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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)

ANNOUNCEMENT

POSSIBLE DISCLOSEABLE TRANSACTIONS

The Board announces that Best Harvest, being a wholly-owned subsidiary of the Company, may fully accept the provisional allotment of Simsen Rights Shares and may apply for excess Simsen Rights Shares under the Simsen Rights Issue.

Simsen announced on 29 January 2013 that it proposed to raise approximately HK\$181.17 million (before expenses) by way of the Simsen Rights Issue of 1,907,018,640 Simsen Rights Shares at the subscription price of HK\$0.095 per Simsen Rights Share on the basis of three (3) Simsen Rights Shares for every one (1) Simsen Share held on the Record Date.

As at the date of this announcement, Best Harvest is interested in 42,000,000 Simsen Shares, representing approximately 6.61% of the issued share capital of Simsen. Under the Simsen Rights Issue, Best Harvest is entitled to accept 126,000,000 Simsen Rights Shares under its own entitlement and the consideration for such 126,000,000 Simsen Rights Shares amounted to approximately HK\$11.97 million. Furthermore, Best Harvest may apply for a maximum of 83,000,000 excess Simsen Rights Shares through excess application to increase the Group's interests in Simsen.

* For identification purposes only

Through the application for a maximum of 83,000,000 excess Simsen Rights Shares, together with its own entitlement of 126,000,000 Simsen Rights Shares, Best Harvest will in total subscribe for 209,000,000 Simsen Rights Shares at an aggregate consideration of approximately HK\$19.85 million. In the event that the application for a maximum of 83,000,000 excess Simsen Rights Shares are fully allotted and issued to Best Harvest, the Group's interests in Simsen will be increased from approximately 6.61% as at the date of this announcement to a maximum of approximately 9.9% upon completion of the Simsen Rights Issue. In the event that the application for a maximum of 83,000,000 excess Simsen Rights Shares is unsuccessful in whole, the Group will remain to be interested in Simsen as to approximately 6.61% upon completion of the Simsen Rights Issue. It should be noted that the Board, at its absolute discretion, after considering, including but not limited to (i) the then global economies or any other significant changes (whether due to internal or external factors); (ii) the difference between the price of the Simsen Shares and the subscription price of HK\$0.095 per Simsen Shares; (iii) the then business opportunities available for the Group; and (iv) the then financial resources of the Group, may decide not to or partially participate in the Simsen Rights Issue and in the case that the Group does not participate in the Simsen Rights Issue in full, the Group's interests in Simsen will be diluted to approximately 1.65% upon completion of the Simsen Rights Issue.

The Directors consider that the participation in the Simsen Rights Issue through the Full Acceptance and Excess Application, which is a strategic investment of the Company, can maintain the Group's interest in Simsen and may also increase the its interest in Simsen (if all 83,000,000 excess Simsen Rights Shares are fully allotted and issued to Best Harvest).

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Full Acceptance and the Excess Application exceeds 5% but are less than 25%, the Full Acceptance and the Excess Application constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to announcement requirement but exempt from the Shareholders' approval requirement under the Listing Rules.

It should be noted that the Simsen Rights Issue is subject to a number of conditions precedent and may or may not proceed.

SIMSEN RIGHTS ISSUE

The Board announces that Best Harvest, being a wholly-owned subsidiary of the Company, may fully accept the provisional allotment of Simsen Rights Shares and may apply for excess Simsen Rights Shares under the Simsen Rights Issue.

Simsen announced on 29 January 2013 that it proposed to raise approximately HK\$181.17 million (before expenses) by way of the Simsen Rights Issue of 1,907,018,640 Simsen Rights Shares at the subscription price of HK\$0.095 per Simsen Rights Share on the basis of three (3) Simsen Rights Shares for every one (1) Simsen Share held on the Record Date.

It is stated in the circular of Simsen dated 8 March 2013 (the “**Rights Issue Circular**”) and the prospectus of Simsen dated 8 April 2013 (the “**Prospectus**”) that Simsen intended to apply the proceeds from the Simsen Rights Issue as to not more than 70% for financing the acquisition of Beijing Dong Fang Hui Investment Consulting Co., Limited* (北京東方滙投資諮詢有限公司) (the “**Simsen Acquisition**”) and as to not less than 30% for the general working capital of the Simsen Group.

Details of the Simsen Rights Issue and the Simsen Acquisition have been set out in the Rights Issue Circular, the Prospectus and the circular of Simsen dated 12 March 2013 respectively.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Simsen or its directors, chief executives, substantial shareholders or connected persons of Simsen or any of their respective subsidiaries or any associates of them are third parties independent of, and not connected with the Directors, chief executives or substantial Shareholders of the Company and its subsidiaries and their respective associates.

