

Hong Kong Exchanges and Clearing Limited and the Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for securities of the Company.



PACIFIC PLYWOOD HOLDINGS LIMITED

太平洋實業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 767)

**(I) PROPOSED RIGHTS ISSUE
ON THE BASIS OF THIRTY RIGHTS SHARES FOR
EVERY ONE EXISTING SHARE HELD
ON THE RECORD DATE
AT HK\$0.08 PER RIGHTS SHARE;
(II) PLACING OF CONVERTIBLE NOTES
UNDER SPECIFIC MANDATE;
(III) UNUSUAL PRICE MOVEMENT;
AND
(IV) RESUMPTION OF TRADING**

Underwriter to the Rights Issue



KINGSTON SECURITIES LTD.

(I) PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of approximately HK\$221.93 million, before expenses, by issuing 2,774,183,310 Rights Shares to the Qualifying Shareholders by way of the Rights Issue at the subscription price of HK\$0.08 per Rights Share on the basis of thirty (30) Rights Shares for every one (1) existing Share held on the Record Date.

* *For identification purpose only*

The Company intends to apply the net proceeds from the Rights Issue as to not more than 70% for financing any acquisition opportunities identified/to be identified by the Company (including but not limited to the acquisition of the oil fields in Kazakhstan, further details of which have been set out in the announcement of the Company dated 3 March 2011) and as to not less than 30% for the development of the finance businesses of the Group. In the event that the Company is unable to identify any suitable acquisition targets or the said possible acquisitions are not materialized, the net proceeds will be fully utilized for the development of the finance businesses of the Group. To the extent that the said net proceeds are not immediately required for or applied to the above purposes, the Company may hold such funds with licensed banks or licensed financial institutions in Hong Kong for so long as it is in the Company's best interests.

The Rights Issue is conditional upon, inter alia, fulfillment of the conditions set out under the section headed "Conditions of the Rights Issue" of this announcement. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or potential investors contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

In accordance with Rule 7.19(6) of the Listing Rules, the Rights Issue must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue. As at the date of this announcement, there is no controlling Shareholder and in this regards, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

An independent board committee of the Company comprising all the independent non-executive Directors will be established to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

(II) PLACING OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

On 8 March 2011 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed to procure placees, on a best effort basis at the Placing Price for the Placing Convertible Notes up to an aggregate principal amount of HK\$100,000,000 during the Placing Period in a maximum of three tranches. The Placing Convertible Notes shall be offered in integral multiples of HK\$1,000,000. The Placing is conditional upon, among other things, the passing of the necessary resolution by the Shareholders at the SGM. The Placing is not conditional upon the Rights Issue having become unconditional.

The Conversion Price shall be (i) HK\$0.58 per Conversion Share (if the Rights Issue does not become unconditional or does not proceed at the time of issue of the Placing Convertible Notes); or (ii) HK\$0.082 per Conversion Share (if the Rights Issue has become unconditional at the time of issue of the Placing Convertible Notes). In the event the Placing Convertible Notes are issued prior to the completion of the Rights Issue, the Conversion Price shall be HK\$0.58 which shall be adjusted to HK\$0.082 upon completion of the Rights Issue. The Conversion Price is subject to further adjustments, if applicable, as set out in the instrument constituting the Placing Convertible Notes.

Assuming all Placing Convertible Notes are successfully placed out, the total proceeds would be HK\$100,000,000 and the estimated net proceeds of the Placing are approximately HK\$97.25 million, the net proceeds are intended to be applied as to not more than 60% for financing any acquisition opportunities identified/to be identified by the Company (including but not limited to the acquisition of the oil fields in Kazakhstan, further details of which have been set out in the announcement of the Company dated 3 March 2011) and as to not less than 40% for the development of the finance businesses of the Group. In the event that the Company is unable to identify any suitable acquisition targets or the said possible acquisitions are not materialized, the net proceeds will be fully utilized for the development of the finance businesses of the Group. To the extent that the said net proceeds are not immediately required for or applied to the above purposes, the Company may hold such funds with licensed banks or licensed financial institutions in Hong Kong for so long as it is in the Company's best interests.

