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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Pacific Plywood Holdings Limited, you should at once hand this circular and the accompanied form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sales or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**REFRESHMENT OF EXISTING GENERAL MANDATE;  
REFRESHMENT OF SCHEME MANDATE LIMIT  
UNDER SHARE OPTION SCHEME  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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Terms used in this cover page have the same meanings as defined in this circular.

A letter from the Board is set out on pages 3 to 7 of this circular.

A notice convening the SGM of the Company to be held at Units 3301-03, 33/F., West Tower Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong on Wednesday, 18 December 2013 at 10:00 a.m. or any adjournment thereof is set out on pages 8 to 11 of this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding the SGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM or any adjournment thereof (as the case may be) should you so wish.

\* *For identification purposes only*

# CONTENTS

|  | <i>Page</i> |
|--|-------------|
| <b>Definitions</b> .....   | 1           |
| <b>Letter from the Board</b>   |             |
| 1. Introduction .....  | 3           |
| 2. Refreshment of Existing General Mandate .....                       | 3           |
| 3. Refreshment of Scheme Mandate Limit under Share Option Scheme ..... | 5           |
| 4. Actions to be Taken .....   | 6           |
| 5. Voting by Poll .....  | 6           |
| 6. Recommendation .....  | 6           |
| 7. Responsibility Statement .....                                      | 7           |
| <b>Notice of Special General Meeting</b> .....                         | 8           |

## DEFINITIONS

*In this circular, unless the context otherwise requires, capitalized terms used shall have the following meanings:*

|                                 |  |
|---------------------------------|--|
| “AGM”                           | the annual general meeting of the Company held on 21 June 2013   |
| “Board”                         | the board of Directors   |
| “Bye-laws”                      | the existing bye-laws of the Company as amended from time to time  |
| “Company”                       | Pacific Plywood Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange  |
| “Director(s)”                   | director(s) of the Company   |
| “Existing General Mandate”      | the general mandate granted at the AGM to the Directors to allot, issue and deal with a maximum of 111,284,106 new Shares (or 445,136,424 Old Shares prior to the Share Consolidation becoming effective on 15 August 2013), representing 20% of the issued share capital of the Company as at the date of the AGM   |
| “Existing Scheme Mandate Limit” | the scheme mandate limit duly approved and granted by the Shareholders at the AGM to the Directors to allot and issue Shares upon the exercise of the options to be granted under the Share Option Scheme, with a maximum of 55,642,053 new Shares (or 222,568,212 Old Shares prior to the Share Consolidation becoming effective on 15 August 2013), being 10% of the Company’s issued share capital of the Company as at the date of the AGM |
| “Group”                         | the Company and its subsidiaries   |
| “HK\$”                          | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”                     | the Hong Kong Special Administrative Region of the PRC   |
| “Issue Mandate”                 | the new mandate proposed to be sought at the SGM to authorize the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the SGM  |
| “Latest Practicable Date”       | 28 November 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular   |

## DEFINITIONS

|   |   |
|---|---|
| “Listing Rules”                           | The Rules Governing the Listing of Securities on the Stock Exchange   |
| “Old Share(s)”                            | ordinary share(s) of HK\$0.08 each in the share capital of the Company prior to the Share Consolidation becoming effective on 15 August 2013  |
| “PRC”                                     | the People’s Republic of China  |
| “Refreshment of Existing General Mandate” | the proposed refreshment of the Existing Issue Mandate and the grant of the Issue Mandate   |
| “Refreshment of Scheme Mandate Limit”     | the proposed refreshment of the Existing Scheme Mandate Limit and the grant of the Scheme Mandate Limit   |
| “Scheme Mandate Limit”                    | the new limit proposed to be sought at the SGM to authorize the Directors to allot and issue Shares upon the exercise of the options to be granted under the Share Option Scheme of the Company, being 10% of the issued share capital of the Company as at the date of passing of the relevant resolution at the SGM |
| “Share Consolidation”                     | the consolidation of every four (4) issued and unissued shares of HK\$0.08 each in the share capital of the Company into one (1) consolidated share of HK\$0.32 each  |
| “Share Option Scheme”                     | the share option scheme currently in force and adopted by the Company on 12 June 2012   |
| “SGM”                                     | the special general meeting of the Company to be held on 18 December 2013 for the purpose of considering and, if thought fit, approving the Refreshment of Existing General Mandate and the Refreshment of Scheme Mandate Limit   |
| “Share(s)”                                | ordinary share(s) of HK\$0.001 each in the share capital of the Company   |
| “Shareholder(s)”                          | holder(s) of the Shares   |
| “Stock Exchange”                          | The Stock Exchange of Hong Kong Limited   |
| “%”                                       | per cent.   |

