corresponding and consequential changes, all other terms and conditions of the CN Transfer Agreement shall remain unchanged and continue in full force and effect.

By order of the board of  
**Huarong International Capital Limited**  
as the general partner of  
**HUARONG FINANCIAL SERVICES  
ASSET MANAGEMENT L.P.**  
**Bai Tianhui**  
*Director*

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

Hong Kong, 15 November 2016

As at the date of this joint 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

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror) and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, Mr. Bai Tianhui and Mr. Han Binke are the directors of the general partner of the Offeror. As at the date of this joint announcement, the Offeror has no director.*

*The directors of the general partner of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Shares Vendor, the Guarantor, their respective associates and parties acting in concert with them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Group, the Shares Vendor, the Guarantor, their respective associates and parties acting in concert with them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*The English text of this joint announcement shall prevail over its Chinese text.*