As at the date of this announcement, Best Harvest is interested in 42,000,000 Simsen Shares, representing approximately 6.61% of the issued share capital of Simsen. Under the Simsen Rights Issue, Best Harvest is entitled to accept 126,000,000 Simsen Rights Shares under its own entitlement and the consideration for such 126,000,000 Simsen Rights Shares amounted to approximately HK\$11.97 million. Furthermore, Best Harvest may apply for a maximum of 83,000,000 excess Simsen Rights Shares through excess application to increase the Group’s interests in Simsen.

Through the application for a maximum of 83,000,000 excess Simsen Rights Shares, together with its own entitlement of 126,000,000 Simsen Rights Shares, Best Harvest will in total subscribe for 209,000,000 Simsen Rights Shares at an aggregate consideration of approximately HK\$19.85 million. In the event that the application for a maximum of 83,000,000 excess Simsen Rights Shares are fully allotted and issued to Best Harvest, the Group’s interest in Simsen will be increased from approximately 6.61% as at the date of this announcement to a maximum of approximately 9.9% upon completion of the Simsen Rights Issue. In the event that the application for a maximum of 83,000,000 excess Simsen Rights Shares is unsuccessful in whole, the Group will remain to be interested interest in Simsen as to approximately 6.61% upon completion of the Simsen Rights Issue. It should be noted that the Board, at its absolute discretion, after considering, including but not limited to (i) the then global economies or any other significant changes (whether due to internal or external factors); (ii) the difference between the price of the Simsen Shares and the subscription price of HK\$0.095 per Simsen Shares; (iii) the then business opportunities available for the Group; and (iv) the then financial resources of the Group, may decide not to or partially participate in the Simsen Rights Issue and in the case that the Group does not participate in the Simsen Rights Issue in full, the Group’s interests in Simsen will be diluted to approximately 1.65% upon completion of the Simsen Rights Issue.

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REASONS FOR AND BENEFITS OF THE FULL ACCEPTANCE AND THE EXCESS APPLICATION

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

The Directors consider that the participation in the Simsen Rights Issue through the Full Acceptance and Excess Application, which is a strategic investment of the Company, can maintain the Group's interest in Simsen and may also increase the Group's interest in Simsen (if all 83,000,000 excess Simsen Rights Shares are fully allotted and issued to Best Harvest). Accordingly, the Directors consider the Full Acceptance and the Excess Application fair and reasonable, in the interests of the Company and the Shareholders as a whole. The consideration for the Full Acceptance and the Excess Application will be satisfied by the internal resources of the Group and/or external financing.

INFORMATION ON SIMSEN

According to public information, Simsen is a company incorporated in Bermuda with limited liability and is listed on the main board of the Stock Exchange (stock code: 993). It is principally engaged in brokerage and dealing of securities, futures and options contracts, margin financing, loan financing, financial advisory, investment holding, brokerage and dealing of bullion and forex contracts, and provision of management and consultancy services and pawn loans services.

As stated in the latest interim report of Simsen for the six months ended 31 October 2012, Simsen had unaudited consolidated net asset value of approximately HK\$1,068,392,000.

According to the annual report of Simsen for the year ended 30 April 2012, the net loss before and after taxation from continuing operations for such period were approximately HK\$42.40 million and HK\$43.09 million respectively, while net profit before and after taxation from continuing operations for the year ended 30 April 2011 were approximately HK\$71.48 million and HK\$71.88 million respectively.

It should be noted that the Simsen Rights Issue is subject to a number of conditions precedent and may or may not proceed.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Full Acceptance and the Excess Application exceeds 5% but are less than 25%, the Full Acceptance and the Excess Application constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to announcement requirement but exempt from the Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

Unless otherwise stated, the terms in this announcement have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Best Harvest”	Best Harvest Asia Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“Board”	the board of Directors
“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
“Directors”	the directors of the Company
“Excess Application”	the possible application for a maximum of 83,000,000 excess Simsen Rights Shares under the Simsen Rights Issue
“Full Acceptance”	the possible full acceptance of 126,000,000 Simsen Rights Shares under Best Harvest’s entitlement under the Simsen Rights Issue
“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 People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Record Date”	5 April 2013, being the date by reference to which entitlement to the Simsen Rights Issue will be determined
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Simsen”	Simsen International Corporation Limited, 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: 993)
“Simsen Group”	Simsen and its subsidiaries

“Simsen Rights Issue”	the proposed rights issue of Simsen at the subscription price of HK\$0.095 per Simsen Right Share on the basis of three (3) Simsen Rights Shares for every one (1) Simsen Share held by the qualifying shareholders on the Record Date, details of which are set out in the Rights Issue Circular and the Prospectus
“Simsen Rights Shares”	new Simsen Shares to be issued and allotted under the Simsen Rights Issue
“Simsen Shares”	ordinary shares of HK\$0.001 each in the capital of Simsen
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 15 April 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.