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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult an exchange participant or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in the Pacific Plywood Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**NOTICE OF ANNUAL GENERAL MEETING,  
RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES  
AND  
REFRESHMENT OF SHARE OPTION SCHEME MANDATE LIMIT**

The notice of Annual General Meeting of the Company to be held at Units 3301–3303, 33/F., West Tower Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong on Friday, 21 June 2013, at 10:00 a.m. (“AGM”) is set out in Appendix I to this circular.

Whether or not you are able to attend the AGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

\* *For identification purposes only*

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## DEFINITIONS

*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at Units 3301–3303, 33/F., West Tower Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong on Friday, 21 June 2013, at 10:00 a.m., the notice of which is set out in Appendix I to this circular or, where the context so admits, any adjournment thereof
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Company”	Pacific Plywood Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted at the AGM to the Directors to exercise all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares of up to 20% of the issued share capital of the Company as at the date of passing of such resolution, for such period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution)
“Latest Practicable Date”	14 May 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITIONS

“Repurchase Mandate”	a general and unconditional repurchase mandate proposed to be granted at the AGM to the Directors to exercise all the powers of the Company to repurchase Shares of up to 10% of the issued share capital of the Company as at the date of passing of such resolution, for such period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution)
“Scheme Mandate Limit”	the limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme of the Company, being 10% of the Company’s issued share capital as at the date of adoption of the Share Option Scheme on 12 June 2012, which may be “renewed”/“refreshed” pursuant to the rules of the Share Option Scheme but shall not exceed 10% of the shares in issued as at the date of approval of the proposed renewal/refreshment by the Shareholders
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholders”	the holders of issued shares of the Company
“Shares”	shares of HK\$0.08 each in the share capital of the Company
“Share Option Scheme”	the share option scheme currently in force and adopted by the Company on 12 June 2012
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

*The translation into Chinese language of this circular is for reference only. In case of any inconsistency, the English version shall prevail.*



**PACIFIC PLYWOOD HOLDINGS LIMITED**

**太平洋實業控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 767)**

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

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Head office and principal place  
of business:*

Units 3301–3303, 33/F.  
West Tower Shun Tak Centre  
168–200 Connaught Road Central  
Sheung Wan  
Hong Kong

21 May 2013

*To the Shareholders*

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING,  
RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES  
AND  
REFRESHMENT OF SHARE OPTION SCHEME MANDATE LIMIT**

**INTRODUCTION**

The Company will propose at the AGM resolutions to re-elect the retiring Directors, to grant the Directors the General Mandates to issue and repurchase the Shares and to refresh the Scheme Mandate Limit.

The purpose of this circular is to provide you with further information and details about the resolutions to be proposed at the AGM.

\* *For identification purposes only*

## LETTER FROM THE BOARD

### ANNUAL GENERAL MEETING

A notice convening the AGM is set out in Appendix I to this circular. At the AGM, resolutions will be proposed to approve, inter alia, the re-election of retiring Directors, the General Mandates to issue and repurchase the Shares and the refreshment of the Scheme Mandate Limit.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the AGM will therefore demand a poll on each of the resolutions to be proposed at the AGM pursuant to Bye-law 70 of the Bye-laws.

Whether or not you are able to attend the AGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

### RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 99 of the Bye-laws and Code Provision A.4 under Appendix 14 to the Listing Rules, Ms. Jia Hui, Mr. Huang Chuan Fu, and Mr. Wong Chun Hung will retire by rotation at the AGM and, being eligible, will offer themselves for re-election. In accordance with Bye-law 102(B), Mr. Wong Sze Kai and Mr. Zheng Zhen will retire at the AGM and, being eligible, will offer themselves for re-election. Information of these retiring Directors as required to be disclosed under the Listing Rules is set out in Appendix II to this circular.

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 12 June 2012, the then Shareholders approved, among other things, an ordinary resolution in relation to a general mandate to grant to the Company to allot up to 273,930,107 shares with par value of HK\$0.01 each. The number of new Shares that could be allotted, issued and dealt with became 34,241,263 shares with par value of HK\$0.08 each after the share consolidation became effective on 10 September 2012.

