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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)

PROFIT ALERT

This announcement is made by Pacific Plywood Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the unaudited management accounts of the Group for the year ended 31 December 2016, the Group is expected to record a consolidated net profit as compared to the consolidated net loss for the year ended 31 December 2015 (the “**Profit Alert Statement**”).

The Board considers that the said possible profit is mainly attributable to (i) the financial results contributed by the business segment of operation of P2P financing platform and other loan facilitation services newly acquired by the Company on 20 October 2015; and (ii) the absence of impairment recognised in respect of the goodwill of the forestry business for the year ended 31 December 2016.

As the Company is still in the process of preparing and finalising its audited consolidated accounts for the year ended 31 December 2016 (the “**Annual Results**”), the information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the unaudited consolidated management accounts of the Group for the year ended 31 December 2016, which have not yet been finalised and are subject to adjustments as appropriate and final review of the Company and its auditor. Shareholders and potential investors are advised to read carefully the Company’s Annual Results announcement for the year ended 31 December 2016 for further details, which is expected to be released no later than the end of March 2017.

* For identification purpose only

References are made to (i) the announcements jointly issued by 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**”); (e) 30 December 2016 in relation to the extension of the long stop dates (the “**Extension Announcement**”); and (f) 6 January 2017 in relation to the delay in despatch of the Composite Document (the “**Second Delay Despatch Announcement**”); and (ii) the announcements issued by the Company dated (a) 2 December 2016, 23 December 2016 and 28 February 2017 in relation to the delay in despatch of the Circular (the “**Further Delay Despatch Announcements**”); and (b) 5 January 2017 in relation to the new business model proposal (the “**Adoption of New Business Model Proposal Announcement**”) (together with the First Joint Announcement, the Second Joint Announcement, the First Delay Despatch Announcement, the Third Joint Announcement, the Extension Announcement, the Second Delay Despatch Announcement and the Further Delay Despatch Announcements collectively being the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

With the commencement of the offer period on 5 July 2016, pursuant to Rule 10 of the Takeovers Code, the Profit Alert Statement constitutes a profit forecast and must be reported on by the Company’s financial advisers and auditor. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules), the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

The Company would like to draw the attention of the Shareholders and potential investors that the Profit Alert Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. The Profit Alert Statement will be reported on by the Company’s financial adviser and its auditor as soon as possible in compliance with the Takeovers Code and such reports will be contained in the next document to be issued by the Company to the Shareholders (the “**Shareholders’ Document**”). However, if the Annual Results announcement is published prior to the next Shareholders’ Document and the relevant results together with the notes to the financial statements are included in the next Shareholders’ Document, such reports are no longer required.

Shareholders and potential investors of the Company should note that the Profit Alert Statement has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Alert Statement in assessing the merits and demerits of the Offer and the Special Deals. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 3 March 2017

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

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

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