*In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.*

**LETTER FROM THE BOARD**



**PACIFIC PLYWOOD HOLDINGS LIMITED**

**太平洋實業控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 767)**

*Executive Directors:*

Mr. Huang Chuan Fu (*Chairman*)

Mr. Liang Jian Hua

Ms. Jia Hui

Mr. Jiang Yi Ren

*Registered office:*

Canon's Court

22 Victoria Street

Hamilton, HM 12

Bermuda

*Independent non-executive Directors:*

Mr. Wong Chun Hung

Mr. Wong Sze Kai

Mr. Zheng Zhen

*Head office and principal*

*place of business:*

Unit 3301-03, 33/F

West Tower Shun Tak Centre

168-200 Connaught Road Central

Sheung Wan, Hong Kong

2 December 2013

*To the Shareholders*

Dear Sir or Madam,

**REFRESHMENT OF EXISTING GENERAL MANDATE AND  
REFRESHMENT OF THE SCHEME MANDATE LIMIT  
UNDER SHARE OPTION SCHEME**

**INTRODUCTION**

The purpose of this circular is to provide you with (i) further information relating to the Refreshment of Existing General Mandate and the Refreshment of Scheme Mandate Limit under Share Option Scheme; and (ii) the notice of SGM to be convened and held for the purpose of considering and, if thought fit, approving the resolutions for the Refreshment of Existing General Mandate and the Refreshment of Scheme Mandate Limit under Share Option Scheme.

**REFRESHMENT OF EXISTING GENERAL MANDATE**

The Company is an investment holding company, and through its subsidiaries is principally engaged in the business of money lending, provision of credits, securities investments, provision of corporate secretarial and consultancy services and forestry business.

\* *For identification purposes only*

## LETTER FROM THE BOARD

At the AGM, the Shareholders granted, among other things, the Existing General Mandate to the Directors to allot, issue and deal with a maximum of 111,284,106 new Shares (or 445,136,424 Old Shares prior to the Share Consolidation becoming effective on 15 August 2013), representing 20% of the issued share capital of the Company as at the date of the AGM.

There had not been any refreshment of the Existing General Mandate since the AGM and up to the Latest Practicable Date. As at the Latest Practicable Date, the Existing General Mandate has not been utilized at all.

On 20 August 2013, the Board announced that the Company proposed a rights issue at the subscription price of HK\$0.18 per rights share on the basis of two (2) rights shares for every one (1) Share held on the relevant record date with the bonus issue on the basis of one bonus share for every one rights share taken up (the “**Rights Issue and Bonus Issue**”). As a result of the Rights Issue and Bonus Issue, the Company allotted and issued an aggregate of 2,225,682,120 Shares. Accordingly, the issued share capital of the Company has been enlarged. In view of the increase in the issued share capital of the Company as described above and to maintain flexibility for any future allotment and issue of Shares by the Directors on behalf of the Company as and when necessary, it is proposed that the Board shall seek the approval of the Shareholders for the grant of the Issue Mandate at the SGM.

