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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

**I. POLL RESULTS OF THE SPECIAL GENERAL MEETINGS
HELD AT 9:00 A.M. AND 9:15 A.M. RESPECTIVELY ON 19 MARCH 2012 AND
II. POSSIBLE FUND RAISING EXERCISES**

**I. POLL RESULTS OF THE SPECIAL GENERAL MEETINGS HELD AT 9:00
A.M. AND 9:15 A.M. RESPECTIVELY ON 19 MARCH 2012**

The Board is pleased to announce that:

- (i) at the First SGM, the special resolution approving the Capital Reorganization was duly passed by the Shareholders by way of poll; and
- (ii) at the Second SGM, the ordinary resolutions approving the Strategic Cooperation Agreement, the Agent Agreement and the Agreement were duly passed by the Shareholders by way of poll.

Temporary Trading Counter

From 9:00 a.m. on Tuesday, 20 March 2012 to 4:00 p.m. on Thursday, 26 April 2012, the Shares will be traded at the temporary trading counter under stock code “2996”.

II. POSSIBLE FUND RAISING EXERCISES

Recently, the Directors are actively discussing with several financial institutions for fund raising proposals to raise additional capital to (i) satisfy part of the Consideration; (ii) further expand the existing businesses of the Group (including the business of the Target Company); (iii) improve the gearing position of the Group; and (iv) finance the investment opportunities identified/ to be identified by the Group (including but not limited to the possible acquisition of further equity interest in the Target Company by exercising the Option). Based on the fund raising proposals received by the Directors, it

is possible that the Company may conduct a placing of new Shares under its general mandate and/ or a rights issue with scale and size similar to the rights issue completed by the Company in May 2011 (further details of which have been disclosed in the announcement, circular and prospectus of the Company dated 8 March 2011, 28 March 2011 and 27 April 2011 respectively).

Shareholders and potential investors should note that completion of the said fund raising exercises is subject to further negotiations between the Board and the financial institutions and may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

References are made to the two circulars of the Company (collectively the “**Circulars**”) and the notices of special general meeting (collectively the “**Notices**”) dated 23 February 2012 and 29 February 2012 respectively in relation to (i) the Capital Reorganization at the first special general meeting of the Company held on 19 March 2012 at 9:00 a.m. (the “**First SGM**”) and (ii) the Strategic Cooperation Agreement, the Agent Agreement and the Agreement at the second special general meeting of the Company held on 19 March 2012 at 9:15 a.m. (the “**Second SGM**” which together with the First SGM, the “**SGMs**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circulars.

I. POLL RESULTS OF SGMS

The First SGM was held at 9:00 a.m. on 19 March 2012 to consider the special resolution to approve the Capital Reorganization and the Second SGM was held at 9:15 a.m. on 19 March 2012 to consider the ordinary resolutions to approve the Strategic Cooperation Agreement, the Agent Agreement and the Agreement, all of which were subject to the approval of the Shareholders by way of poll at the SGMS. Details of the proposed resolutions were set out in the Notices.

The Board is pleased to announce that the proposed resolutions as set out in the Notices were duly passed by the Shareholders by way of poll at the SGMS.

The Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, was appointed as the scrutineer at the SGMS for the purpose of vote-taking. The poll results of the resolutions are as follows:

The First SGM

	Special resolution	Number of votes (%)	
		For	Against
1.	To approve the Capital Reorganization	1,967,156,601 (99.401717%)	11,840,000 (0.598283%)

As more than 75% of the votes were cast in favour of the special resolution, the special resolution was duly passed at the First SGM.

Temporary Trading Counter

From 9:00 a.m. on Tuesday, 20 March 2012 to 4:00 p.m. on Thursday, 26 April 2012, the Shares will be traded at the temporary trading counter under stock code “2996”.

The Second SGM

	Ordinary resolutions	Number of votes (%)	
		For	Against
1.	To approve the Strategic Cooperation Agreement and the transactions contemplated thereunder, including but not limited to the grant of the Longjiang Option	1,952,961,631 (87.073772%)	289,920,000 (12.926228%)
2.	To approve the Agent Agreement and the transactions contemplated thereunder, including but not limited to the grant of the Agent Option	1,952,961,631 (87.073772%)	289,920,000 (12.926228%)
3.	To approve the Agreement and the transactions contemplated thereunder, including but not limited to the entering into of the Option Deed and the Shareholders’ Agreement	1,952,961,631 (87.073772%)	289,920,000 (12.926228%)

As more than 50% of the votes were cast in favour of all the ordinary resolutions, the ordinary resolutions were duly passed at the Second SGM.

As at the date of the SGMs, the total number of issued Shares was 9,903,401,934. To the best knowledge of the Board, none of the Shareholders had a material interest in the Capital Reorganization, the Strategic Cooperation Agreement, the Agent Agreement and the Agreement and would be required to abstain from voting at the SGMs in respect of the resolutions relating to the Capital Reorganization, the Strategic Cooperation Agreement, the Agent Agreement and the Agreement. The total number of Shares entitling the Shareholders to vote for or against the resolutions was 9,903,401,934. There was no Share entitling a Shareholder to attend and vote only against the proposed resolutions at the SGMs.

II. POSSIBLE FUND RAISING EXERCISES

Recently, the Directors are actively discussing with several financial institutions for fund raising proposals to raise additional capital to (i) satisfy part of the Consideration; (ii) further expand the existing businesses of the Group (including the business of the Target Company); (iii) improve the gearing position of the Group; and (iv) finance the

investment opportunities identified/ to be identified by the Group (including but not limited to the possible acquisition of further equity interest in the Target Company by exercising the Option). Based on the fund raising proposals received by the Directors, it is possible that the Company may conduct a placing of new Shares under its general mandate and/ or a rights issue with scale and size similar to the rights issue completed by the Company in May 2011 (further details of which have been disclosed in the announcement, circular and prospectus of the Company dated 8 March 2011, 28 March 2011 and 27 April 2011 respectively).

Shareholders and potential investors should note that completion of the said fund raising exercises is subject to further negotiations between the Board and the financial institutions and may or may not proceed. Accordingly, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 19 March 2012

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

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.