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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 SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Pacific Plywood Holdings Limited (the “**Company**”) will be held at Room 3, United Conference Centre, 10/F, United Centre, 95 Queensway, Hong Kong on Wednesday, 13 April 2011 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolution(s) with or without amendment:

ORDINARY RESOLUTIONS

1. “**THAT** subject to the fulfillment or waiver of the conditions set out in the underwriting agreement (the “**Underwriting Agreement**”) dated 8 March 2011 in respect of the proposed rights issue by the Company and entered into between the Company and Kingston Securities Limited (the “**Underwriter**”) (a copy of the Underwriting Agreement has been produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification):
 - (a) the allotment and issue of 2,774,183,310 new shares each ranking *pari passu* in all respects with existing shares of the Company (the “**Rights Shares**”) of HK\$0.025 each in the share capital of the Company (the “**Shares**”) pursuant to an offer by way of rights to the holders of Shares (the “**Shareholders**”) at the subscription price of HK\$0.08 per Rights Share in the proportion of thirty (30) Rights Shares for every one (1) existing Share held by the Shareholders whose names appear on the register of members of the Company on 26 April 2011 (or such later date as the Company and the Underwriter may agree to be the record date for such Rights Issue) (the “**Record Date**”) other than those Shareholders whose addresses on the Record Date are outside Hong Kong (the “**Overseas Shareholders**”) (the “**Rights Issue**”) as described in further detail in a circular issued by

* *For identification purpose only*

the Company dated 28 March 2011 of which the notice convening this meeting forms part and on and subject to such terms and conditions as may be determined by the directors of the Company, be and is hereby approved;

- (b) the directors of the Company be and are hereby authorized to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing shareholdings of the Shareholders and, in particular, the directors of the Company may make such exclusions or other arrangements in relation to Overseas Shareholders as they deem necessary or expedient having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong, and to do all such acts and things as they consider necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution;
 - (c) any one or more of the directors of the Company be and is/are hereby authorized to do all acts and things in connection with the allotment and issue of the Rights Shares, the implementation of the Rights Issue and the Underwriting Agreement, the exercise or enforcement of any of the Company's rights under the Underwriting Agreement and to make and agree such variations of the terms of the Underwriting Agreement as he/they may consider to be appropriate and in the interests of the Company."
2. "THAT subject to the fulfillment of the conditions set out in the placing agreement (the "**Placing Agreement**") dated 8 March 2011 in respect of the placing of the 18 months 6% coupon convertible notes in an aggregate principal amount of up to HK\$100,000,000 (the "**Placing Convertible Notes**") by United Simsen Securities Limited (the "**Placing Agent**") entered into between the Company and the Placing Agent (a copy of the Placing Agreement has been produced to the meeting marked "B" and signed by the Chairman of the meeting for the purpose of identification):
- (a) the placing of the Placing Convertible Notes by the Placing Agent on a best effort basis up to an aggregate principal amount of HK\$100,000,000 at the placing price as 100% of the principal amount of the Placing Convertible Notes during the 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) in a maximum of three tranches in integral multiples of HK\$1,000,000, be and is hereby approved.
 - (b) any one or more of the directors of the Company be and is/are hereby authorised to do all acts and things in connection with the placement of the Placing Convertible Notes and the Placing Agreement, the exercise or enforcement of any of the Company's rights under the Placing Agreement and to make and agree such variations of the terms of the Placing Agreement as he/they may consider to be appropriate and in the interests of the Company.

- (c) the Placing Convertible Notes to be issued by the Company in accordance with the terms and conditions of the Placing Agreement and the transactions contemplated thereunder be and are hereby approved; and
- (d) any one or more of the directors of the Company be and is/are hereby authorised to take all steps necessary or expedient to implement and/or give effect to the issue of the Placing Convertible Notes including but not limited to the allotment and issue of ordinary shares of HK\$0.025 each in the share capital of the Company of which may fall to be issued upon the exercise of the conversion rights attached to the Placing Convertible Notes.”

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

Hong Kong, 28 March 2011

Registered office
Canon's Court
22 Victoria Street
Hamilton, HM12
Bermuda

Head office and principal place of business
Unit 1903, 19/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 SGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Shareholder.
- (2) The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
- (3) Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the SGM 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 Shareholder 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 SGM 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 of the Company in respect of the joint holding.

- (5) The form of proxy and (if required by the board of directors of the Company) 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 Shops 1712-1716, 17/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 SGM 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 SGM 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 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.