The Company currently does not have any immediate plans for any new issue of Shares under the Issue Mandate and does not have any intention or enter into any negotiations, agreement and/or letter of intent to conduct any fund raising exercises. Despite that the Company currently has no intention to conduct any fund raising exercises, the Board is proposing to seek the approval of Shareholders at the SGM for the Issue Mandate such that the Group will have greater financial flexibility. Should funding needs arise or attractive terms for investment in the Shares become available from potential investors, the Board will be able to respond to the market and such investment opportunities promptly. The Board believes that fund raising exercise pursuant to a general mandate provides the Company a simpler and less lead time process than other types of fund raising exercises and to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

As at the Latest Practicable Date, the Company had an aggregate of 2,782,102,650 Shares in issue. Assuming that no Shares will be issued or repurchased by the Company on or before date of the SGM and subject to the passing of the ordinary resolution for the approval of the grant of the Issue Mandate, the Company would be allowed under the Issue Mandate to allot, issue or otherwise deal with up to 556,420,530 Shares, representing 20% of the issued share capital of the Company as at the Latest Practicable Date.

The Issue Mandate, if granted, remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; or (iii) the date upon which such authority is revoked or varied by way of ordinary resolution of the Company in general meeting.

## LETTER FROM THE BOARD

### REFRESHMENT OF SCHEME MANDATE LIMIT UNDER SHARE OPTION SCHEME

The Company adopted the Share Option Scheme pursuant to an ordinary resolution passed on 12 June 2012 (the “**Adoption Date**”). Apart from the Share Option Scheme, the Company has no other share option scheme currently in force. Since the Adoption Date, the Existing Scheme Mandate Limit has been refreshed at the AGM.

As at the Latest Practicable Date, a total of 2,782,102,650 Shares were in issue and no share option is outstanding since the adoption of Share Option Scheme. In view of the increase in issued share capital of the Company, the Refreshment of Scheme Mandate Limit is proposed. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of the SGM and that no further options will be granted under the Share Option Scheme prior to the date of the SGM, the number of Shares that may fall to be allotted and issued upon exercise in full of the options that may be granted, after the relevant resolution is passed at the SGM, would be 278,210,265 Shares.

Pursuant to the terms of the Share Option Scheme and the Listing Rules, the Scheme Mandate Limit shall not in any event result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company exceeding 30% of the Shares in issue from time to time.

The Refreshment of Scheme Mandate Limit is conditional on:

- (i) the Shareholders passing an ordinary resolution by way of poll pursuant to the Listing Rules to approve the Refreshment of Scheme Mandate Limit at the SGM; and
- (ii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, any new Shares (representing a maximum of 10% of the Shares in issue as at the date of approval of such resolution at the SGM) which may fall to be issued upon the exercise of all options to be granted under the Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the approval mentioned in paragraph (ii) above.

The Company proposes to seek the approval by the Shareholders for the Refreshment of Scheme Mandate Limit with a view to allowing the Company more flexibility to provide more incentives or rewards to eligible participants for their contribution to the Group. The Directors consider that it will be for the benefit of the Company and the Shareholders as a whole that the eligible participants of the Share Option Scheme are granted rights to obtain equity holdings of the Company through the grant of options. This will motivate the eligible participants to contribute to the success of the Group. For these reasons, the Directors will propose the passing of an ordinary resolution at the SGM for the Refreshment of Scheme Mandate Limit.

## **LETTER FROM THE BOARD**

### **ACTIONS TO BE TAKEN**

The notice of the SGM is set out on pages 8 to 11 of this circular. A form of proxy for use at the SGM is enclosed with this circular. At the SGM, ordinary resolutions will be proposed to approve the Refreshment of Existing General Mandate and the Refreshment of Scheme Mandate Limit. According to Rule 13.36(4)(e) of the Listing Rules, it will not be necessary for the Company to comply with, among others, the requirement to obtain independent shareholders' approval under Rule 13.36(4)(a) of the Listing Rules in order to refresh its general mandate immediately thereafter such that the amount in percentage terms of the unused part of the general mandate upon refreshment is the same as the unused part of the general mandate immediately before the issue of securities. In light of this, no Shareholders will be required to abstain from voting in relation to the resolutions to approve, among other things, the proposed grant of Issue Mandate and the Scheme Mandate Limit.