A circular containing, among other things, (i) further details about the proposed Rights Issue and the Placing; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in respect of the Rights Issue; and (iv) the notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

Upon the approval of the Rights Issue by the Independent Shareholders at the SGM, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

(III) UNUSUAL PRICE MOVEMENT

This statement is made at the request of the Stock Exchange.

The Board has noted the recent movement on the price of the Shares and wishes to state that save for disclosed herein, the Board is not aware of any other reasons for such movement.

The Board also confirms that, save as disclosed herein, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

(IV) RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 1:30 p.m. on Tuesday, 8 March 2011, pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Wednesday, 9 March 2011.

(I) PROPOSED RIGHTS ISSUE

Issue Statistics

Basis of the Rights Issue	:	Thirty (30) Rights Shares for every one (1) existing Share held on the Record Date
Subscription Price	:	HK\$0.08 per Rights Share with nominal value of HK\$0.025 each

Number of Shares in issue as at the date of this announcement : 92,472,777 Shares

Number of Rights Shares : 2,774,183,310 Rights Shares (assuming there is no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date)

As at the date of this announcement, there are outstanding Convertible Bonds with an aggregate principal amount of HK\$48,000,000 convertible into 12,000,000 new Shares at the conversion price of HK\$4.00 per conversion share (subject to adjustments). The CB Holder has given an irrevocable undertaking to the Company and the Underwriter pursuant to which the CB Holder shall not exercise any of its conversion rights under the outstanding Convertible Bonds on or before the Record Date. Save for the Convertible Bonds, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Based on the above, the number of Rights Shares that may be issued under the Rights Issue would be 2,774,183,310.

Assuming there are no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date, the 2,774,183,310 Rights Shares proposed to be provisionally allotted represent 3,000% of the Company's issued share capital as at the date of this announcement and approximately 96.77% of the Company's issued share capital as enlarged by the issue of the 2,774,183,310 Rights Shares.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must lodge any transfers of Shares (together with the relevant share certificates) with the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 18 April 2011.

Closure of Register of Member

The register of members of the Company will be closed from 19 April 2011 to 26 April 2011, both dates inclusive. No transfer of Shares will be registered during this period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. A copy of the Prospectus will be filed with the Registrar of Companies in Bermuda prior to or as soon as reasonably practicable after publication pursuant to the Companies Act.

In compliance with necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal advice, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders on the Posting Date. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them on the Posting Date.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefits of the Company. Any unsold entitlement of the Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares, will be made available for excess application on EAFs by the Qualifying Shareholders.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.08 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 88.89% to the closing price of HK\$0.72 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 20.00% to the theoretical ex-rights price of approximately HK\$0.10 per Share based on the closing price of HK\$0.72 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (c) a discount of approximately 88.73% to the average closing price of approximately HK\$0.71 per Share for the five consecutive trading days up to and including the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market price and trading liquidities of the Shares prior to the Last Trading Day. The Directors (excluding the independent non-executive Directors who will give their view on the Rights Issue after taking into account the advice of the independent financial adviser) consider the terms of the Rights Issue, including the Subscription Price which has been set as a deeper discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company in the future, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of the Rights Shares will be approximately HK\$0.077.

Basis of Provisional Allotment

The basis of the provisional allotment shall be thirty (30) Rights Shares for every one existing Share held on Record Date, being 2,774,183,310 Rights Shares (assuming there is no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date). Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Fractions of Rights Shares (if any)

The Company will not provisionally allot fractions of Rights Shares. All fractions of the Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s) for its benefit. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders.

Application for Excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares may be made by completing the EAFs for application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

1. preference will be given to applications for topping-up odd lots holdings to whole lot holdings; and
2. subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess Rights Shares based on a pro-rata basis based on the number of the excess Rights Shares applied by them, with board lots allocation to be made on a best effort basis.

Investors with their Shares held by a nominee company (including HKSCC) should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

Investors whose Shares are held by their nominee(s) (including HKSCC) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on 18 April 2011.

Share Certificates and Refund Cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before 23 May 2011. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 23 May 2011 by ordinary post to the applicants at their own risk.

