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PICO FAR EAST HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 752)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

Reference is made to the announcement of Pico Far East Holdings Limited (the “**Company**”) dated 24 June 2019 in relation to the discloseable transaction contemplated under the Purchase Agreement and the Operating Agreement (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide further information in relation to the Call Option and Put Option under the Operating Agreement.

The Call Valuation is calculated as follows: equal to the lesser of (a)(i) 1.0 minus the Buyer’s percentage interest in the Target Company at the material time, multiplied by (ii) 6.5 times the average EBITDA as calculated in the audited financial statements of the Target Company for the immediately preceding two fiscal years (the “**Audited Financials**”) prior to the exercise of the Call Option (“**Pico Call**”), plus net cash amount and minus Indebtedness at the time the transaction contemplated by Pico Call closes, and (b)(i) US\$50,000,000 multiplied by (ii)(x) 1.0 minus the Buyer’s percentage interest in the Target Company at the material time divided by (y) 40% (but in no event shall subpart (b) be greater than US\$50,000,000).

The Put Valuation is calculated as follows: equal to the lesser of (a)(i) Tons’ percentage interest in the Target Company at the material time, multiplied by (ii) 6.5 times the average EBITDA as calculated in the Audited Financials for the preceding two fiscal years prior to the exercise of Put Option (the “**Tons’ Put**”), plus net cash amount and minus Indebtedness calculated at the time the transaction contemplated by the Tons’ Put closes, and (b)(i) US\$50,000,000 multiplied by (ii)(x) Tons’ percentage interest in the Target Company at the material time, divided by (y) 40% (but in no event shall subpart (b) be greater than US\$50,000,000).

The purchase price for the Remaining Units is subject to a maximum of US\$50,000,000, which may be reached should the financial and operational performance of the Target Company achieve certain levels at the material time during the Option Period. In determining the Call Valuation and Put Valuation, the Company studied the market value of companies in the same industry for recent years and the study indicated that the agreed formulas are appropriate.

In light of the above, the Directors consider that the agreed formulas and the cap of US\$50,000,000 are fair and reasonable and in the interest of the Company and shareholders as a whole.

Save as disclosed above, all other information in the Announcement remains unchanged.

By Order of the Board
Pico Far East Holdings Limited
Lawrence Chia Song Huat
Chairman

Hong Kong, June 28, 2019

As at the date of this announcement, the Executive Directors are Mr. Lawrence Chia Song Huat, Ms. Jean Chia Yuan Jiun and Mr. Mok Pui Keung; and the Independent Non-Executive Directors are Mr. Gregory Robert Scott Crichton, Mr. James Patrick Cunningham, Mr. Frank Lee Kee Wai and Mr. Charlie Yucheng Shi.