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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

(1) THE SALE AND PURCHASE COMPLETION;

(2) MANDATORY UNCONDITIONAL CASH OFFER BY

 KINGSTON SECURITIES

**ON BEHALF OF HUARONG FINANCIAL SERVICES ASSET MANAGEMENT L.P.
TO ACQUIRE ALL ISSUED SHARES IN PACIFIC PLYWOOD HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED
BY HUARONG FINANCIAL SERVICES ASSET MANAGEMENT L.P.);**

AND

(3) THE OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS

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

**Financial adviser to
Pacific Plywood Holdings Limited**



 KINGSTON CORPORATE FINANCE

**VEDA | CAPITAL
智略資本**

* For identification purposes only

THE SALE AND PURCHASE COMPLETION

The Company (as informed by the Shares Vendor) and the Offeror are pleased to announce that the Sale and Purchase Agreement had become unconditional and the Sale and Purchase Completion took place on 31 August 2017.

THE OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS

Immediately after the Sale and Purchase Completion, the Offeror will hold approximately 55.00% of the shareholding interest of the Company, the Offeror will therefore be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares which are not already owned or agreed to be acquired by it.

Accordingly, Kingston Securities, for and on behalf of the Offeror, will make the Offer in compliance with the Takeovers Code and on the terms to be set out in the Offer Document. The Offer has become unconditional in all respects upon the Sale and Purchase Completion on 31 August 2017.

DESPATCH OF THE OFFER DOCUMENT

Given the Sale and Purchase Completion took place on 31 August 2017, the offer document to be issued by the Offeror, which sets out, among others, details of the Offer (the “**Offer Document**”) will be despatched by the Offeror to the Shareholders on or before 7 September 2017. Further announcement(s) in relation to the despatch of the Offer Document will be made by the Offeror as and when appropriate.

The response document in respect of the Offer Document required to be issued by the Company to the Independent Shareholders which contains, among other things, (i) a letter from the Independent Board Committee in respect of the Offer; and (ii) a letter from the Independent Financial Adviser in respect of the Offer, will be despatched to the Independent Shareholders within 14 days after the posting of the Offer Document.

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, among 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 and 30 June 2016 in relation to the extension of the long stop dates (the “**Extension Announcements**”); (f) 6 January 2017, 7 April 2017, 7 July 2017 and 18 August 2017 in relation to the delay in despatch of the Composite Document (the “**Delay Despatch Announcements**”); (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 (h) 7 June 2017 in relation to, among others, the Amended and Restated Sale and Purchase Agreement and the Revised Special Deals (the “**Fifth Joint Announcement**”); (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**”); (c) 15 May 2017 and 1 June 2017 in relation to the updates on the Amended and Restated Sale and Purchase Agreement. (the “**Updates Announcements**”); (d) the poll results announcement dated 27 July 2017 issued by the Company (the “**Poll Results Announcement**”) (together with the First Joint Announcement, the Second Joint Announcement, the First Delay Despatch Announcement, the Third Joint Announcement, the Extension Announcements, the Delay Despatch Announcements, the Fourth Joint Announcement, the Fifth Joint Announcement, the Further Delay Despatch Announcements, the Adoption of New Business Model Proposal Announcement, the Updates Announcements and the Poll Results Announcement, collectively being the “**Announcements**”); and (iii) the Circular of the Company dated 6 July 2017. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

THE SALE AND PURCHASE COMPLETION

The Offeror and the Company (as informed by the Shares Vendor) are pleased to announce that the Offer had become unconditional in all respects and the Sale and Purchase Completion took place on 31 August 2017. Pursuant to the terms of the Sale and Purchase Agreement, the Offeror has acquired 2,128,560,000 Sale Shares, representing 55.00% of the entire issued share capital of the Company as at the date of the Sale and Purchase Agreement and the Initial Consideration of HK\$304,384,080 (equivalent to HK\$0.143 per Sale Share) was paid on the Sale and Purchase Completion Date.

Set out below is a table showing the shareholding structure of the Company (i) immediately before the Sale and Purchase Completion; (ii) immediately upon the Sale and Purchase Completion and assuming no conversion of the Amended and Restated Convertible Notes; and (iii) for illustrative purposes, immediately upon the Sale and Purchase Completion and assuming full conversion of the Amended and Restated Convertible Notes. The figures below have not taken into account the level of acceptance of the Offer:

	(i) Immediately before the Sale and Purchase Completion		(ii) Immediately upon the Sale and Purchase Completion and assuming no conversion of the Amended and Restated Convertible Notes		(iii) For illustrative purposes, immediately upon the Sale and Purchase Completion (assuming full conversion of the Amended and Restated Convertible Notes) (Note 1)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
The Offeror and parties acting in concert:						
– The Offeror	–	–	2,128,560,000	55.00	2,128,560,000	14.40
– Shares Vendor	2,709,219,755	70.00	580,659,755	15.00	11,492,659,755	77.75
– Kingston Securities (Note 2)	4	0.00	4	0.00	4	0.00
Sub-total	2,709,219,759	70.00	2,709,219,759	70.00	13,621,219,759	92.15
Independent Shareholders	1,160,882,891	30.00	1,160,882,891	30.00	1,160,882,891	7.85
Total	3,870,102,650	100.00	3,870,102,650	100.00	14,782,102,650	100.00

Notes:

- The shareholding structure set out in this column is shown for illustration purpose only. Pursuant to conversion restrictions under the terms and conditions of the Amended and Restated Convertible Notes, no conversion right may be exercised if (i) as a result of the relevant exercise of the conversion rights, the CN Chargor and/or parties acting in concert with it would trigger a mandatory general offer obligation under Rule 26 of the Takeovers Code; and (ii) such exercise would result in the public float of the Shares being less than 25% (or any given percentage as required by the Listing Rules).
- The 4 Shares held by Kingston Securities was created as a result of odd lots matching for the shares of the Company resulted from the capital reorganisation of the Company in 2013.
- The percentages are subject to rounding difference, if any.

THE OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS

Immediately after the Sale and Purchase Completion, the Offeror hold approximately 55.00% of the shareholding interest of the Company, the Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares which are not already owned or agreed to be acquired by it. Accordingly, Kingston Securities, for and on behalf of the Offeror, will make the Offer in compliance with the Takeovers Code and on the terms to be set out in the Offer Document. The Offer has become unconditional in all respects upon the Sale and Purchase Completion on 31 August 2017.

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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, 31 August 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. Li Jiuhua 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.