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and the permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 2,000), which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- a. the passing of all the necessary resolution(s) by the Shareholders (where applicable, the Independent Shareholders) and the Board at the SGM on or before the Posting Date to approve the Rights Issue and the transactions contemplated thereunder;
- b. the delivery to the Stock Exchange for authorization and the registration by the Registrar of Companies in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorized in writing) in accordance with section 342C of the Companies Ordinance as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Posting Date;

- c. the filing of the Prospectus with the Registrar of Companies in Bermuda prior to or as soon as reasonably practicable after publication of the Prospectus in compliance with the Companies Act;
- d. the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue, on or before the Posting Date;
- e. the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked, listing of and permission to deal in the Rights Shares (in both nil-paid and fully-paid forms) by no later than the first day of their dealings;
- f. the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time For Termination;
- g. compliance with and performance by the Company of all the undertakings and obligations under the terms of the Underwriting Agreement;
- h. if required, the obtaining of the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares; and
- i. there being no Specified Event occur prior to the Latest Time For Termination.

If the above conditions are not satisfied and/or waived in whole or in part by the Underwriter by the Latest Time For Termination or such later date or dates as the Underwriter may agree with the Company in writing, the Underwriting Agreement shall terminate and (save for any antecedent breach of the Underwriting Agreement and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise.

The Underwriting Agreement

Date	:	8 March 2011 (after trading hours)
Underwriter	:	Kingston Securities Limited. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties. As at the date of this announcement, the Underwriter and its associates are not interested in any Shares.
Total number of Rights Shares	:	2,774,183,310 Rights Shares (assuming there are no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date)

- Total number of Rights Shares being underwritten by the Underwriter : The Underwriter has conditionally agreed to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, being 2,774,183,310 Rights Shares (assuming there are no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date), subject to the terms and conditions of the Underwriting Agreement
- Commission : 2.5% of the aggregate Subscription Price of the Underwritten Shares

The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Company, the size of the Rights Issue, and the current and expected market condition. The Board considers the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders are concerned.

Termination of the Underwriting Agreement

If, prior to the Latest Time For Termination:

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter are likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the Circular or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time For Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time For Termination:

- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time For Termination.

If prior to the Latest Time For Termination, any such notice as is referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Warning of the Risks of Dealing in Shares and Rights Shares

The Shares will be dealt in on an ex-rights basis from 15 April 2011. Dealings in the Rights Shares in the nil-paid form will take place from 29 April 2011 to 9 May 2011 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from 29 April 2011 to 9 May 2011 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from 29 April 2011 to 9 May 2011 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Expected Timetable

The expected timetable for the Rights Issue is set out below:

Event	2011 (Hong Kong time)
Expected date of despatch of the Circular and form of proxy of the SGM	not later than Monday, 28 March
Latest time for return of form of proxy for the SGM.	9:00 a.m. on Monday, 11 April (not less than 48 hours)
SGM	9:00 a.m. on Wednesday, 13 April
Announcement of results of the SGM	Wednesday, 13 April
Last day of dealings in the Shares on a cum-rights basis.	Thursday, 14 April
First day of dealings in the Shares on an ex-rights basis	Friday, 15 April
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Monday, 18 April

Register of members closes (both dates inclusive)	Tuesday, 19 April to Tuesday, 26 April
Record Date	Tuesday, 26 April
Register of members re-opens	Wednesday, 27 April
Prospectus Documents expected to be despatched	Wednesday, 27 April
First day of dealings in nil-paid Rights Shares	Friday, 29 April
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Wednesday, 4 May
Last day of dealings in nil-paid Rights Shares.	Monday, 9 May
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Friday, 13 May
Rights Issue expected to become unconditional	Wednesday, 18 May
Announcement of results of acceptance and excess application of the Rights Shares	Friday, 20 May
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted on or before	Monday, 23 May
Certificates for the Rights Shares expected to be despatched on or before	Monday, 23 May
Dealings in fully-paid Rights Shares commence	Wednesday, 25 May

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

Shareholding Structure of the Company in respect of the Rights Issue

Set out below is the shareholding structure of the Company (extracted from the Disclosure of Interests forms posted on the website of the Stock Exchange) immediately before and after completion of the Rights Issue:

