

**PACIFIC PLYWOOD HOLDINGS LTD:  
HOW GREEN IS THIS COMPANY'S VALLEY ?**

This is the second story about some of the affairs of Pacific Plywood Holdings Ltd () (Code: 767, Main Board, The Stock Exchange of Hongkong Ltd), following this medium's report of last Friday, July 19, 2013, as investigations by TARGET () have uncovered what may be considered by some people as being unconscionable acts of incompetence by senior management.

For more about Pacific Plywood, please refer to:

**TARGET Intelligence Report, Volume XV, Number 133, headlined:  
'SHED A LITTLE TEAR FOR THE POOR-SUFFERING MINORITIES,  
IF YOU PLEASE ?'**

The reorganisation of the Share Capital of Pacific Plywood, announced on July 12, 2013, followed on from a series of corporate juggling by the Company, under the Management of the former Chairman, Mr Ng Kwok Fai ().

Historically, after a Share Consolidation or, as in the case of the July 12 announcement, a Share Reduction after the Par Value of the Shares was reduced from 32 cents to 0.001 of a cent, the Company pitches a Rights Issue or announces the issuance of some newly created '*paper*' in order to raise more money.

Between January 21, 2011, and October 19, 2011, Pacific Plywood raised a total of \$HK480.02 million, net of expenses, according to the database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider.

The method, employed by this Company in the raising of this material sum of money in the 2011-Financial Year, was by splitting the cash-raising exercises into four separate tranches:

1. Tranche One – Placed New Shares, raising \$HK11.03 million, said to be required for Working Capital purposes;
2. Tranche Two – Pitched a Rights Issue, raising \$HK214.64 million, said to be to finance acquisition opportunities (unspecified) and for the development of the Company's finance business;
3. Tranche Three – Placed Convertible Notes, raising \$HK97.25 million, said to be to finance acquisition opportunities (unspecified) and for the development of the Company's finance business; and,
4. Tranche Four – Placed New Shares and Convertible Notes, raising \$HK157.10 million, said to be for the development of the Company's finance business and for the acquisition of investment opportunities (unspecified).

But the above was not anyway near everything in respect of the 2011 Financial Year, ended December 31, the Year that Chairman Ng Kwok Fai determined to take the publicly listed Company that he chaired and in which he and his friend, said to be a businessman and investor of the People's Republic of China (PRC) had a Controlling Interest, to go on a very material expansion binge.

### **The Material Acquisition**

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