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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) CLOSE OF MANDATORY UNCONDITIONAL CASH OFFER BY

 KINGSTON SECURITIES

FOR AND 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

(2) RESULTS OF THE OFFER

**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

CLOSE OF THE OFFER

The Offeror and the Company jointly announce that the Offer was closed at 4:00 p.m. on Friday, 6 October 2017, and the Closing Date was not revised or extended by the Offeror.

RESULTS OF THE OFFER

As at 4:00 p.m. on Friday, 6 October 2017, being the latest time and date for acceptance of the Offer as set out in the Offer Document and the Response Document, the Offeror has received valid acceptances of the Offer in respect of 583,068 Offer Shares, representing approximately 0.02% of the entire issued share capital of the Company as at the date of this joint announcement. Taking into account the valid acceptances in respect of 583,068 Offer Shares under the Offer as at 4:00 p.m. on 6 October 2017, the Offeror and parties acting in concert with it would hold an aggregate of 2,709,802,827 Shares, representing approximately 70.02% of the entire issued share capital of the Company as at the date of this joint announcement.

SETTLEMENT OF THE OFFER

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of the acceptances of the Offer) payable for the Offer Shares tendered under the Offer have been, or will be, posted to the Shareholders who have already accepted the Offer (to the address specified in the Form of Acceptance) by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of the duly completed Form of Acceptance and all the relevant documents necessary to render the acceptance under the Offer complete, valid and in compliance with the Takeovers Code.

PUBLIC FLOAT

Immediately upon the close of the Offer, 1,160,299,823 Shares, representing approximately 29.98% of the total number of issued Shares as at the date of this joint announcement, are held by the public (as defined in the Listing Rules), subject to the completion of the transfer of the Offer Shares acquired under the Offer to the Offeror. Accordingly, as at the date of this joint announcement, the minimum public float requirement of 25% as set out under Rule 8.08(1) of the Listing Rules is satisfied.

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 Previous Special Deals and the Offer (the “**First Joint Announcement**”); (b) 18 October 2016 in relation to the update on the Previous Special Deals (the “**Second Joint Announcement**”); (c) 26 October 2016 in relation to the delay in despatch of the Special Deals Circular and the composite offer and response document in respect of the Offer (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 2017 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 Previous Special Deals and the extension of the long stop dates (the “**Fourth Joint Announcement**”); (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**”); and (i) 31 August 2017 in relation to the Sale and Purchase Completion (the “**Sixth 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 Special Deals 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**”) issued by the Company; (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**”) jointly issued by the Company and the Offeror; (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 Sixth 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**”); (iii) the Special Deals Circular of the Company dated 6 July 2017; (iv) the offer document dated 7 September 2017 (the “**Offer Document**”) issued by the Offeror in relation to the Offer; and (v) the response document dated 21 September 2017 (the “**Response Document**”) issued by the Company in relation to the Offer. Capitalised terms used in this announcement shall have the same meanings as those defined in the Offer Document and the Response Document unless the context requires otherwise.

CLOSE OF THE OFFER

The Offeror and the Company jointly announce that the Offer was closed at 4:00 p.m. on Friday, 6 October 2017, and the Closing Date was not revised or extended by the Offeror.

RESULTS OF THE OFFER

As at 4:00 p.m. on Friday, 6 October 2017, being the latest time and date for acceptance of the Offer as set out in the Offer Document and the Response Document, the Offeror has received valid acceptances of the Offer in respect of 583,068 Offer Shares, representing approximately 0.02% of the entire issued share capital of the Company as at the date of this joint announcement. Taking into account the valid acceptances in respect of 583,068 Offer Shares under the Offer as at 4:00 p.m. on 6 October 2017, the Offeror and parties acting in concert with it would hold an aggregate of 2,709,802,827 Shares, representing approximately 70.02% of the entire issued share capital of the Company as at the date of this joint announcement.

SETTLEMENT OF THE OFFER

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of the acceptances of the Offer) payable for the Offer Shares tendered under the Offer have been, or will be, posted to the Shareholders who have already accepted the Offer (to the address specified in the Form of Acceptance) by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of the duly completed Form of Acceptance and all the relevant documents necessary to render the acceptance under the Offer complete, valid and in compliance with the Takeovers Code.

SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately before the commencement of the Offer Period on 5 July 2016, save for a total of 2,716,739,759 Shares, including (i) 2,709,219,755 Shares held by the Shares Vendor; (ii) 7,520,000 Shares held by the Former Limited Partner (the Former Limited Partner ceased to be a party acting in concert with the Offeror upon completion of the FLP Transfer on 30 September 2016); and (iii) 4 Shares held by Kingston Securities which 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 Offeror and parties acting in concert with it did not hold, control or direct over any Share or right over Shares.

Immediately after the Sale and Purchase Completion which took place on 31 August 2017, the Offeror was interested in 2,128,560,000 Sale Shares, representing approximately 55.00% of the issued share capital of the Company.

Immediately after the close of the Offer, taking into account the valid acceptances in respect of 583,068 Offer Shares under the Offer have been received and subject to the due registration by the Registrar of the transfer of the Offer Shares, (i) the Offeror and parties acting in concert with it are interested in an aggregate of 2,709,802,827 Shares, representing approximately 70.02% of the issued share capital of the Company; and (ii) approximately 29.98% of the issued share capital of the Company remains to be held by the public (within the meanings of the Listing Rules) as at the date of this joint announcement.

Save for the aforesaid, the Sale Shares and as disclosed in the Offer Document, the Offeror has not acquired or agreed to acquire any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company or right over Shares during the Offer Period. None of the Offeror and/or parties acting in concert with it has borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period.

Set out below is a table showing the shareholding structure of the Company (i) immediately before the commencement of the Offer Period; (ii) immediately after the Sale and Purchase Completion; (iii) immediately after the close of the Offer and assuming no conversion of the Amended and Restated Convertible Notes and as at the date of this joint announcement; and (iv) for illustrative purposes, immediately after the close of the Offer and assuming full conversion of the Amended and Restated Convertible Notes:

	(i) Immediately before the commencement of the Offer Period		(ii) Immediately after the Sale and Purchase Completion		(iii) Immediately after the close of the Offer and assuming no conversion of the Amended and Restated Convertible Notes and as at the date of this joint announcement		(iv) For illustrative purposes, immediately after the close of the Offer and assuming full conversion of the Amended and Restated Convertible Notes (Note 2)	
	Number of Shares	Approximate %	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	2,129,143,068	55.02	2,129,143,068	14.40
– Former Limited Partner (Note 3)	7,520,000	0.20	-	-	-	-	-	-
– Kingston Securities	4	0.00	4	0.00	4	0.00	4	0.00
– Shares Vendor	2,709,219,755	70.00	580,659,755	15.00	580,659,755	15.00	11,492,659,755	77.75
Sub-total	2,716,739,759	70.20	2,709,219,759	70.00	2,709,802,827	70.02	13,621,802,827	92.15
Independent Shareholders	1,153,362,891	29.80	1,160,882,891	30.00	1,160,299,823	29.98	1,160,299,823	7.85
Total	3,870,102,650	100.00	3,870,102,650	100.00	3,870,102,650	100.00	14,782,102,650	100.00

Notes:

1. The percentages are subject to rounding difference, if any.
2. 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).
3. The Former Limited Partner ceased to be a party acting in concert with the Offeror upon completion of the FLP Transfer on 30 September 2016.

PUBLIC FLOAT

Immediately upon the close of the Offer, subject to the due registration by the Registrar of the transfer of the Offer Shares in respect of which valid acceptances have been received, 1,160,299,823 Shares, representing approximately 29.98% of the total number of issued Shares as at the date of this joint announcement, are held by the public (as defined in the Listing Rules), subject to the completion of the transfer of the Offer Shares acquired under the Offer to the Offeror. Accordingly, as at the date of this joint announcement, the minimum public float requirement of 25% as set out under Rule 8.08(1) of the Listing Rules is satisfied.

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

Hong Kong, 6 October 2017

As at the date of this joint announcement, the Directors are:

Executive Directors

Ms. Gao Zhenyun (*Vice Chairlady*)

Mr. Li Jiuhua

Mr. Huang Chuan Fu

Mr. Liang Jian Hua

Ms. Jia Hui

Mr. Jiang Yi Ren

Non-executive Directors

Mr. Bai Tianhui (*Chairman*)

Mr. Yao Luo

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.