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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)**

## **UPDATE ANNOUNCEMENT**

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

**Financial adviser to  
Pacific Plywood Holdings Limited**



**Lego Corporate  
Finance Limited**  
力高企業融資有限公司



**KINGSTON CORPORATE FINANCE LTD.**



**VEDA | CAPITAL**  
智略資本

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**”); (e) 30 December 2016 in relation to the extension of the long stop dates (the “**Extension Announcement**”); (f) 6 January 2017 and 7 April 2017 in relation to the delay in despatch of the Composite Document (the “**Delay Despatch Announcements**”); and (g) 31 March 2017 in relation to the update on the Special Deals and the extension of the long stop dates (the “**Fourth Joint Announcement**”); and (ii)

the announcements dated (a) 2 December 2016, 23 December 2016, 28 February 2017 and 13 April 2017 in relation to the delay in despatch of the Circular issued by the Company (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 Delay Despatch Announcements, the Fourth Joint 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.

As at the date of this joint announcement, the parties to the Sale and Purchase Agreement have been in the negotiation on certain terms of the Undertakings, in particular to finalise the contents as set out in the undertaking to be provided by the Shares Vendor including but not limited to (i) the time frame of the payment obligation of the Shares Vendor for the shortfall between the Agreed Value and the gross proceeds from the Revised Listed Shares Disposal; (ii) the consents requirement for the transfer of the Convertible Notes; and (iii) the time frame of the payment obligation of the Shares Vendor to pay Joy Wealth Finance or procure Joy Wealth Finance to be paid without any deduction or set-off and whether or not the Outstanding Receivables is due or payable as agreed.

As advised by the parties to the Sale and Purchase Agreement, the parties will enter into the Amended and Restated Sale and Purchase Agreement as soon as possible and it is expected to be on or before the end of May 2017.

Further announcement(s) will be jointly made by the Company and the Offeror as and when appropriate.

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 May 2017

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, the Previous 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, the Previous 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.*

\* *For identification purposes only*