At the special general meeting of the Company held on 22 October 2012, the then Shareholders approved, among other things, an ordinary resolution to renew a general mandate to grant to the Company to allot up to 445,136,424 shares with par value of HK\$0.08 each (the "**Existing Mandate**"). As at the Latest Practicable Date, none of the Existing Mandate has

## **LETTER FROM THE BOARD**

been utilised and the Board intends to apply such unutilised amount to provide the required ability and flexibility to the Company in selecting fund raising methods to raise funds on a timely basis. The Existing Mandate will lapse at the conclusion of the AGM.

At the AGM, ordinary resolutions will be proposed to the Shareholders to consider and if thought fit, approve to grant the Company general and unconditional mandates to issue Shares and to exercise the powers of the Company to repurchase Shares as follow:

- (i) to allot, issue, grant, distribute and otherwise deal with additional Shares of up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution approving the Issue Mandate; and
- (ii) to repurchase Shares of up to 10% of the issued share capital of the Company as at the date of passing of the relevant resolution approving the Repurchase Mandate.

The ordinary resolutions proposed to Shareholders in relation to the Issue Mandate and the Repurchase Mandate at the AGM will continue to be in full force until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or the Companies Act 1981 of Bermuda or any other applicable laws to be held; and
- (iii) the date on which the authority set out in the ordinary resolution(s) is/are revoked or varied by an ordinary resolution in general meeting.

Assuming that no new Shares will be issued or repurchased from the Latest Practicable Date to the date of the AGM and subject to the passing of the resolutions for the General Mandates at the AGM, the Directors will then be allowed to allot and issue under the Issue Mandate a maximum of 445,136,424 new Shares, being 20% of the issued share capital as at the date of the AGM, and to repurchase Shares of a maximum of 222,568,212 Shares under the Repurchase Mandate, being 10% of the issued share capital as at the date of the AGM.

An explanatory statement giving the particulars under the Listing Rules in respect of the Repurchase Mandate is set out in the Appendix III to this circular.

### **REFRESHMENT OF THE SHARE OPTION SCHEME MANDATE LIMIT**

The Company adopted the Share Option Scheme pursuant to an ordinary resolution passed on 12 June 2012. Subject to the approval of the Shareholders in a general meeting and/or such other requirements prescribed under the Listing Rules, the Scheme Mandate Limit may be refreshed to the extent not exceeding 10% of the shares in issue (which was equivalent to 136,965,053 shares of the Company) as at the date of passing of such resolution.

## LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has 2,225,682,121 Shares in issue and no share option is outstanding under the Share Option Scheme and all previous share option schemes. Due to change in the issued share capital, the Scheme Mandate Limit is proposed to be refreshed. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of the AGM and that no further options will be granted under the Share Option Scheme prior to the date of the AGM, the number of Shares that may fall to be allotted and issued upon exercise in full of the options that may be granted, after the resolution authorising the Directors to allot and issue up to 10% of the then issued share capital of the Company is passed at the AGM, would be 222,568,212 Shares.

Pursuant to the terms of the Share Option Scheme and the Listing Rules, the Scheme Mandate Limit shall not in any event result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company exceeding 30% of the Shares in issue from time to time.

The refreshment of the Scheme Mandate Limit is conditional on:

- (i) the Shareholders passing an ordinary resolution by way of poll pursuant to the Listing Rules to approve the refreshment of the Scheme Mandate Limit at the AGM; and
- (ii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, any new Shares (representing a maximum of 10% of the Shares in issue as at the date of approval of the resolution at the AGM) which may fall to be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in any Shares to be issued upon exercise of the options to be granted under the refreshed Scheme Mandate Limit.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Board believes that the re-election of the retiring Directors, the General Mandates to issue and repurchase Shares and the refreshment of the Scheme Mandate Limit are in the interests of the Company and Shareholders as a whole and accordingly, recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

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



**PACIFIC PLYWOOD HOLDINGS LIMITED****太平洋實業控股有限公司\****(Incorporated in Bermuda with limited liability)***(Stock Code: 767)****NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “AGM”) of shareholders of Pacific Plywood Holdings Limited (the “**Company**”) will be held at Units 3301–3303, 33/F., West Tower Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong on Friday, 21 June 2013 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors (the “**Director(s)**”) and independent auditor of the Company for the year ended 31 December 2012.
2. To re-elect the retiring directors of the Company and to authorise the board of directors (the “**Board**”) to fix the Directors’ remuneration.
3. To re-appoint ZHONGLEI (HK) CPA Company Limited as the auditor of the Company until the conclusion of the next annual general meeting, and to authorise the Board to fix its remuneration.

