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PACIFIC PLYWOOD HOLDINGS LIMITED

太平洋實業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 767)

DISCLOSEABLE TRANSACTION DISPOSALS OF LISTED SECURITIES

On 22 January 2013, the Company disposed of 594,000 HRGL Shares on the open market for aggregate gross sale proceeds of approximately HK\$1,461,240 (excluding transaction costs).

On 1 February 2013, the Company further disposed of 5,000,000 HRGL Shares on the open market for aggregate gross sale proceeds of approximately HK\$12,250,000 (excluding transaction costs).

The Second Disposal (when aggregated with the First Disposal) constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, as the applicable percentage ratio(s) (as defined under the Listing Rules) exceed(s) 5% but less than 25%.

THE DISPOSALS

On 22 January 2013, the Company disposed of 594,000 HRGL Shares on the open market for aggregate gross sale proceeds of approximately HK\$1,461,240 (excluding transaction costs).

On 1 February 2013, the Company further disposed of 5,000,000 HRGL Shares on the market for aggregate gross sale proceeds of approximately HK\$12,250,000 (excluding transaction costs).

As the Disposals were made on the open market through its brokerage agent, the Company is not aware of the identities of the purchasers of the HRGL Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the HRGL Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

* *For identification purposes only*

Assets disposed of

In aggregate, the Company disposed of 5,594,000 HRGL Shares, representing approximately 0.5594% of the issued share capital of HRGL (based on the 1,000,000,000 HRGL Shares as at 31 January 2013 according to publicly available information).

Consideration

The aggregate gross sale proceeds of the Disposals is approximately HK\$13,711,240 (excluding transaction costs), which is receivable in cash on settlement. The consideration for the Disposals represented the market prices of the HRGL Shares at the relevant time of the Disposals.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Company is an investment holding company, and through its subsidiaries is principally engaged in the business of money lending, provision of credits, securities investments, provision of corporate secretarial and consultancy services and forestry business.

The purpose of the Disposals is to realize the investment of the Company. The Company intends to use the proceeds from the Disposals for general working capital and future developments of the Group. Subsequent to the completion of the Disposals, the Company has 1,406,000 HRGL Shares remaining and the Company will, subject to the market condition, to realize the remaining HRGL Shares held by it. Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

The Disposals were made at market prices and the Directors (including the independent non-executive Directors) are of the view that the Disposals will enhance the liquidity of the Company, was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Based on the cost of subscription of the 5,594,000 HRGL Shares by the Company during its initial public offerings at HK\$1.7 per HRGL Share in January 2012, it is expected that the Company will make a gain on Disposals of approximately HK\$4.1 million.

INFORMATION ON HRGL

According to publicly available information, HRGL is a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock code: 1303). According to its company profile made available on the internet, HRGL engages in mining and ore processing of nickel and copper in Hami, Xinjiang. Further information on HRGL can be found on the website of the Stock Exchange. Based on the interim report of HRGL for the six months ended 30 June 2012, the unaudited net asset value of HRGL as at 30 June 2012 was RMB495,125,000. According to the annual reports of HRGL for the two years ended 31 December 2010 and 31 December 2011 respectively, its net losses before and after taxation were approximately RMB4.24 million and RMB2.74 million; and RMB24.45 million and RMB23.84 million respectively.

GENERAL

The Second Disposal (when aggregated with the First Disposal) constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, as the applicable percentage ratio(s) (as defined under the Listing Rules) exceed(s) 5% but less than 25%.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	Pacific Plywood Holdings Limited (太平洋實業控股有限公司*), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange (Stock code: 767)
“Director(s)”	director(s) of the Company
“discloseable transaction”	as defined in the Listing Rules
“Disposals”	the First Disposal and the Second Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“First Disposal”	the disposal by the Company of a total of 594,000 HRGL Shares on the open market on 22 January 2013 for a consideration of approximately HK\$1,461,240
“HRGL”	Huili Resources (Group) Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the main board of the Stock Exchange (Stock code: 1303)
“HRGL Shares”	ordinary share(s) of HK\$0.10 each in the share capital of HRGL, which are listed on the main board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Second Disposal”	the disposal by the Company of a total of 5,000,000 HRGL Shares on the open market on 1 February 2013 for a consideration of approximately HK\$12,250,000
“Share(s)”	the ordinary share(s) of HK\$0.08 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Pacific Plywood Holdings Limited
Huang Chuan Fu
Deputy Chairman and Executive Director

Hong Kong, 4 February 2013

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

Executive Directors

Mr. Ng Kwok Fai (*Chairman*)
Mr. Huang Chuan Fu (*Deputy Chairman*)
Mr. Liang Jian Hua
Ms. Jia Hui
Mr. Jiang Yi Ren

Independent non-executive Directors

Mr. Cheng Po Yuen
Mr. Wong Chun Hung
Mr. Wong Sze Kai

Non-executive Director

Mr. Chan Kin Sang

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.