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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**

On 31 December 2013, the Company acquired 80,000,000 RC Shares at the consideration of approximately HK\$41.62 million (excluding transaction costs) (equivalent to approximately HK\$0.5203 per RC Share on average). The Acquisition was made in the open market.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to announcement requirement but exempt from the Shareholders' approval requirement under the Listing Rules.

### **THE ACQUISITION**

On 31 December 2013, the Company acquired 80,000,000 RC Shares at the consideration of approximately HK\$41.62 million (excluding transaction costs) (equivalent to approximately HK\$0.5203 per RC Share on average).

The Acquisition was made on the open market and the Company is not aware of the identities of the seller(s). However, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Directors believe that the seller(s) is/are third party(ies) independent of the Company and its connected persons.

### **Assets to be acquired**

80,000,000 RC Shares acquired represents approximately 0.38% of the issued share capital of RC (based on 21,148,132,000 shares in issue as at 30 November 2013 according to publicly available information).

\* *For identification purposes only*

## Consideration

The consideration for the Acquisition is approximately HK\$41.62 million (excluding transaction costs), which is payable in cash on settlement. The consideration for the Acquisition represented the market price of the RC Shares at the relevant time of the Acquisition.

## Information on the RC Group

RC is a company incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the Main Board of the Stock Exchange since 2008. The RC Group is principally engaged in development, lease and management of shopping malls in the PRC.

According to the audited consolidated financial statements of RC for the two years ended 31 December 2012 and 2011, the revenue, profit before taxation and after taxation for the year ended 31 December 2012 were approximately RMB688,110,000, RMB1,482,799,000, and RMB944,556,000 respectively; while the revenue, profit before taxation and after taxation for the year ended 31 December 2011 were approximately RMB2,244,712,000, RMB7,426,397,000, and RMB5,439,287,000 respectively. As at 30 June 2013, the unaudited consolidated net assets of RC was approximately RMB21,814,521,000.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, RC and its substantial shareholders are third parties independent of the Company (as defined under the Listing Rules) and its associates, and not connected with the Directors, chief executives or substantial shareholders of the Company and its subsidiaries and their respective associates.

## Reasons for the Acquisition

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

The Company is from time to time identifying potential securities investment opportunity. As referred to in the interim report of RC for the six months ended 30 June 2013 (the “**2013 Interim Report**”), the net assets of the RC Group amounted to approximately RMB21,814,521,000 (equivalent to approximately HK\$27,900,855,000) as at 30 June 2013, and the net assets per RC Share amounted to approximately HK\$1.32 per RC Share. The acquisition price per RC Share, (being approximately HK\$0.5203 per RC Share on average) under the Acquisition represented a discount of approximately 60.58% to the net assets per RC Share. In addition, it is noted from the 2013 Interim Report that as of 30 June 2013, the RC Group manages 19 malls across 11 cities in China. Gross floor area (“**GFA**”) under management is 1.12 million square meters (“**sq.m**”) while leasable GFA is 0.77 million sq.m. The RC Group’s current project reserve is 4.97 million sq.m of GFA. This includes 13 projects under construction; equivalent to 1.49 million sq.m of construction GFA and 19 projects approved and under planning stage; equivalent to 3.49 million sq.m of approved GFA.

In view of the above, the Directors considered that the Acquisition is fair and reasonable and is in the interests of the Group and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to announcement requirement but exempt from the Shareholders' approval requirement under the Listing Rules.

## **DEFINITIONS**

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Acquisition”	the acquisition of 80,000,000 RC Shares
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	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, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China
“RC”	Renhe Commercial Holdings Co., Ltd., a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 1387)
“RC Group”	RC and its subsidiaries
“RC Share(s)”	ordinary share(s) of RC
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”                      The Stock Exchange of Hong Kong Limited  
“HK\$”                                      Hong Kong dollars, the lawful currency of Hong Kong  
“%”    per cent.

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

Hong Kong, 31 December 2013

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

*Executive Directors*

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

*Independent non-executive Directors*

Mr. Wong Chun Hung  
Mr. Wong Sze Kai  
Mr. Zheng Zhen

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