**ORDINARY RESOLUTIONS**

4. As a special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

(A) “**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors from time to time during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of HK\$0.08 each in the share capital of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the rules and regulation of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

\* *For identification purposes only*

- (b) the aggregate nominal amount of Shares which the Directors are authorised to exercise the powers of the Company to repurchase pursuant to the approval in paragraph (a) of this resolution above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly;
  - (c) for the purposes of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable laws to be held; and
    - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”;
- (B) “**THAT:**
- (a) subject to paragraph (c) of this resolution and pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue, grant, distributes and otherwise deal with additional Shares and to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require Shares to be allotted be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares of the Company to be allotted after the end of the Relevant Period;
  - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) an issue of Shares pursuant to the exercise of rights of subscription or conversion

under the terms of any existing warrants, bonds, debentures, notes or other securities of the Company or (iii) an issue of Shares upon the exercise of subscription rights under any option scheme or similar arrangement of Shares or rights to acquire Shares or (iv) an issue of Shares pursuant to any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the memorandum of association and the bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable laws to be held; and
  - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to holders of shares of the Company, or any class of shares of the Company, whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their holdings of such shares (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”;

(C) “**THAT**

conditional upon the passing of resolutions Nos. 4(A) and 4(B) set out in the notice convening this meeting, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares pursuant to resolution No. 4(B) set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution No. 4(A) set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”;

(D) “**THAT**

subject to and conditional upon the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Shares to be issued upon the exercise of options which may be granted under the Company’s share option scheme adopted by the Company on 12 June 2012 (the “**Share Option Scheme**”), the existing scheme mandate limit in respect of the granting of options to subscribe for Shares under the Share Option Scheme be refreshed and renewed provided that the total number of Shares which may be allotted and issued pursuant to the grant or exercises of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the shares of the Company in issue as at the date of passing this resolution (the “**Refreshed Limit**”) and that the Directors be and are hereby authorized, subject to compliance with the Listing Rules, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options and to do such acts and execute such documents for or incidental to such purpose.”

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

Hong Kong, 21 May 2013

*Registered office:*  
Canon’s Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Head office and principal place  
of business:*  
Units 3301–3303, 33/F.  
West Tower Shun Tak Centre  
168–200 Connaught Road Central  
Sheung Wan  
Hong Kong

*Notes:*

1. Any shareholder of the Company (the “**Shareholder(s)**”) entitled to attend and vote at the AGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy needs not be a Shareholder.
2. The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
3. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the AGM and in such event, the form of proxy shall be deemed to be revoked.
4. Where there are joint Shareholders, any one of such joint Shareholders may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint Shareholders be present at the AGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Shareholders in respect of the joint holding.
5. The form of proxy and (if required by the board of directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof at which the person named in the form of proxy proposes to vote or, in the case of a poll taken subsequently to the date of the AGM or any adjournment thereof, not less than 48 hours before the time appointed for the taking of the poll and in default the form of proxy shall not be treated as valid.

As at the date of this notice, 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. Wong Chun Hung  
Mr. Wong Sze Kai  
Mr. Zheng Zhen

The following is the information, as required to be disclosed by the Listing Rules, on the retiring Directors proposed to be re-elected at the AGM.

**Ms. Jia Hui**

Ms. Jia Hui (“**Ms. Jia**”), aged 45, joined the Group since 13 April 2010. She has more than 20 years of working experience in the area of merchandising and project management. Since 2003, she has been appointed as the business development manager of Beijing International Trade Corporation.

As at the Latest Practicable Date, other than the position as an executive Director of the Company, Ms. Jia did not hold any position with the Company and other members of the Group and had not entered into any service contract with the Company and will not receive any remuneration.

Ms. Jia does not have any relationships with any Directors, senior management, substantial or controlling Shareholders and is not interested in the Shares within the meaning of Part XV of SFO.

Ms. Jia did not hold other directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Saved as disclosed above, there is no information to be disclosed pursuant to any of the requirements under paragraph 13.51(2) of the Listing Rules and there are no other matters relating to her re-election that need to be brought to the attention of the Shareholders.

