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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
EXTENSION OF LONG STOP DATES OF
(1) THE SALE AND PURCHASE AGREEMENT;
(2) THE LISTED SHARES DISPOSAL AGREEMENT;
(3) THE CN TRANSFER AGREEMENT;
AND
(4) THE CN MODIFICATION DEED**

**Joint financial advisers to
Huarong Financial Services
Asset Management L.P.**

**Financial adviser to
Pacific Plywood Holdings Limited**



* *For information purposes only*

References are made to (i) the announcements jointly issued by Pacific Plywood Holdings Limited (the “**Company**”) and Huarong Financial Services Asset Management L.P. (the “**Offeror**”) dated (a) 5 October 2016 in respect of, amongst others, the Sale and Purchase Agreement, the Special Deals and the Offer (the “**First Joint Announcement**”); (b) 18 October 2016 in relation to the update on the Special Deals (the “**Second Joint Announcement**”); (c) 26 October 2016 in relation to the delay in despatch of the Circular and the Composite Document (the “**First Delay Despatch Announcement**”); (d) 15 November 2016 in relation to the Second Supplemental Sale and Purchase Agreement and the Second Supplemental CN Transfer Agreement (the “**Third Joint Announcement**”); and (ii) the announcements dated 2 December 2016 and 23 December 2016 in relation to the delay in despatch of the Circular issued by the Company (the “**Further Delay Despatch Announcements**”) (together with the First Joint Announcement, the Second Joint Announcement, the First Delay Despatch Announcement and the Third Joint Announcement, collectively being the “**Announcements**”). Capitalised terms used in this joint announcement shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

(1) EXTENSION OF SALE AND PURCHASE LONG STOP DATE

As stated in the Announcements, the Sale and Purchase Completion is conditional upon the fulfilment (or as appropriate, waiver by the Offeror) of the Sale and Purchase Conditions on or before the Sale and Purchase Long Stop Date. Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Sale and Purchase Long Stop Date shall be 31 December 2016 (or such later date as the Offeror and the Shares Vendor may agree in writing). As additional time is required for the fulfilment (or as appropriate, waiver by the Offeror) of the Sale and Purchase Conditions to the Sale and Purchase Completion, the Company has been advised by the Offeror and the Shares Vendor that the parties to the Sale and Purchase Agreement have entered into a letter on 30 December 2016 to extend the Sale and Purchase Long Stop Date to 31 March 2017 (or such later date as the Offeror and the Shares Vendor may agree in writing).

Save for aforementioned, all other terms and conditions of the Sale and Purchase Agreement shall remain unchanged and continue in full force and effect.

(2) EXTENSION OF THE LONG STOP DATE OF THE LISTED SHARES DISPOSAL AGREEMENT

Pursuant to the terms and conditions of the Listed Shares Disposal Agreement (as amended and supplemented by the Supplemental Listed Shares Disposal Agreement), if the conditions precedent to the Listed Shares Disposal Agreement are not satisfied (or, as appropriate, waived) on or before 31 December 2016 (or such later date as the Company and the Listed Shares Disposal Purchaser may agree) (the “**Listed Shares Disposal Long Stop Date**”), the Listed Shares Disposal Agreement shall cease and determine (save for otherwise agreed) and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Given that completion of the transactions contemplated under the Sale and Purchase Agreement is one of the conditions precedent to the Listed Shares Disposal Agreement, the parties to the Listed Shares Disposal Agreement entered into a letter on 30 December 2016 for the extension of the Listed Shares Disposal Long Stop Date from 31 December 2016 to 31 March 2017 (or such later date as the Company and the Listed Shares Disposal Purchaser may agree).

Save for aforementioned, all other terms and conditions of the Listed Shares Disposal Agreement shall remain unchanged and continue in full force and effect.

(3) EXTENSION OF THE LONG STOP DATE OF THE CN TRANSFER AGREEMENT

Pursuant to the terms and conditions of the CN Transfer Agreement (as amended and supplemented by the Supplemental CN Transfer Agreement and the Second Supplemental CN Transfer Agreement), if the conditions precedent to the CN Transfer Agreement are not satisfied on or before 31 December 2016 or such other date as the Shares Vendor and the CN Chargor may agree (the “**CN Transfer Long Stop Date**”), the CN Transfer Agreement shall cease and determine and the Shares Vendor shall within five (5) Business Days from such determination refund the Deposit (without interest) to the CN Chargor in cash in full and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Given that completion of the transactions contemplated under the Sale and Purchase Agreement is one of the conditions precedent to the CN Transfer Agreement, the parties to the CN Transfer Agreement entered into a letter on 30 December 2016 for the extension of the CN Transfer Long Stop Date from 31 December 2016 to 31 March 2017 or such other date as the Shares Vendor and the CN Chargor may agree.

Save for aforementioned, all other terms and conditions of the CN Transfer Agreement shall remain unchanged and continue in full force and effect.

(4) EXTENSION OF THE LONG STOP DATE OF THE CN MODIFICATION DEED

Pursuant to the terms and conditions of the CN Modification Deed (as amended and supplemented by the Supplemental CN Modification Deed), if the conditions precedent to the CN Modification Deed are not fulfilled on or before 31 December 2016 or such later date as the Company and the CN Holder may agree (the “**CN Modification Long Stop Date**”), the provisions of the CN Modification Deed shall become null and void.

As referred to in the above mentioned the extension of the Listed Shares Disposal Long Stop Date and the CN Transfer Long Stop Date and the intention of the Company and the CN Holder that the Proposed CN Amendments shall become effective simultaneously with the completion of the Sales and Purchase Agreement and the CN Transfer Agreement, the parties to the CN Modification Deed entered into a letter on 30 December 2016 for the extension of the CN Modification Long Stop Date from 31 December 2016 to 31 March 2017 or such later date as may be agreed between the Company and the CN Holder.

Save for aforementioned, all other terms and conditions of the CN Modification Deed shall remain unchanged and continue in full force and effect.

As additional time is required to ascertain and finalise the information to be included in the Circular, which includes, amongst other things, further details on the Special Deals including but not limited to the relevant information for disclosure in the letter from the Board in the Circular and the relevant approval on the undertakings to given by the Offeror and Mr. Ma in relation to the Sale and Purchase Agreement and the Special Deals. The parties to the Sale and Purchase Agreement require more time to satisfy the Sale and Purchase Conditions in particular the fulfilment of the approval from the Independent Shareholders of the Company for the Special Deals, the abovementioned long stop dates were extended.

WARNING: THE OFFER IS A POSSIBILITY ONLY. AS THE OFFER WILL ONLY BE MADE, AMONG OTHERS, UPON THE SPECIAL DEALS BECOME UNCONDITIONAL AND THE SALE AND PURCHASE COMPLETION, ALL OF WHICH ARE SUBJECT TO A NUMBER OF CONDITIONS, THE OFFER MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE THEREFORE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY, AND IF THEY ARE IN DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

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, 30 December 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 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.