Assuming there are no new Shares being issued and no Shares being repurchased by the Company and no conversion on the Convertible Bonds on or before the Record Date:

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue			
			All Rights Shares are subscribed by the Qualifying Shareholders		None of the Rights Shares are subscribed by the Qualifying Shareholders (Notes 1 & 2)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Public:						
The Underwriter	0	0.00	0	0.00	2,774,183,310	96.77
Existing public Shareholders	92,472,777	100.00	2,866,656,087	100.00	92,472,777	3.23
Total	<u>92,472,777</u>	<u>100.00</u>	<u>2,866,656,087</u>	<u>100.00</u>	<u>2,866,656,087</u>	<u>100.00</u>

Notes:

- This scenario is for illustrative purpose only and will never occur.** Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers of the Untaken Shares:
 - the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Rights Issue; and
 - the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be third party independent of, not acting in concert with and not connected with the Directors or chief executive of the Company or substantial Shareholders of the Company or their respective associates; and (ii), save for the Underwriter itself and its associates, shall not, together with any party acting in concert with it, hold 10.0% or more of the voting rights of the Company upon completion of the Rights Issue.
- The Company will ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue.

Reasons for the Rights Issue and Use of Proceeds

The gross proceeds of the Rights Issue will be approximately HK\$221.93 million before expenses. The estimated expenses in relation to the Rights Issue, including financial, legal, and other professional advisory fees, underwriting commission, printing and translation expenses will be borne by the Company. The estimated net proceeds of the Rights Issue will be approximately HK\$214.64 million and the Company intends to apply such net proceeds from

the Rights Issue as to not more than 70% for financing any acquisition opportunities identified/ to be identified by the Company (including but not limited to the acquisition of the oil fields in Kazakhstan, further details of which have been set out in the announcement of the Company dated 3 March 2011) and as to not less than 30% for the development of the finance businesses of the Group. In the event that the Company is unable to identify any suitable acquisition targets or the said possible acquisitions are not materialized, the net proceeds will be fully utilized for the development of the finance businesses of the Group. To the extent that the said net proceeds are not immediately required for or applied to the above purposes, the Company may hold such funds with licensed banks or licensed financial institutions in Hong Kong for so long as it is in the Company's best interests.

Following the completion of the disposal of the loss making plywood business of the Group in December 2010, the Group is principally engaged in money lending business and will continue with the plywood related business by sourcing business opportunities in relation to the upstream plywood business (i.e. the forestry business), the Board is of the view that (i) the competition of the manufacturing and trading of plywood businesses shall remain keen in the future; and (ii) the prospect of the upstream of plywood business (i.e. the forestry business) is promising as a result of continuous strong demand on logs. Such switch of the focus on the plywood related business will be beneficial to the Group in the future in the event that the relevant business opportunities are identified. In addition, the Group will continue seeking for potential investment opportunity such as the oil industry.

Currently, the Company is encountering technical difficulties in expanding the finance businesses of the Group as the capital base of the Group decreased substantially following the completion of the disposal of the loss making plywood business in December 2010. As a result of the limited capital base, the Company is required to comply with Chapter 14 of the Listing Rules and closely monitor the relevant size test ratios when considering money lending business opportunity, details of which have been set out in the announcement of the Company regarding a discloseable transaction for the Company dated 1 March 2011. In the event that the money lending business opportunity requires approval from the Shareholders, the Company may not be able to realize such business opportunity as the customers usually require money for short term purposes and would not consider the procedures for such application involved. Delta Wealth Finance Limited is a non-wholly owned subsidiary of the Company, the other shareholders of Delta Wealth Finance Limited expressed their concerns on the business operation of the Group as complying with Rules 13.13 and 13.15 of the Listing Rules requires disclosure on the identity of the borrower and the interest rates charged on the loans, which are highly confidential information to its competitors and the customers are also unwilling to disclose their information to the public. To maintain a normal business operation of the Group overall, the Company considers that, through the Rights Issue, the capital base of the Group will be enlarged and disclosure requirements under the Listing Rules will be minimized when conducting business which is in the ordinary and usual course of business of the Group.

The Board considers that the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and, hence the Board considers that fund raising through the Rights Issue is in the best interests of the Company and the Shareholders as a whole.

