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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)

**MAJOR TRANSACTION:
COMPLETION OF THE PROPOSED
ACQUISITION OF INTERESTS IN THE FOREST IN
THE INDEPENDENT STATE OF PAPUA NEW GUINEA
INVOLVING ISSUE OF THE BONDS**

The Board is pleased to announce that, with all the conditions precedent to the Agreement being fulfilled, completion of the Acquisition has taken place on 12 April 2012 (after trading hour).

References are made to the announcement (the “**Announcement**”) issued by the Company dated 2 December 2011 and the circular (the “**Circular**”) issued by the Company dated 29 February 2012 in relation to, among other things, the major transaction in relation to the proposed acquisition of interests in the forest in the Independent State of Papua New Guinea. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

The Board is pleased to announce that, all conditions precedent to the Agreement has been fulfilled and Completion has taken place on 12 April 2012 (after trading hour). As a result of Completion, the Consideration for the Acquisition of HK\$310,000,000 has been satisfied by the Company in following manner:

- (i) the Promissory Note in the principal sum of HK\$195,000,000 has been issued by the Company to the Vendors;
- (ii) the Bonds in the principal amount of HK\$33,000,000 has been issued by the Company to the Vendors’ nominee. The Conversion Price is HK\$0.087 per Conversion Shares, being the average of the closing prices of one Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including last trading day immediately before Completion; and

* For identification purposes only

(iii) the remaining Consideration of HK\$82,000,000 has been settled in cash by the Company, out of which a sum of HK\$20,000,000 has been paid to the Vendors prior to Completion as the Deposit and the Further Deposit. Both of the Deposit and the Further Deposit are recognized as part of acquisition cost upon Completion.

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

Hong Kong, 12 April 2012

As at the date of this announcement, the Directors of the Company are:

Executive Directors

Mr. Ng Kwok Fai (*Chairman*)
Mr. Huang Chuan Fu (*Deputy Chairman*)
Mr. Liang Jian Hua
Ms. Jia Hui
Mr. Jiang Yi Ren

Independent non-executive Directors

Mr. Cheng Po Yuen
Mr. Wong Chun Hung
Mr. Li Sui Yang

Non-executive Director

Mr. Chan Kin Sang