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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)



China Environmental Energy Investment Limited

中國環保能源投資有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 986)

JOINT ANNOUNCEMENT

**COMPLETION OF MAJOR
TRANSACTION:
SUBSCRIPTION OF
CONVERTIBLE NOTES ISSUED
BY CHINA ENVIRONMENTAL
ENERGY INVESTMENT LIMITED**

**COMPLETION OF ISSUANCE OF
CONVERTIBLE NOTES UNDER
SPECIFIC MANDATE**

Reference is made to the joint announcements of China Environmental Energy Investment Limited and Pacific Plywood Holdings Limited dated 26 June 2012 and 4 September 2012 (the “**Joint Announcements**”), the circular of China Environmental Energy Investment Limited dated 7 September 2012 and the circular of Pacific Plywood Holdings Limited dated 14 September 2012 in relation to, among other things, the Subscription Agreement. Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Joint Announcements.

** *For identification purposes only*

The Issuer Board and the Subscriber Board are pleased to announce that, all conditions precedent to the Subscription Agreement have been fulfilled and Completion has taken place on 12 October 2012. Pursuant to the terms of the Convertible Notes, the Conversion Price shall be the average closing price of the Issuer Shares for the five (5) consecutive trading days prior to the Completion Date, provided that the Conversion Price shall not in any event be more than HK\$5.5 or less than HK\$0.01 per Conversion Share. Accordingly, the Conversion Price is fixed at HK\$0.592, being the average closing price of the Issuer Shares for the five consecutive trading days prior to the Completion Date.

By Order of the Subscriber Board
Pacific Plywood Holdings Limited

Huang Chuan Fu
Executive Director and Deputy Chairman

By Order of the Issuer Board
China Environmental Energy Investment Limited

Deng Hong Mei
Executive Director

Hong Kong, 12 October 2012

As at the date of this joint announcement, the executive directors of the Issuer are Ms. Chen Tong (Chairman), Ms. Deng Hong Mei, Ms. Chan Ching Ho, Kitty and Mr. Xiang Liang, the non-executive directors of the Issuer are Ms. Yao Zhengwei and Mr. Wang Zhenghua and the independent non-executive directors of the Issuer are Mr. Chan Ying Kay, Mr. Tse Kwong Chan and Ms. Zhou Jue.

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