Possible Adjustments to the Convertible Bonds

As a result of the Rights Issue, the conversion price of the Convertible Bonds may be adjusted in accordance with the respective terms and conditions of the Convertible Bonds and the Listing Rules or guidelines issued by the Stock Exchange from time to time. The Company will instruct its auditors or an independent financial adviser to certify the adjustments, if any, to the Convertible Bonds and will inform the CB Holder of the adjustments, if any, accordingly. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

(II) PLACING OF THE PLACING CONVERTIBLE NOTES UNDER SPECIFIC MANDATE

On 8 March 2011 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed to procure places on a best effort basis at the Placing Price for the Placing Convertible Notes up to an aggregate principal amount of HK\$100,000,000 during the Placing Period in a maximum of three tranches with the minimum aggregate principal amount of HK\$30,000,000 each (save for the last tranche). The Placing Convertible Notes shall be offered in integral multiples of HK\$1,000,000.

As at the date of this announcement and as advised by the Placing Agent, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent shall be entitled to a commission equivalent to 2.5% of the aggregate Placing Price of the Placing Convertible Notes thus subscribed.

Completion of the Placing is conditional upon:

- (i) the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares;
- (ii) the Shareholders having passed resolution(s) at the SGM approving, among others, the Placing Agreement and the transactions contemplated hereunder, including the grant of a specific general mandate to allot and issue the Conversion Shares; and
- (iii) (if so required by the laws of Bermuda) the approval of the Bermuda Monetary Authority for the issue of the Placing Convertible Notes and the Conversion Shares issuable on exercise of conversion rights under the Placing Convertible Notes.

If the above conditions precedent are not fulfilled on or before the end of the Placing Period, all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the parties hereto shall have any claim against the other in relation hereto. None of the conditions above can be waived.

Principal Terms of the Placing Convertible Notes

The following is a summary of the principal terms of the Placing Convertible Notes:

Aggregate principal amount	:	Up to HK\$100,000,000
Placing Price	:	100% of the principal amount of the Placing Convertible Notes
Conversion Price	:	The Conversion Price shall be (i) HK\$0.58 per Conversion Share (if the Rights Issue does not become unconditional or does not proceed at the time of issue of the Placing Convertible Notes); or (ii) HK\$0.082 per Conversion Share (if the Rights Issue has become unconditional at the time of issue of the Placing Convertible Notes).

In the event the Placing Convertible Notes are issued prior to the completion of the Rights Issue, the Conversion Price shall be HK\$0.58 which shall be adjusted to HK\$0.082 upon completion of the Rights Issue. The Conversion Price is subject to further adjustments, if applicable, as set out in the instrument constituting the Placing Convertible Notes.

The Conversion Price is subject to further adjustment in certain events such as share consolidation, share subdivision, capitalisation issue, capital distribution, rights issue and other equity derivative issues.

The maximum Conversion Price of HK\$0.58 represents:

- (i) a discount of approximately 19.44% based on the closing price of HK\$0.72 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 18.31% based on the average closing price of HK\$0.71 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;

The minimum Conversion Price of HK\$0.082 represents:

- (i) a discount of approximately 88.61% based on the closing price of HK\$0.72 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 88.45% based on the average closing price of HK\$0.71 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 18.00% over the theoretical ex-right price of approximately HK\$0.1 per Share, based on the closing price of HK\$0.72 per Share as quoted on the Stock Exchange on the Last Trading Day;

The Conversion Price was arrived at after arm's length negotiation between the Company and the Placing Agent with reference to the market price of the Shares under the prevailing market conditions.

Maturity : 18 months from the date of issue of the Placing Convertible Notes. To the extent not previously converted, purchased, redeemed or cancelled, the Company shall, on the maturity date of the Placing Convertible Notes, redeem the Placing Convertible Notes at 100% of the outstanding principal amount.

