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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) POLL RESULTS OF THE SPECIAL GENERAL MEETING
HELD AT 9:30 A.M. ON 7 SEPTEMBER 2012; AND
(II) GRANT OF THE WHITEWASH WAIVER**

POLL RESULTS OF SGM

The Board is pleased to announce that the resolutions as set out in the notice of SGM contained in the Circular were duly approved by the Shareholders (where applicable, the Independent Shareholders) by way of poll at the SGM held at 9:30 a.m. on 7 September 2012.

DESPATCH OF THE PROSPECTUS DOCUMENTS IN RESPECT OF THE RIGHTS ISSUE (WITH THE BONUS ISSUE)

Subject to the registration of the Prospectus Documents with the Registrar of Companies in Bermuda and Hong Kong, the Prospectus Documents will be despatched to the Qualifying Shareholders on 20 September 2012 and the Prospectus will be despatched to the Non-Qualifying Shareholders (if any) on 20 September 2012 for information only.

SHARE CONSOLIDATION

As all the conditions of the Share Consolidation have been fulfilled, the Share Consolidation will become effective on 10 September 2012.

* For identification purposes only

GRANT OF THE WHITEWASH WAIVER

The Executive has granted the Whitewash Waiver, subject to (i) the issue of the Rights Shares being approved by the Independent Shareholders at the SGM by way of poll; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights of the Company being made by the Underwriters and its concert parties between the Announcement and the completion of the Rights Issue (with the Bonus Issue). The Rights Issue (with the Bonus Issue) and the Whitewash Waiver have been approved by the Independent Shareholders at the SGM by way of poll. Further announcement will be made by the Company upon completion of the Rights Issue (with the Bonus Issue).

Reference is made to the circular incorporating a notice of special general meeting of Pacific Plywood Holdings Limited (the “**Company**”) dated 14 August 2012 (the “**Circular**”). Unless otherwise defined, terms used herein shall have the same meanings as defined in the Circular.

POLL RESULTS OF SGM

The SGM was held at 9:30 a.m. on 7 September 2012 to consider and approve the resolutions in relation to (i) the proposed Share Consolidation; (ii) the proposed Rights Issue on the basis of two (2) Rights Shares for every one (1) Consolidated Share held on the Record Date at HK\$0.56 per Rights Share with the Bonus Issue on the basis of five (5) Bonus Shares for every one (1) Rights Share taken up under the Rights Issue; (iii) the application for Whitewash Waiver; and (iv) the Bye-Laws Amendments. Details of the resolutions were set out in the Circular and the notice of 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 in respect of the ordinary resolutions were as follows:

Ordinary resolutions (<i>Note 1</i>)		Number of Shares voted (approximate percentage of total number of the Shares voted)	
		For	Against
1.	To approve the Share Consolidation and the transactions contemplated thereunder.	293,260,163 (99.19%)	2,405,240 (0.81%)
2.	To approve the Rights Issue (with the Bonus Issue) and the transactions contemplated thereunder.	113,260,163 (97.92%)	2,405,240 (2.08%)
3.	To approve the Whitewash Waiver.	113,248,163 (97.92%)	2,405,240 (2.08%)

Note 1: the full text of the ordinary resolutions was set out in the notice of SGM dated 14 August 2012.

The poll results in respect of the special resolution were as follows:

Special resolution (<i>Note 2</i>)		Number of Shares voted (approximate percentage of total number of the Shares voted)	
		For	Against
4.	To approve the Bye-Laws Amendments.	293,260,163 (99.19%)	2,405,240 (0.81%)

Note 2: the full text of the special resolution was set out in the notice of SGM dated 14 August 2012.

As more than 50% of the votes were cast in favour of the ordinary resolutions and more than 75% of the votes were cast in favour of the special resolution, the Board is pleased to announce that the resolutions as set out in the notice of the SGM contained in the Circular were duly approved by the Shareholders (where applicable, the Independent Shareholders) by way of poll at the SGM.

As at the date of the SGM, the total number of Shares in issue was 1,369,650,537 Shares which was the total number of Shares entitling the holders to attend and vote for or against all the resolutions (except for ordinary resolutions 2 and 3) proposed at the SGM. There were no Shares entitling the holders to attend and vote only against the proposed resolutions (except for ordinary resolution 2) at the SGM.

As stated in the Circular, the Rights Issue (with the Bonus Issue) is conditional on, among other things, the approval of the Rights Issue (with the Bonus Issue) and the Whitewash Waiver by the Independent Shareholders at the SGM by way of poll. In addition, pursuant to Rule 7.19(6)(a) of the Listing Rules, any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue (with the Bonus Issue).

