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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 DISPOSAL OF LISTED SECURITIES

Reference is made to the announcement of the Company dated 4 February 2013 in relation to the First Disposal and the Second Disposal on 22 January 2013 and 4 February 2013 respectively.

On 5 February 2013, the Company further disposed of 1,406,000 HRGL Shares on the open market for aggregate gross sale proceeds of approximately HK\$3,458,760 (excluding transaction costs).

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

THE DISPOSAL

Reference is made to the announcement of the Company dated 4 February 2013 (the “**Announcement**”) in relation to the disposal of 594,000 HRGL Shares and 5,000,000 HRGL Shares on 22 January 2013 and 4 February 2013 respectively. Unless otherwise defined herein, terms in this announcement shall have the same meanings as those defined in the Announcement.

On 5 February 2013, the Company further disposed of 1,406,000 HRGL Shares (the “**Third Disposal**”) on the open market for aggregate gross sale proceeds of approximately HK\$3,458,760 (excluding transaction costs).

As the Third Disposal was 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

* *For identification purposes only*

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).

Assets disposed of

In aggregate, the Company disposed of 7,000,000 HRGL Shares, representing approximately 0.7% 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 First Disposal, the Second Disposal and the Third Disposal is approximately HK\$17,170,000 (excluding transaction costs), which is receivable in cash on settlement. The consideration for these three disposals represented the market prices of the HRGL Shares at the relevant time of the disposals.

REASONS FOR AND BENEFITS OF THESE 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 these disposals is to realize the investment of the Company. The Company intends to use the proceeds from the three disposals for general working capital and future developments of the Group. Subsequent to the completion of the Third Disposal, the Company has no HRGL Shares outstanding.

All three disposals were made at market prices and the Directors (including the independent non-executive Directors) are of the view that these disposals will enhance the liquidity of the Company, were 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 1,406,000 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 the Third Disposal of approximately HK\$1.07 million. The total gain on the three disposals is approximately HK\$5.17 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 Third Disposal (when aggregate with the First Disposal and the Second Disposal) constitutes a discloseable transaction for the Company as the applicable percentage ratio(s) (as defined under the Listing Rules) exceed(s) 5% but less than 25%.

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

Hong Kong, 5 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.