Conversion Period : Provided that the exercise of the conversion rights attaching to the Placing Convertible Notes (i) by the holder thereof and its respective parties acting in concert does not trigger a mandatory offer under Rule 26 of the Takeovers Code on the part of the holder thereof and its parties acting in concert; and (ii) by the holder thereof and its associates will not render Shares held in public hands being less than the minimum public float of the Shares required under the Listing Rules, holder(s) of the Placing Convertible Notes shall have the right to convert, at any time during the period commencing from the date of issue the Placing Convertible Notes until the fifth Business Day before the maturity date of the Placing Convertible Notes, the whole or part in an integral multiple of HK\$1,000,000 of the outstanding principal amount of the Placing Convertible Notes.

In the event that the Rights Issue is approved at the SGM, the Placing Convertible Notes are not allowed to be converted on or before the Record Date.

Interest : 6% per annum, payable semi-annually in arrears

Ranking of Conversion Shares : The Conversion Shares falling to be issued upon exercise of the Conversion rights attaching to the Placing Convertible Notes will, when issued, rank *pari passu* in all respects with all other Shares in issue as at the date of conversion on which a notice is given for the exercise of conversion rights and be entitled to all dividends and other distributions the record date of which falls on a date on or after the notice of the exercise of conversion rights is given.

- Voting : The holder(s) of the Placing Convertible Notes will not be entitled to receive notice of, attend or vote at any meeting of the Company by reason only it/they being the holder(s) of the Placing Convertible Notes.
- Transferability : The Placing Convertible Notes may be transferred to any third party. Any transfer of the Placing Convertible Notes shall be in respect of the whole or part only in an integral multiple of HK\$1,000,000 of the outstanding principal amount of the Placing Convertible Notes.
- No transfer shall be made to any connected persons of the Company or parties acting in concert with the holder(s) of the Placing Convertible Notes unless compliance of the Listing Rules and the Takeovers Code has been made.
- Early redemption : The Placing Convertible Notes may be redeemed at 100% of the outstanding principal amount of the Placing Convertible Notes (in whole or in part) at any time and from time to time at the option of the Company prior to the maturity date of the Placing Convertible Notes.
- Listing : No application will be made for the listing of, or the permission to deal in, the Placing Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Conversion Shares.

Assuming the Rights Issue is completed and thus based on the Conversion Price of HK\$0.082 per Conversion Share, a maximum number of 1,219,512,195 Conversion Shares will be allotted and issued if the conversion rights attaching to the Placing Convertible Notes are exercised in full, representing approximately 29.84% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares and the Conversion Shares.

Assuming the Rights Issue has not become unconditional and is not completed, based on the Conversion Price of HK\$0.58, a maximum number of 172,413,793 Conversion Shares will be allotted and issued if the conversion rights attaching to the Placing Convertible Notes are exercised in full, representing approximately 65.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Completion of the Placing shall take place in tranches: up to a maximum of three tranches with the minimum aggregate principal amount of HK\$30,000,000 each (save for the last tranche). Completion of the subscription of the relevant tranche of Placing Convertible Notes shall take place on any Business Day as notified by not less than three Business Day notice in writing by the Placing Agent, or such other date as may be agreed between the Company and the Placing Agent in writing, provided that such date shall not fall later than the third Business Day after the expiry of the Placing Period.

Assuming all Placing Convertible Notes are successfully placed out, the total proceeds would be HK\$100,000,000 and the estimated net proceeds of the Placing are approximately HK\$97.25 million, the net proceeds are intended to be applied as to not more than 60% for financing any acquisition opportunities identified/to be identified by the Company (including but not limited to the acquisition of the oil fields in Kazakhstan, further details of which have been set out in the announcement of the Company dated 3 March 2011) and as to not less than 40% for the development of the finance businesses of the Group. In the event that the Company is unable to identify any suitable acquisition targets or the said possible acquisitions are not materialized, the net proceeds will be fully utilized for the development of the finance businesses of the Group. To the extent that the said net proceeds are not immediately required for or applied to the above purposes, the Company may hold such funds with licensed banks or licensed financial institutions in Hong Kong for so long as it is in the Company's best interests.