Whether or not you intend to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so desire. In such event, the instrument appointing a proxy will be deemed to be revoked.

### **VOTING BY POLL**

Under Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the ordinary resolutions proposed at the SGM will also be taken by poll. A poll results announcement will be made by the Company after the SGM in accordance with Rule 13.39(5) of the Listing Rules.

### **RECOMMENDATION**

Having considered the reasons as set out herein, the Board hereby recommends the Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the grant of the Issue Mandate and the Scheme Mandate Limit.



## LETTER FROM THE BOARD

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

## NOTICE OF SPECIAL GENERAL MEETING



### PACIFIC PLYWOOD HOLDINGS LIMITED

太平洋實業控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 767)**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**SGM**”) of Pacific Plywood Holdings Limited (the “**Company**”) will be held at Units 3301–03, 33/F., West Tower Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong on Wednesday, 18 December 2013 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

#### **ORDINARY RESOLUTIONS**

1. “**THAT:**

- (a) the general mandate granted to the directors of the Company (“**Directors**”) to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 21 June 2013 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);
- (b) subject to paragraph (d) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and all other applicable laws, the exercise by the Directors during the Relevant Period (as defined in paragraph (e) below) of all the powers of the Company to allot, issue and deal with the unissued shares (“**Shares**”) in the share capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;

\* *For identification purposes only*

## NOTICE OF SPECIAL GENERAL MEETING

- (d) the aggregate nominal amount of share capital of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (b) above, otherwise than pursuant to
  - (i) a Rights Issue (as hereinafter defined in paragraph (e) below);
  - (ii) the exercise of options granted under the share option scheme or similar arrangement for the time being adopted by the Company from time to time;
  - (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company and other relevant regulations in force from time to time; or
  - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

- (e) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; or
- (iii) the date upon which the authority set out in this resolution revoked or varied by way of ordinary resolution of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

## NOTICE OF SPECIAL GENERAL MEETING

2. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Shares to be issued upon the exercise of options which may be granted under the Company’s share option scheme adopted by the Company on 12 June 2012 (the “**Share Option Scheme**”), the existing scheme mandate limit in respect of the granting of options to subscribe for Shares under the Share Option Scheme be refreshed and renewed provided that the total number of Shares which may be allotted and issued pursuant to the grant or exercises of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the shares of the Company in issue as at the date of passing this resolution (the “**Refreshed Limit**”) and that the Directors be and are hereby authorized, subject to compliance with the Listing Rules, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options and to do such acts and execute such documents for or incidental to such purpose.”

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

Hong Kong, 2 December 2013

*Registered office:*  
Canon’s Court  
22 Victoria Street  
Hamilton, HM12  
Bermuda

*Head office and principal place  
of business:*  
Unit 3301–03, 33/F  
West Tower Shun Tak Centre  
168-200 Connaught Road Central  
Sheung Wan, Hong Kong

## NOTICE OF SPECIAL GENERAL MEETING

*Notes:*

1. Any shareholder of the Company (the “**Shareholder(s)**”) entitled to attend and vote at the SGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy needs not be a Shareholder.
2. The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
3. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the SGM and in such event, the form of proxy shall be deemed to be revoked.
4. Where there are joint Shareholders, any one of such joint Shareholders may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint Shareholders be present at the SGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Shareholders of the Company in respect of the joint holding.
5. The form of proxy and (if required by the board of directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof at which the person named in the form of proxy proposes to vote or, in the case of a poll taken subsequently to the date of the SGM or any adjournment thereof, not less than 48 hours before the time appointed for the taking of the poll and in default the form of proxy shall not be treated as valid.