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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)

**I. VOLUNTARY ANNOUNCEMENT
IN RELATION TO A PROPOSED INVESTMENT;
II. POLL RESULTS OF SPECIAL GENERAL MEETING
HELD AT 9:00 A.M. ON 24 NOVEMBER 2011;
III. COMPLETION OF THE SUBSCRIPTION OF NEW SHARES
UNDER SPECIFIC MANDATE; AND
IV. CHANGE TO THE BOARD**

The Board is pleased to announce that (i) the negotiations with the Vendors are at an advanced stage and it is expected that the Formal Agreement will be entered after the key terms of which are finalised; (ii) the ordinary resolutions as set out in the notice of SGM contained in the Circular were duly approved by the Shareholders by way of poll at the SGM held at 9:00 a.m. on 24 November 2011; (iii) the conditions precedent under the Share Subscription Agreement were fulfilled and the Share Subscription has completed on 24 November 2011 pursuant to the terms thereof; and (iv) upon the completion of the Share Subscription, Mr. Liang, the chairman of the Company and an executive Director, has tendered his resignation as the chairman of the Company with effect from 24 November 2011 due to his other business engagements, but Mr. Liang will remain as an executive Director. The Board has appointed Mr. Ng as an executive Director and the chairman of the Company with effect from 24 November 2011.

The Board wishes to emphasize that the Proposed Investment is subject to, among other things, the signing of the Formal Agreement and the terms and conditions of which are yet to be finalised. As the Proposed Investment may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

* For identification purpose only

References are made to (i) the announcements of the Company dated 28 July 2011 and 31 October 2011 (the “**MOU Announcements**”) in relation to the MOU regarding the Proposed Investment in the Forest; (ii) the circular incorporating a notice of SGM of the Company dated 8 November 2011 (the “**Circular**”) in relation to the Increase in Authorised Share Capital, the Share Subscription, the CN Placing and the transactions contemplated thereunder; and (iii) the announcement of the Company dated 19 October 2011 (the “**Subscription Announcement**”) in relation to, among other things, the proposed change to the Board. Unless otherwise specified, terms used herein shall have the same meanings as defined in the MOU Announcements, the Subscription Announcement and the Circular.

I. UPDATES ON THE PROPOSED INVESTMENT

Pursuant to Rule 13.09 of the Listing Rules, the Company wishes to announce that the negotiations with the Vendors are at an advanced stage and it is expected that the Formal Agreement will be entered after the key terms of which are finalised. It is expected that the Proposed Investment, if materialises, will constitute a notifiable transaction for the Company under the Listing Rules. In addition, the terms of the strategic alliance cooperation with a PRC corporation which has wealthy forestry experiences are about to finalise. Further announcement will be made by the Company in relation to the Proposed Investment and the strategic alliance cooperation as and when appropriate.

The Board wishes to emphasize that the Proposed Investment is subject to, among other things, the signing of the Formal Agreement and the terms and conditions of which are yet to be finalised. As the Proposed Investment may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

II. POLL RESULTS OF SGM

The SGM was held at 9:00 a.m. on 24 November 2011 to consider the ordinary resolutions to ratify and approve the Increase in Authorised Share Capital, the Share Subscription, the CN Placing, and the transactions contemplated thereunder, which were subject to the approval of the Shareholders by way of poll at the SGM. Details of the ordinary resolutions were set out in the notice of SGM in the Circular.

The Board is pleased to announce that the ordinary resolutions as set out in the notice of SGM contained in the Circular were duly approved by the Shareholders by way of poll at the SGM.

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

Ordinary resolutions	Number of votes (%)	
	For	Against
<p>“(1) THAT</p> <p>(a) the authorised share capital of the Company be and is hereby increased from HK\$200,000,000 divided into 8,000,000,000 ordinary shares of HK\$0.025 each (“Shares”) to HK\$400,000,000 divided into 16,000,000,000 Shares, by the creation of an additional 8,000,000,000 new unissued Shares each ranking <i>pari passu</i> in all respects with the existing Shares (the “Increase in the Authorised Share Capital”); and</p> <p>(b) any one or more of the directors of the Company (the “Director”) be and is/are hereby authorised for and on behalf of the Company to sign, execute, perfect and deliver all such documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in and for the completion of the Increase in the Authorised Share Capital.</p>	847,489,853 (100%)	0 (0%)
<p>(2) THAT</p> <p>(a) the share subscription agreement dated 18 October 2011 (the “Share Subscription Agreement”) made between the Company and Allied Summit Inc. (the “Subscriber”) in respect of the subscription of 1,800,000,000 new Shares (the “Subscription Shares”) at the subscription price of HK\$0.025 per Subscription Share by the Subscriber and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;</p> <p>(b) the execution, delivery and performance by the Company of the Share Subscription Agreement be and are hereby approved, confirmed and ratified;</p> <p>(c) the subscription of the Subscription Shares by the Subscriber subject to and upon the terms and conditions of the Share Subscription Agreement and all transactions contemplated under or incidental to the Share Subscription Agreement and all actions taken or to be taken by the Company pursuant to the Share Subscription Agreement be and are hereby approved, confirmed and ratified; and</p> <p>(d) any Director be and is hereby authorised to do all such acts and things, as he/she may in his/her discretion consider necessary, expedient or desirable and any two Directors be and are hereby authorised to execute all such documents provided that the seal is required to be affixed thereto for the purpose of or in connection with the implementation of or giving effect to the subscription of the Subscription Shares, the Share Subscription Agreement and the transactions contemplated thereunder, including but without limitation, the exercise or enforcement of any of the Company's rights under the Share Subscription Agreement and to make and agree to such variations of the terms of the Share Subscription Agreement as he/she may consider to be appropriate and in the interests of the Company.</p>	847,489,853 (100%)	0 (0%)