As at the date of the SGM, the Company did not have any controlling Shareholders and, none of the Directors (save for Mr. Ng) holds any Shares/Consolidated Shares or beneficial interest in the Shares/Consolidated Shares and were required to abstain from voting in favour of the resolution relating to the Rights Issue (with the Bonus Issue) at the SGM. As at the date of the SGM, Mr. Ng was the sole director of Allied Summit and held 20% of the equity interest in Allied Summit and Allied Summit, being an associate of Mr. Ng, in aggregated held 180,000,000 Shares, representing approximately 13.14% of the issued share capital of the Company. As Allied Summit and Mr. Ng had a material interest in the Rights Issue (with the Bonus Issue) to the extent that they hold Shares/Consolidated Shares or beneficial interests in the Shares/Consolidated Shares at the SGM, Allied Summit and Mr. Ng together with their respective associates were abstained from voting at the SGM in favour of the resolution approving the Rights Issue (with the Bonus Issue). To the best information and knowledge of the Directors, as at the date of the SGM, no Shareholder intended to vote against the resolution approving the Rights Issue (with the Bonus Issue).

As also stated in the Circular, in accordance with the Takeovers Code, the Concert Group, the respective associates of Allied Summit, and all those parties who are involved or interested in the Underwriting Agreement and/or the Whitewash Waiver will abstain from voting on the proposed resolutions approving the Rights Issue (with the Bonus Issue) and the Whitewash Waiver at the SGM. Accordingly, the Concert Group, the respective associates of Allied Summit, and all those parties who were involved or interested in the Underwriting Agreement and/or the Whitewash Waiver were abstained from voting in favour of the proposed resolutions approving the Rights Issue (with the Bonus Issue) and the Whitewash Waiver at the SGM. Accordingly, the total number of Shares entitling the holders to attend and vote for or against the ordinary resolutions 2 and 3 at the SGM were 1,189,068,800 Shares.

Save as disclosed herein, no other Shareholder have stated any intention in the Circular to vote against the proposed resolutions as set out in the notice of SGM or to abstain from voting at the SGM.

SHAREHOLDINGS STRUCTURE

As at the date of this announcement, the Share Consolidation is not effective. The table below sets out the shareholdings structure of the Company as at the date of this announcement and the possible changes upon completion of the Rights Issue (with Bonus Issue), on the basis of the public information available to the Company on the date of this announcement, after the Directors having made reasonable enquiries and assuming that there is no other changes in the shareholdings structure of the Company since the date of this announcement to the date immediately after completion of the Rights Issue:

(i) Assuming there is no new Share/Consolidated Share being issued and no Share/Consolidated Share being repurchased by the Company on or before the Record Date:

	As at the date of this announcement		Immediately after the Share Consolidation but before completion of the Rights Issue (with the Bonus Issue)		Immediately after completion of the Rights Issue (with the Bonus Issue)			
					All Rights Shares are subscribed by the Qualifying Shareholders		None of the Rights Shares are subscribed by the Qualifying Shareholders (except for Allied Summit pursuant to the Undertaking) (Notes 1 & 2)	
	Number of Shares	Approximate %	Number of Consolidated Shares	Approximate %	Number of Consolidated Shares	Approximate %	Number of Consolidated Shares	Approximate %
Substantial Shareholders								
Allied Summit (Note 3)	180,000,000	13.14	22,500,000	13.14	292,500,000	13.14	292,500,000	13.14
Underwriting portion of Allied Summit	—	—	—	—	—	—	1,214,475,804	54.57
<i>Sub-total by Allied Summit</i>	<u>180,000,000</u>	<u>13.14</u>	<u>22,500,000</u>	<u>13.14</u>	<u>292,500,000</u>	<u>13.14</u>	<u>1,506,975,804</u>	<u>67.71</u>
Kingston Securities (Notes 4 & 5)	581,737	0.04	72,717	0.04	945,321	0.04	217,572,717	9.77
<i>Sub-total by the Concert Group</i>	<u>180,581,737</u>	<u>13.18</u>	<u>22,572,717</u>	<u>13.18</u>	<u>293,445,321</u>	<u>13.18</u>	<u>1,724,548,521</u>	<u>77.48</u>
Public								
Sub-underwriter(s) (Note 4)	—	—	—	—	—	—	352,500,000	15.84
Other public Shareholders	<u>1,189,068,800</u>	<u>86.82</u>	<u>148,633,600</u>	<u>86.82</u>	<u>1,932,236,800</u>	<u>86.82</u>	<u>148,633,600</u>	<u>6.68</u>
Total	<u><u>1,369,650,537</u></u>	<u><u>100.00</u></u>	<u><u>171,206,317</u></u>	<u><u>100.00</u></u>	<u><u>2,225,682,121</u></u>	<u><u>100.00</u></u>	<u><u>2,225,682,121</u></u>	<u><u>100.00</u></u>

