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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)**

### **EXTENSION OF MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED INVESTMENT**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

#### **EXTENSION OF THE MOU**

Reference is made to the announcement of the Company dated 28 July 2011 (the “**Announcement**”) in relation to the MOU regarding the Proposed Investment in the Forest. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Announcement. The MOU shall remain in full force until 28 October 2011 or such longer period as the Parties may mutually agree to in writing.

As additional time is required for the due diligence review, the Parties have agreed to enter into the supplemental memorandum of understanding (the “**Supplemental MOU**”) on 31 October 2011 to extend the Term.

Under the Supplemental MOU, the Term is extended to 28 January 2012 (or such longer period as the Parties may mutually agree to in writing) unless the Company gives a written notice to the Vendors and the Guarantor of its intention to abandon further negotiations, or until superseded by the execution of Formal Agreement in relation to the transaction contemplated hereunder, whichever is the earlier.

Save for the abovementioned, all other terms of the MOU will remain unchanged and continue to be in full force and all the respective obligation, covenants and/or undertakings of the Parties under the MOU shall remain in full force and effect and where applicable, be binding on the Parties.

#### **CURRENT STATUS OF THE PROPOSED INVESTMENT**

Currently, the Company has appointed its financial adviser, legal advisers and valuer to carry out the necessary due diligence exercises relating to the Target Company and its subsidiary. In the event that the relevant preliminary due diligence results are satisfactory to the Company, the Company will enter into the Formal Agreement with the Vendors for the acquisition of the Target Company. To ensure that the operations of I-Sky will run smoothly after the completion of the said possible

acquisition, the Company is in negotiation with a PRC corporation with wealthy forestry experiences for a strategic alliance cooperation for the operating and management of the Forest. The said PRC corporation will allocate suitable expertise on providing advices to the Board on the operating and management of the Forest and arrange skilled labour for the development of the Forest. Further announcement will be made in relation to such 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 agreed. As the Proposed Investment may or may not proceed, investors and Shareholders are advised to exercise caution when dealing in the Shares. Further announcement in respect of the Proposed Investment will be made by the Company should any Formal Agreement be entered into as and when appropriate in accordance with the Listing Rules.**

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

Hong Kong, 31 October 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.*

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*