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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 26 April 2013, Best Harvest, a wholly-owned subsidiary of the Company, acquired 126,000,000 Simsen Shares by fully accepting its provisional allotment under the Simsen Rights Issue at a consideration of approximately HK\$11.97 million.

The Board wishes to announce that on 22 July 2013, Best Harvest acquired for an additional 83,000,000 Simsen Shares at a consideration of approximately HK\$9.38 million (excluding transaction costs), equivalent to HK\$0.113 per Simsen Share.

The Second Acquisition was made through its brokerage agent and to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the seller of the Simsen Shares and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

The Second Acquisition (when aggregated with the First Acquisition) constitutes a discloseable transaction for the Company under the Listing Rules as one of the applicable percentage ratios (as defined under the Listing Rules) exceeds 5% but is less than 25% and is thereby subject to announcement requirement but exempt from the Shareholders' approval requirement.

Reference is made to the announcement of the Company dated 15 April 2013 in relation to the First Acquisition.

On 26 April 2013, Best Harvest, a wholly-owned subsidiary of the Company, acquired 126,000,000 Simsen Shares by fully accepting its provisional allotment under the Simsen Rights Issue at a consideration of approximately HK\$11.97 million.

* *For identification purposes only*

THE SECOND ACQUISITION

The Board wishes to announce that on 22 July 2013, Best Harvest acquired for an additional 83,000,000 Simsen Shares at the consideration of approximately HK\$9.38 million (excluding transaction costs), equivalent to HK\$0.113 per Simsen Share.

The Second Acquisition was made through its brokerage agent and to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the seller of the Simsen Shares and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Assets to be acquired

Based on 2,542,691,520 Simsen Shares in issue as at 22 July 2013, the 83,000,000 Simsen Shares represent approximately 3.26% of the issued share capital of Simsen, and after the Second Acquisition, the Company, through Best Harvest, shall hold 251,000,000 Simsen Shares, representing approximately 9.87% of the issued share capital of Simsen.

Consideration

The consideration for the Second Acquisition is approximately HK\$9.38 million (excluding transaction costs), which is payable in cash on settlement. The consideration for the Second Acquisition represented the market prices of the Simsen Shares at the relevant time of the Second Acquisition.

Reasons for the Second Acquisition

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

As referred to in the circular of Simsen dated 8 March 2013 in respect of the Simsen Rights Issue (the “**Rights Issue Circular**”), it is stated in the unaudited pro-forma financial information of the Simsen Group as set out in the Rights Issue Circular that the net tangible assets of the Simsen Group would be increased to approximately HK\$1,223.43 million attributable to owners of Simsen immediately after the completion of the Simsen Rights Issue, equivalent to net tangible assets attributable to owners of Simsen per Simsen Share of approximately HK\$0.48 per Simsen Share based on 2,542,691,520 Simsen Shares in issue after the completion of the Simsen Rights Issue. The acquisition price per Simsen Share of HK\$0.113 per Simsen Share under the Second Acquisition represented a discount of approximately 76% to the net tangible assets attributable to owners of Simsen per Simsen Share.

In view of the above, the Directors consider that the Second Acquisition, which is a strategic investment of the Company, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. The consideration for the Second Acquisition will be satisfied by the internal resources of the Group.

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 the businesses of 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, provision of management and consultancy services and provision of pawn loans.

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.

LISTING RULES IMPLICATION

The Second Acquisition (when aggregated with the First Acquisition) constitutes a discloseable transaction for the Company under the Listing Rules as one of the applicable percentage ratios (as defined under the Listing Rules) exceeds 5% but is less than 25% and is thereby subject to announcement requirement but exempt from the Shareholders' approval requirement.

DEFINITION

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“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
“Company”	Pacific Plywood Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Directors”	the directors of the Company
“First Acquisition”	the acquisition of 126,000,000 Simsen Shares by Best Harvest on 26 April 2013
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third parties who are independent of, and not connected with, the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Second Acquisition”	the second acquisition of 83,000,000 Simsen Shares by Best Harvest on 22 July 2013
“Shareholder(s)”	the holder(s) of issued share(s) of the Company
“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 rights issue completed by Simsen in April 2013, details of which were set out in the circular of Simsen dated 8 March 2013
“Simsen Share(s)”	ordinary share(s) 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 Chairman

Hong Kong, 22 July 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.