In view of the current market condition, the Directors consider that the Placing represents a good opportunity for the Company to raise additional working capital. The Directors (excluding the independent non-executive Directors) consider that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURE OF THE COMPANY IN RESPECT OF THE PLACING

Set out below is the shareholding structure of the Company (extracted from the Disclosure of Interests forms posted on the website of the Stock Exchange) immediately before and after completion of the Placing and the conversion of the Placing Convertible Notes in full:

Scenario 1: If the Rights Issue does not become unconditional or does not proceed at the time of issue of the Placing Convertible Notes (with maximum Conversion Price):

Shareholders	As at the date of this announcement		After completion of the Placing and the conversion of the Placing Convertible Notes in full	
	Number of Shares	%	Number of Shares	%
Public:				
Existing public Shareholders	92,472,777	100.00	92,472,777	34.91
Holder(s) of the Placing Convertible Notes	—	—	172,413,793	65.09
Total	92,472,777	100.00	264,886,570	100.00

Scenario 2: If the Rights Issue has become unconditional at the time of issue of the Placing Convertible Notes (with minimum Conversion Price) and assuming there is no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date:

Shareholders	After completion of the Rights Issue				After completion of the Rights Issue and completion of the Placing and the conversion of the Placing Convertible Notes in full			
	All Rights Shares are subscribed by the Qualifying Shareholders		None of the Rights Shares are subscribed by the Qualifying Shareholders		All Rights Shares are subscribed by the Qualifying Shareholders		None of the Rights Shares are subscribed by the Qualifying Shareholders (Notes 1 & 2)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Public:								
Existing public Shareholders	2,866,656,087	100.00	92,472,777	3.23	2,866,656,087	70.16	92,472,777	2.26
The Underwriter	0	0.00	2,774,183,310	96.77	0	0.00	2,774,183,310	67.90
Holder(s) of the Convertible Notes	—	—	—	—	1,219,512,195	29.84	1,219,512,195	29.84
Total	2,866,656,087	100.00	2,866,656,087	100.00	4,086,168,282	100.00	4,086,168,282	100.00

Notes:

1. **This scenario is for illustrative purpose only and will never occur.** Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers of the Untaken Shares:
 - (1) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Rights Issue; and
 - (2) the Underwriter shall use its best endeavours to ensure that each of the subscribers of the Untaken Shares procured by it (i) shall be third party independent of, not acting in concert with and not connected with the Directors or chief executive of the Company or substantial Shareholders of the Company or their respective associates; and (ii), save for the Underwriter itself and its associates, shall not, together with any party acting in concert with it, hold 10.0% or more of the voting rights of the Company upon completion of the Rights Issue.
2. The Company will ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue.

FUND RAISING EXERCISE OF THE COMPANY

Date of announcement	Description of the fund raising activities	Intended use of proceeds	Actual use of proceeds
2 March 2010	Placing of new shares under the general mandate	Approximately HK\$41.7 million will be used for the general corporate and working capital of the Group	Has been utilized as intended
30 November 2010	Placing of new shares under the general mandate	Approximately HK\$32.6 million will be used for general corporate and working capital of the Group or/and the future development of the finance businesses of the Group	Has been utilized as intended

Date of announcement	Description of the fund raising activities	Intended use of proceeds	Actual use of proceeds
21 January 2011	Placing of new shares under the general mandate	Approximately HK\$10.88 million will be used for general corporate and working capital of the Group or/and the future development of the finance businesses of the Group	Has been utilized as intended

Save for the above, the Company has not conducted any other fund raising exercise in the past twelve months immediately preceding the date of this announcement.

GENERAL

In accordance with Rule 7.19(6) of the Listing Rules, the Rights Issue must be made conditional on the approval by Independent Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

An independent board committee of the Company comprising all the independent non-executive Directors will be established to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

A SGM will be convened and held for the Shareholders (where the Independent Shareholders as the case may be) to consider and if thought fit to approve the proposed Rights Issue and the Placing. A circular containing, among other things, (i) further details about the Rights Issue and the Placing; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in respect of the Rights Issue; and (iv) the notice convening the SGM, will be despatched to the Shareholders as soon as practicable.

Upon the approval of the Rights Issue by the Independent Shareholders at the SGM, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

(III) UNUSUAL PRICE MOVEMENT

This statement is made at the request of the Stock Exchange.

The Board has noted the recent movement on the price of the Shares and wishes to state that save for disclosed herein, the Board is not aware of any other reasons for such movement.

