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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)

INSIDE INFORMATION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a net profit for the year ended 31 December 2012 as compared to a net loss of approximately HK\$144.96 million in the corresponding period in 2011.

The information contained in this announcement is only based on the preliminary review on the consolidated management accounts of the Group for the year ended 31 December 2012, the information currently available to the Company and the preliminary discussion with the Company's auditors. It should be noted that the Company is in the process of finalizing its final results for the year ended 31 December 2012 and the said financial results will be subject to further discussion and finalization with the Company's auditors and may be subject to further amendments. The final results announcement of the Company for the year ended 31 December 2012 is expected to be announced on 27 March 2013.

The Board also wishes to inform the Shareholders and potential investors that, the Group has from time to time been following up with the relevant government authorities for the outstanding necessary licenses and approvals required for the commencement of the forestry logging and harvesting in the PNG. Nevertheless, the Company was recently informed by the PNG legal advisers that the outstanding necessary licenses and approvals are more likely to be obtained in year 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the securities in the Company.

* For identification purposes only

This announcement is made by Pacific Plywood Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a net profit for the year ended 31 December 2012 as compared to a net loss of approximately HK\$144.96 million in the corresponding period in 2011. The expected increase in net profit was mainly attributable to, including but not limited to (i) the reversal of impairment loss on loan receivables during the year; (ii) the decrease in impairment loss on loan receivables; and (iii) the changes in fair values of certain financial derivatives of the Group.

The information contained in this announcement is only based on the preliminary review on the consolidated management accounts of the Group for the year ended 31 December 2012, the information currently available to the Company and the preliminary discussion with the Company’s auditors. It should be noted that the Company is in the process of finalizing its final results for the year ended 31 December 2012 and the said financial results will be subject to further discussion and finalization with the Company’s auditors and may be subject to further amendments. The final results announcement of the Company for the year ended 31 December 2012 is expected to be announced on 27 March 2013.

The Board also wishes to inform the Shareholders and potential investors that, the Group has from time to time been following up with the relevant government authorities regarding the outstanding necessary licenses and approvals required for the commencement of the forestry logging and harvesting in the Independent State of Papua New Guinea (the “**PNG**”). Nevertheless, the Company was recently informed by the PNG legal advisers that the outstanding necessary licenses and approvals are more likely to be obtained in year 2014. Up to the date of this announcement, the Group has been successfully granted the foreign enterprise certificate while other remaining necessary approvals and licenses, namely, the environment impact statement and the Forestry Clearance Authority which were originally expected to be obtained in early 2013, are in application progress and are more likely to be completed and obtained in year 2014. Such unexpected delay, as advised by the PNG legal adviser, was due to the Commission of Enquiry into the Special Agricultural Business Lease system. The PNG Legal Adviser has confirmed that such enquiry is not a legal impediment as the Law of PNG is clear that if the Forestry Clearance Authority application is in order, then the Forestry Authority must consider the application. As further advised by the PNG Legal Adviser, on the assumption that the applications for the Forestry Clearance Authority is in order and in the absence of any unforeseen circumstances, it is expected that there is no material legal impediment for the Group to obtain the Forestry Clearance Authority.

Shareholders and potential investors are advised to exercise caution when dealing in the securities in the Company.

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

Hong Kong, 22 March 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.