(ii) Assuming no new Share/Consolidated Share being issued other than full exercises of the Agent Option and the Longjiang Option and full utilization of the Issue Mandate and no Share/Consolidated Share being repurchased by the Company on or before the Record Date:

	Immediately after completion of the Rights Issue (with the Bonus Issue)							
	As at the date at this announcement		Immediately after the Share Consolidation and full exercises of the Agent Option and the Longjiang Option and full utilization of the Issue Mandate but before completion of the Rights Issue (with the Bonus Issue)		All Rights Shares are subscribed by the Qualifying Shareholders		None of the Rights Shares are subscribed by the Qualifying Shareholders (except for Allied Summit pursuant to the Undertaking) (Notes 1 & 2)	
	Number of Shares	Approximate %	Consolidated Shares	Approximate %	Consolidated Shares	Approximate %	Consolidated Shares	Approximate %
Substantial Shareholders								
Allied Summit (Note 3)	180,000,000	13.14	22,500,000	10.33	292,500,000	10.33	292,500,000	10.33
Underwriting portion of Allied Summit	—	—	—	—	—	—	1,773,921,984	62.64
<i>Sub-total by Allied Summit</i>	<u>180,000,000</u>	<u>13.14</u>	<u>22,500,000</u>	<u>10.33</u>	<u>292,500,000</u>	<u>10.33</u>	<u>2,066,421,984</u>	<u>72.97</u>
Kingston Securities (Notes 4 & 5)	581,737	0.04	72,717	0.03	945,321	0.03	217,572,717	7.68
<i>Sub-total by the Concert Group</i>	<u>180,581,737</u>	<u>13.18</u>	<u>22,572,717</u>	<u>10.36</u>	<u>293,445,321</u>	<u>10.36</u>	<u>2,283,994,701</u>	<u>80.65</u>
Public								
Sub-underwriter(s) (Note 4)	—	—	—	—	—	—	352,500,000	12.45
Other public Shareholders	1,189,068,800	86.82	195,254,115	89.64	2,538,303,495	89.64	195,254,115	6.90
Total	<u>1,369,650,537</u>	<u>100.00</u>	<u>217,826,832</u>	<u>100.00</u>	<u>2,831,748,816</u>	<u>100.00</u>	<u>2,831,748,816</u>	<u>100.00</u>

Notes:

- The above scenario is for illustrative purpose only and will unlikely occur.
- The Company will ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue (with the Bonus Issue).
- Allied Summit is beneficially owned as to 80% by Mr. Su and 20% by Mr. Ng, who is the chairman of the Company and an executive Director.
- Kingston Securities has confirmed with the Company that it has sub-underwritten 58,750,000 Rights Shares to sub-underwriter(s), who are Independent Third Parties. Kingston Securities has agreed to use its best endeavours to ensure that each of the subscribers: (i) shall be an Independent Third Party, and not acting in concert with and not connected with the Directors or chief executive of the Company or substantial Shareholders or their respective associates; and (ii) none of such subscribers (together with their respective parties acting in concert) will hold 10.0% or more of the voting rights of the Company upon completion of the Rights Issue (with the Bonus Issue, such that the Company will be able to comply with the minimum public float requirement sets out under Rule 8.08(1) of the Listing Rules).
- Notwithstanding that Kingston Securities is being deemed as a party acting in concert with Allied Summit, Kingston Securities will be regarded as a public Shareholder as its shareholding in the Company is and will continue to be less than 10%.

DESPATCH OF THE PROSPECTUS DOCUMENTS IN RESPECT OF THE RIGHTS ISSUE (WITH THE BONUS ISSUE)

Given the ordinary resolution relating to the Rights Issue (with the Bonus Issue) was duly approved by the Independent Shareholders at the SGM, the dates and times mentioned in the expected timetable as set out in the Circular regarding the Rights Issue (with the Bonus Issue) remain unchanged.

Subject to the registration of the Prospectus Documents with the Registrar of Companies in Bermuda and Hong Kong, the Prospectus Documents will be despatched to the Qualifying Shareholders on 20 September 2012 and the Prospectus will be despatched to the Non-Qualifying Shareholders (if any) on 20 September 2012 for information only.

SHARE CONSOLIDATION

Following the Shareholders' approval at the SGM, the Listing Committee of the Stock Exchange has also granted its approval for the listing of, and permission to deal in, the Consolidated Shares in issue arising from the Share Consolidation and any Consolidated Shares which may be issued pursuant to exercise of the Agent Option and the Longjiang Option. The existing authorized share capital of the Company is HK\$400,000,000 divided into 40,000,000,000 Shares of HK\$0.01 each, of which 1,369,650,537 Shares are in issue.