Ordinary resolutions	Number of votes (%)	
	For	Against
<p>(3) THAT</p> <p>(a) the placing agreement dated 18 October 2011 (the “CN Placing Agreement”) made between the Company and United Simsen Securities Limited (the “CN Placing Agent”) in respect of the placing of the convertible notes in an aggregate principal amount of up to HK\$89,600,000 (the “Placing Convertible Notes”) by the CN Placing Agent and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;</p> <p>(b) the execution, delivery and performance by the Company of the CN Placing Agreement be and are hereby approved, confirmed and ratified;</p> <p>(c) the execution, delivery and performance of the instrument by the Company by way of deed poll to create the Placing Convertible Notes (the “Deed Poll”) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;</p> <p>(d) the placing of the Placing Convertible Notes by the CN Placing Agent subject to and upon the terms and conditions of the CN Placing Agreement and all transactions contemplated under or incidental to the CN Placing Agreement and all actions taken or to be taken by the Company pursuant to the CN Placing Agreement be and are hereby approved, confirmed and ratified;</p> <p>(e) subject to the fulfillment or waiver of the conditions set out in the CN Placing Agreement, any Director be and is hereby authorised to issue the Placing Convertible Note(s) in accordance with the terms and conditions of the CN Placing Agreement and the Deed Poll;</p> <p>(f) any Director be and is hereby authorised to allot and issue new Shares which may fall to be issued upon the exercise of the conversion rights attached to the Placing Convertible Notes or part thereof to the relevant holder(s) of the Placing Convertible Note(s); and</p> <p>(g) any Director be and is hereby authorised to do all such acts and things, as he/she may in his/her discretion consider necessary, expedient or desirable and any two Directors be and are hereby authorised to execute all such documents provided that the seal is required to be affixed thereto for the purpose of or in connection with the implementation of or giving effect to the placing of the Placing Convertible Notes, the CN Placing Agreement and the transactions contemplated thereunder, including but without limitation, the exercise or enforcement of any of the Company’s rights under the CN Placing Agreement and to make and agree to such variations of the terms of the CN Placing Agreement as he/she may consider to be appropriate and in the interests of the Company.”</p>	<p>847,489,853 (100%)</p>	<p>0 (0%)</p>

At the SGM, the total number of Shares entitling the holders to attend and vote for or against the ordinary resolutions number 1 and 3 at the SGM was 4,903,401,934 Shares, representing 100% of the total issued share capital of the Company. No Shareholder was required to abstain from voting in relation to the ordinary resolutions number 1 and 3.

As the Subscriber was considered to have a material interest in the Share Subscription Agreement, the Subscriber, its ultimate beneficial owners and their respective associates were required to abstain from the voting at the SGM on the ordinary resolution number 2. At the SGM, the Subscriber was owned as to 80% by Mr. Su and as to the remaining 20% by Mr. Ng. Mr. Su is interested in 142,000,000 Shares, representing approximately 2.90% of the issued share capital of the Company. Mr. Su has abstain from voting at the SGM. Accordingly, the total number of Shares entitling the holders to attend and vote for or against the ordinary resolution number 2 at the SGM was 4,761,401,934 Shares, representing 97.1% of the total issued share capital of the Company.

There was no Share entitling the holders to attend and vote only against the ordinary resolutions at the SGM.

III. COMPLETION OF THE SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that the conditions precedent under the Share Subscription Agreement were fulfilled and the Share Subscription has completed on 24 November 2011 pursuant to the terms of the Share Subscription Agreement. The 1,800,000,000 new Shares have been allotted and issued to the Subscriber. Upon completion of the Share Subscription, the Subscriber is interested in 1,800,000,000 Shares, representing approximately 26.85% of the issued share capital of the Company; Mr. Su, through his 80% interest in the equity interest of the Subscriber, is ultimate beneficially interested in 1,440,000,000 Shares, representing approximately 28.97% of the issued share capital of the Company. Both Mr. Su and the Subscriber are substantial Shareholders (as defined under the Listing Rules) upon completion of the Share Subscription.

IV. CHANGE TO THE BOARD

The Board would like to announce that upon the completion of the Share Subscription, Mr. Liang, the chairman of the Company and an executive Director, has tendered his resignation as the chairman of the Company with effect from 24 November 2011 due to his other business engagements, but Mr. Liang will remain as an executive Director. The Board has appointed Mr. Ng as an executive Director and the chairman of the Company and terminated the consultancy service agreement dated 13 April 2010 with Mr. Ng with effect from 24 November 2011. Detailed introduction to Mr. Ng has been set out in the Subscription Announcement.

Mr. Ng will be entitled to an annual remuneration of HK\$1,440,000, which has been determined by reference to his duties and responsibilities and the prevailing market conditions which has been reviewed and approved by the remuneration committee of the Company.

The Board would like to express its appreciation to Mr. Liang for his past contribution to the Company as the chairman of the Company. The Board would also like to express its warmest welcome to Mr. Ng on his appointment.

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

Hong Kong, 24 November 2011

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 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.