The Board also confirms that, save as disclosed herein, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

(IV) RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 1:30 p.m. on Tuesday, 8 March 2011, pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Wednesday, 9 March 2011.

DEFINITION

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business throughout their normal business hours in Hong Kong
“CB Holder”	Favor Way Investments Limited, holder of all the outstanding Convertible Bonds as at the date of this announcement

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular to be despatched to the Shareholders in relation to the Rights Issue and the Placing (together with the notice of the SGM)
“Companies Act”	The Companies Act 1981 of Bermuda (as amended)
“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”	has the meaning ascribed thereto under the Listing Rules
“Convertible Bonds”	the convertible redeemable notes in the aggregate principal amount of HK\$48,000,000
“Conversion Price”	(i) HK\$0.58 per Conversion Share (if the Rights Issue does not become unconditional or does not proceed at the time of issue of the Placing Convertible Notes); or (ii) HK\$0.082 per Conversion Share (if the Rights Issue has become unconditional at the time of issue of the Placing Convertible Notes). In the event the Placing Convertible Notes are issued prior to the completion of the Rights Issue, the conversion price shall be HK\$0.58 which shall be adjusted to HK\$0.082 upon completion of the Rights Issue
“Conversion Share(s)”	new Share(s) to be issued by the Company upon exercise of the conversion rights attaching to the Placing Convertible Notes
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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 Shareholder(s)”	any Shareholder other than controlling Shareholders and their associates or, where there are no controlling Shareholders, any Shareholder other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	third parties independent of and not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“Last Trading Day”	8 March 2011, being the date of the Underwriting Agreement, which is a Stock Exchange trading day
“Latest Time For Acceptance”	4:00 p.m. on Friday, 13 May 2011, or such later time or date as may be agreed between the Underwriter and the Company in writing, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time For Termination”	Wednesday, 18 May 2011, or such later time or date as may be agreed between the Underwriter and the Company in writing, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on legal advice provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the placing of the Placing Convertible Notes by the Placing Agent pursuant to the terms of the Placing Agreement

“Placing Agent”	United Simsen Securities Limited, a licensed corporation to carry on business in type 1, 2, 4 and 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong)
“Placing Agreement”	the placing agreement dated 8 March 2011 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Convertible Notes”	the series of convertible notes up to an aggregate principal amount of HK\$100,000,000 to be issued in a maximum of three tranches with the minimum aggregate principal amount of HK\$30,000,000 (save for the last tranche) each to be issued by the Company with the Conversion Price
“Placing Period”	the period from the date of the Placing Agreement to 90 days after the date of the SGM or such other period as may be agreed by the Company and the Placing Agent in writing
“Placing Price”	100% of the principal amount of the Placing Convertible Notes
“Posting Date”	27 April 2011 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL(s) and EAF(s)
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders, whose name(s) appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	26 April 2011 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	the branch share registrar of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong

“Rights Issue”	the proposed issue of the Rights Shares by way of rights issue to the Qualifying Shareholders for subscription at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	2,774,183,310 new Shares to be issued and allotted under the Rights Issue (assuming there is no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date)
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the proposed Rights Issue and Placing
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the company
“Shareholder(s)”	the holder(s) of issued Shares
“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time For Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.08 per Rights Share with nominal value of HK\$0.025 each
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 8 March 2011 entered into between the Company and the Underwriter in relation to the Rights Issue

“Underwritten Shares(s)”	2,774,183,310 Rights Shares underwritten by the Underwriter subject to the terms and conditions of the Underwriting Agreement
“Untaken Share(s)”	those (if any) of the Rights Shares for which duly completed PAL(s) (accompanied by cheques or banker’s cashier order for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before Latest Time For Acceptance
“%” or “per cent.”	percentage or per centum

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

Hong Kong, 8 March 2011

As at the date of this announcement, the executive Directors are Mr. Liang Jian Hua (Chairman), Mr. Huang Chuan Fu (Deputy Chairman), Ms. Jia Hui and Mr. Jiang Yi Ren and the independent non-executive Directors are Mr. Chan Kin Sang, Mr. Cheng Po Yuen and Mr. Wong Chun Hung.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited and the website of the Company for at least 7 days from the date of its posting.