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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)

SUPPLEMENTARY ANNOUNCEMENT PROPOSED CHANGE IN BOARD LOT SIZE, POSSIBLE ADJUSTMENTS TO CONVERTIBLE BONDS AND UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

PROPOSED CHANGE IN BOARD LOT SIZE

In view of the value of each board lot of the Shares in 2,000 Shares trading on the Stock Exchange is expected to be decreased as a result of ex-rights under the Rights Issue, the Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 40,000 Shares with effect from 27 April 2011. In the event that the Rights Issue is not approved at the special general meeting of the Company, the board lot size of the Shares will remain unchanged. No parallel trading of the Shares and exchange of certificates will be provided.

THE PLACING

The net maximum Conversion Price is equivalent to approximately HK\$0.564 and the net minimum Conversion Price is equivalent to approximately HK\$0.08.

POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE BONDS

As a result of the Rights Issue, the conversion price of the Convertible Bonds may be adjusted in accordance with the respective terms and conditions of the Convertible Bonds and the Listing Rules or guidelines issued by the Stock Exchange from time to time. Following such adjustments, if any, the number of conversion shares fall to be issued and allotted upon exercise of the conversion rights attached to the Convertible Bonds shall exceed the number of shares permissible to be issued under the general mandate for the issue of the Convertible Bonds. The Company shall seek the Shareholders' approval at the SGM for the issuance and allotment of the conversion shares upon the conversion of the Convertible Bonds, after such adjustments.

* *For identification purpose only*

Reference is made to the announcement of the Company dated 8 March 2011 (the “**Announcement**”). Terms used herein shall have the same meanings as defined in the Announcement.

PROPOSED CHANGE IN BOARD LOT SIZE

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In order to alleviate the difficulties arising from the existence of odd lots of the Shares, the Company has procured a designated broker to arrange for the matching of the sales and purchases of odd lots of the Shares on behalf of Shareholders. Holders of odd lots of Shares who wish to take advantage of this trading facility to dispose of or top up odd lots should contact Mr. Marco Ko at telephone number: (852) 3106 3522 or fax number: (852) 3188 9838 of One China Securities Limited located at 2/F., 86 Des Voeux Road Central, Central, Hong Kong, during the period from Wednesday, 27 April 2011 to Wednesday, 18 May 2011, both dates inclusive.

Holders of Shares in odd lots should note that successful matching of the sale and purchase of odd lots of Shares will not be guaranteed. Shareholders are advised to consult their professional advisers if they are in doubt about the above procedures.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue and change in board lot size is set out below:

Event	2011 (Hong Kong time)
Expected date of despatch of the Circular and form of proxy of the SGM	not later than Monday, 28 March
Latest time for return of form of proxy for the SGM (not less than 48 hours)	9:00 a.m. on Monday, 11 April
SGM	9:00 a.m. on Wednesday, 13 April
Announcement of results of the SGM	Wednesday, 13 April
Last day of dealings in the Shares on a cum-rights basis	Thursday, 14 April
First day of dealings in the Shares on an ex-rights basis	Friday, 15 April

Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Monday, 18 April
Register of members closes (both dates inclusive)	Tuesday, 19 April to Tuesday, 26 April
Record Date	Tuesday, 26 April
Change of board lot size from 2,000 Shares to 40,000 Shares	9:00 a.m. on Wednesday, 27 April
Designated broker starts to stand in the market to provide matching service for the sale and purchase of odd lots of Shares	9:00 a.m. on Wednesday, 27 April
Register of members re-opens	Wednesday, 27 April
Prospectus Documents expected to be despatched	Wednesday, 27 April
First day of dealings in nil-paid Rights Shares	Friday, 29 April
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Wednesday, 4 May
Last day of dealings in nil-paid Rights Shares	Monday, 9 May
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Friday, 13 May
Rights Issue expected to become unconditional	Wednesday, 18 May
Designated broker ceases to stand in the market to provide matching service	Wednesday, 18 May
Announcement of results of acceptance and excess application of the Rights Shares	Friday, 20 May
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted on or before	Monday, 23 May
Certificates for the Rights Shares expected to be despatched on or before	Monday, 23 May
Dealings in fully-paid Rights Shares commence	Wednesday, 25 May

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above depend on the results of the SGM and are therefore for indicative purpose only. An announcement will be made regarding any changes to the expected timetable as and when appropriate.

THE PLACING

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UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

This statement is made at the request of the Stock Exchange.

The Board has noted the recent increases on the price and trading volume of the Shares and wishes to state that the Board is not aware of any reasons for such increases.

The Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, 14 March 2011

As at the date of this announcement, the executive Directors are Mr. Liang Jian Hua (Chairman), Mr. Huang Chuan Fu (Deputy Chairman), 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.