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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
IN RELATION TO
THE AMENDED AND RESTATED SALE AND PURCHASE AGREEMENT**

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

**Financial adviser to
Pacific Plywood Holdings Limited**



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, 13 April 2017 and 17 May 2017 in relation to the delay in despatch of the Circular issued by the Company (the “**Further Delay Despatch Announcements**”); (b) 5 January 2017 in relation to the new business model proposal (the “**Adoption of New Business Model Proposal Announcement**”); and (c) 15 May 2017 in relation to the updates on the Amended and Restated Sale and Purchase Agreement (the “**May Updates 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, the May Updates 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 disclosed in the May Updates Announcement, it was expected the parties to the Sale and Purchase Agreement would enter into the Amended and Restated Sale and Purchase Agreement before the end of May 2017. The Board has been informed by the Shares Vendor that the negotiations between the Shares Vendor and the Offeror in respect of the Amended and Restated Sale and Purchase Agreement are still on-going and the Shares Vendor and the Offeror have been actively proceeding with the finalization of certain outstanding terms of the Undertakings, in particular 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, additional time is required to finalise the Amended and Restated 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 30 June 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, 1 June 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*