Immediately upon the Share Consolidation becoming effective from 9:00 a.m. on 10 September 2012, the authorized share capital of the Company will be HK\$400,000,000 divided into 5,000,000,000 Consolidated Shares of HK\$0.08 each, of which 171,206,317 Consolidated Shares will be in issue.

Status of the Consolidated Shares

The Consolidated Shares will be identical and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid.

Adjustments to the Agent Option and the Longjiang Option

As a result of the Share Consolidation with effect on 10 September 2012, the number of exercisable shares of each of the Agent Option and the Longjiang Option will be changed from 49,517,009 Shares to 6,189,626 Consolidated Shares, and the maximum and the minimum subscription price of each of the Agent Option and the Longjiang Option will be changed from HK\$0.50 per Share and HK\$0.25 per Share to HK\$4.00 per Consolidated Share and HK\$2.00 per Consolidated Share respectively. The adjustments to the number of exercisable shares and the subscription price of each of the Agent Option and the Longjiang Option as a result of the Rights Issue (with the Bonus Issue) have been certified by the Company's so appointed financial adviser, namely United Simsen Securities Limited, and will be confirmed and announced after the completion of the Rights Issue (with the Bonus Issue). The Company will inform each holder of the Agent Option and Longjiang Option of these adjustments.

Arrangement for odd lot trading

In order to alleviate the difficulties in the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company has appointed One China Securities Limited as the agent to provide matching service to those Shareholders who wish to top-up or sell their shareholdings of odd lots of the Consolidated Shares on a best effort basis during the period from 24 September 2012 to 16 October 2012 (both days inclusive).

Holders of the Consolidated Shares in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or to top-up their odd lots to a full new board lot may directly or through their broker contact Mr. Marco Ko of One China Securities Limited at 2/F Cheong K. Building, 84–86 Des Voeux Road Central, Hong Kong (Telephone number: (852) 3106 3522) during the aforesaid period. Holders of the Consolidated Shares in odd lots should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is on a best effort basis and successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

Trading arrangement

- (a) from 9:00 a.m. on Monday, 10 September 2012, the original counter under stock code “767” for trading in existing Shares in the board lots size of 40,000 will be temporarily closed;
- (b) with effect from 9:00 a.m. on Monday, 10 September 2012, a temporary counter under stock code “2929” for trading in the Consolidated Shares in the board lots size of 5,000, in the form of existing share certificates, will be opened;
- (c) with effect from 9:00 a.m. on Monday, 24 September 2012, the original counter under stock code “767” for trading in the Consolidated Shares in the board lots size of 40,000, in the form of new share certificates, will be re-opened;
- (d) during the period from 9:00 a.m. on Monday, 24 September 2012 to 4:00 p.m. on Tuesday, 16 October 2012 (both days inclusive), parallel trading in the Consolidated Shares will be carried out at the above two counters described in paragraphs (b) and (c) above; and
- (e) the temporary counter under stock code “2929” for trading in board lots of 5,000 Consolidated Shares, in the form of existing share certificates, for the existing Shares, will be closed at 4:00 p.m. on Tuesday, 16 October 2012 and trading in the Consolidated Shares will only be done in board lots of 40,000 Consolidated Shares thereafter (in the form of new share certificates for Consolidated Shares).

Exchange of share certificates

As from 10 September 2012 to 18 October 2012 (both days inclusive) during the business hours, Shareholders may submit share certificates for existing Shares to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, to exchange, at the expense of the

Company, for certificates of the Consolidated Shares. It is expected that the new certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the Registrar for exchange. Thereafter, the existing share certificates for the Shares will cease to be valid for delivery, trading and settlement purpose but will remain effective as documents of legal title and will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by Stock Exchange) per existing share certificate cancelled or new share certificate issued (whichever is the higher) by the Shareholders. The existing share certificates are in orange colour and the new share certificates will be in pink colour.

GRANT OF THE WHITEWASH WAIVER

The Executive has granted the Whitewash Waiver, subject to (i) the issue of the Rights Shares being approved by the Independent Shareholders at the SGM by way of poll; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights of the Company being made by the Underwriters and its concert parties between the Announcement and the completion of the Rights Issue (with the Bonus Issue). The Rights Issue (with the Bonus Issue) and the Whitewash Waiver have been approved by the Independent Shareholders at the SGM by way of poll. Further announcement will be made by the Company upon completion of the Rights Issue (with the Bonus Issue).

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

Hong Kong, 7 September 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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.