**Mr. Huang Chuan Fu**

Mr. Huang Chuan Fu (“**Mr. Huang**”), aged 39, joined the Group since 13 April 2010. He is also the director of twelve subsidiaries of the Company. He has more than 10 years of working experience. He was the vice president of Nanping Wang Jia Wood Bamboo & Wood Industry Co., Ltd from 2002 to 2005.

As at the Latest Practicable Date, other than the positions as the Deputy Chairman and an executive Director of the Company and the director of twelve subsidiaries of the Company, Mr. Huang did not hold any position with the Company and other members of the Group and had not entered into any service contract with the Company and will not receive any remuneration.

Mr. Huang does not have any relationships with any Directors, senior management, substantial or controlling Shareholders and is not interested in the Shares within the meaning of Part XV of SFO.

Mr. Huang did not hold other directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Saved as disclosed above, there is no information to be disclosed pursuant to any of the requirements under paragraph 13.51(2) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

### **Mr. Wong Chun Hung**

Mr. Wong Chun Hung (“**Mr. Wong C.H.**”), aged 40, graduated from Hong Kong Baptist University with an honors degree in accounting in 1995. He joined the Group since 22 April 2010. He is an associate of the Hong Kong Institute of Certified Public Accountants and has over 10 years’ experience in accounting, auditing and consulting. Since November 2005, he has been the managing director of B&C Finance and Corporate Advisory Limited. Moreover, he was the financial controller of General Nice Group and its associate, Abterra Limited, which is a listed company in Singapore until April 2011. Mr. Wong C.H. was also a non-executive director of King Stone Energy Group Limited (stock code: 663), an independent non-executive director of two listed companies in Hong Kong, namely China Household Holdings Limited (formerly known as Bao Yuan Holdings Limited, stock code: 692) and Tech Pro Technology Development Limited (stock code: 3823), until 12 March 2013, 30 June 2011 and 7 January 2011, respectively.

As at the Latest Practicable Date, other than the position as an independent non-executive Director of the Company, Mr. Wong C.H. did not hold any position with the Company and other members of the Group. Mr. Wong C.H. had not entered into any service contract with the Company. Mr. Wong C.H. is entitled to an annual director’s fee of HK\$120,000, which is determined with reference to the prevailing market rate and his duties and responsibilities in the Company and reviewed by the remuneration committee of the Company.

Mr. Wong C.H. does not have any relationships with any Directors, senior management, substantial or controlling Shareholders and is not interested in the Shares within the meaning of Part XV of SFO.

Saved as disclosed above, Mr. Wong C.H. did not hold other directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Saved as disclosed above, there is no information to be disclosed pursuant to any of the requirements under paragraph 13.51(2) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

### **Mr. Wong Sze Kai**

Mr. Wong Sze Kai (“**Mr. Wong S.K.**”), aged 26, holds a Bachelor Degree of Business Administration (Finance Investment Concentration) from The University of Southern California, U.S.A. He joined the Group since 14 December 2012. He was a director of Ellafanny Brands (Shenzhen) Limited, steering the business development and managing the business operation and brand building. Besides, Mr. Wong S.K. possesses of corporate finance, accounting and corporate secretarial experiences in various listed companies in Hong Kong.

As at the Latest Practicable Date, other than the position as an independent non-executive Director of the Company, Mr. Wong S.K. did not hold any position with the Company and other members of the Group. Mr. Wong S.K. had not entered into any service contract with the Company. Mr. Wong S.K. is entitled to an annual director's fee of HK\$120,000, which is determined with reference to the prevailing market rate and his duties and responsibilities in the Company and reviewed by the remuneration committee of the Company.

Mr. Wong S.K. does not have any relationships with any Directors, senior management, substantial or controlling Shareholders and is not interested in the Shares within the meaning of Part XV of SFO.

Mr. Wong S.K. did not hold other directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Saved as disclosed above, there is no information to be disclosed pursuant to any of the requirements under paragraph 13.51(2) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

#### **Mr. Zheng Zhen**

Mr. Zheng Zhen (“**Mr. Zheng**”), aged 37, graduated from Southwestern University of Finance and Economics, majoring in Accounting. He joined the Group since 10 May 2013. Mr. Zheng possesses of over 10 years experiences in accounting and finance in various industries. Currently, he is the financial controller of Zuoquan Xinrui Metallurgy & Mine Co. Limited\* (左權鑫瑞冶金礦山有限公司) which is indirectly owned as to 22.8% by Abterra Limited, a listed company in Singapore.

As at the Latest Practicable Date, other than the position as an independent non-executive Director of the Company, Mr. Zheng did not hold any position with the Company and other members of the Group. Mr. Zheng had not entered into any service contract with the Company. Mr. Zheng is entitled to an annual director's fee of HK\$120,000, which is determined with reference to the prevailing market rate and his duties and responsibilities in the Company and reviewed by the remuneration committee of the Company.

Mr. Zheng does not have any relationships with any Directors, senior management, substantial or controlling Shareholders and is not interested in the Shares within the meaning of Part XV of SFO.

Mr. Zheng did not hold other directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Saved as disclosed above, there is no information to be disclosed pursuant to any of the requirements under paragraph 13.51(2) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

\* *For identification purposes only*



This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules to provide requisite information to you for your consideration in relation to the Repurchase Mandate as set out in Ordinary Resolution No. 4(A) of the notice of annual general meeting.

### 1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,225,682,121 Shares of HK\$0.08 each.

Subject to the passing of Ordinary Resolution No. 4(A) and on the basis that no further Shares are issued prior to the AGM to be held on 21 June 2013, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 222,568,212 Shares, representing 10% of the issued share capital of the Company.

### 2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a purchase will benefit the Company and its shareholders.

### 3. FUNDING FOR REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws and the applicable laws of Bermuda and Hong Kong. It is proposed that repurchases of shares of the Company under the Repurchase Mandate in these circumstances would be financed from available cash flow or working capital facilities of the Company and its subsidiaries. The Companies Act 1981 of Bermuda (the “**Companies Act**”) provides that the amount of capital repayable in connection with a repurchase of shares of the Company may only be paid out of the capital paid up on such shares of the Company or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares of the Company made for the purpose. The Companies Act further provides that the amount of premium payable on repurchase may only be paid out of the funds of the Company otherwise available for dividend or distribution or out of the Company’s share premium account. Such repurchase may only be made if on the effective date of purchase, there are no reasonable grounds for believing that the Company is, and after the purchase would be, unable to pay its debts as they fall due.

In the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period, there might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements contained in the Company’s annual report for the year ended 31 December 2012. However, the Directors do not propose to exercise the Repurchase

Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months up to 14 May 2013 were as follows:

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
<b>2012</b>		
May	0.146A	0.129A
June	0.143A	0.128A
July	0.157A	0.108A
August	0.118A	0.108A
September	0.265A	0.101A
October	0.169	0.080
November	0.089	0.078
December	0.086	0.076
<b>2013</b>		
January	0.131	0.079
February	0.120	0.088
March	0.110	0.090
April	0.098	0.087
May 1st — May 14th	0.098	0.093

A: adjusted retroactively to take into account of the share consolidation which become effective on 10 September 2012

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to Ordinary Resolution No. 4(A) and in accordance with the Listing Rules and the applicable laws of Hong Kong and the Company Act.

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## 6. CODE ON TAKEOVERS AND MERGERS

As at the Latest Practicable Date, a substantial shareholder of the Company, Allied Summit Inc. which is incorporated in the British Virgin Island held 1,296,975,804 Shares, representing, being approximately 58.27% of the issued share capital of the Company. In the event that the Directors exercise in full the Repurchase Mandate, the interests of Allied Summit Inc. in the Company will be increased to approximately 64.75% of the issued share capital of the Company. To the best knowledge and belief of the Directors, such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code.

If on exercise of the power to repurchase shares the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 8 of the Hong Kong Code on Share Repurchases. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeover Code.

The Directors do not intend to exercise the Repurchase Mandate to such an extent as would result in a Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory general offer under Rule 26 of the Takeover Code and accordingly, it is not anticipated that purchases of shares of the Company under the Repurchase Mandate will give rise to any consequences under the Takeover Code.

## 7. SHARES REPURCHASE MADE BY THE COMPANY

No repurchase of shares (whether on the Stock Exchange or otherwise) has been made by the Company in the six months preceding the Latest Practicable Date.