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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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “**SGM**”) of the shareholders of Pacific Plywood Holdings Limited (the “**Company**”) will be held on Monday, 19 March 2012 at 10:00 a.m. (or immediately after the conclusion of the special general meeting of the Company which is scheduled to be held on the same day at 9:00 a.m.) at Joint Professional Centre, Unit 1, G/F., The Center, 99 Queen’s Road Central, Hong Kong for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) dated 2 December 2011 (a copy of which has been produced to the SGM marked “**A**” and signed by the Chairman of the SGM for the purpose of identification) and entered into between the Company and China Longjiang Forest Industry (Group) General Corporation (“**Longjiang**”) in relation to the development and management of the forest in the Project Area (as defined in the circular of the Company dated 29 February 2012 (the “**Circular**”)) and the transactions contemplated thereunder, including but not limited to the grant of the option (the “**Longjiang Option**”) to Longjiang to subscribe for new ordinary shares (each a “**Share**”) of the Company, be and are hereby approved, confirmed and ratified;
- (b) the grant of specific mandate to the directors (the “**Directors**”) of the Company for the allotment and issue of new Shares (the “**Longjiang Option Shares**”) from time to time upon the exercise of the rights attaching to the Longjiang Option in accordance with the terms and conditions of the Strategic Cooperation Agreement be and are hereby approved; and

* *For identification purpose only*

- (c) any one or more of the Directors be and is/are hereby authorized to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Strategic Cooperation Agreement and the transactions contemplated thereunder.”

2. **“THAT**

- (a) the agent agreement (the **“Agent Agreement”**) (a copy of which has been produced to the SGM marked **“B”** and signed by the Chairman of the SGM for the purpose of identification) dated 2 December 2011 and entered into between the Company and Jia Run Investments Limited (the **“Agent”**) in relation to the assistance and procurement to be rendered by the Agent in the entering into of the Strategic Cooperation Agreement and the development and exploitation of the forest in the Project Area (as defined in the Circular) and the transactions contemplated thereunder, including but not limited to the grant of the option (the **“Agent Option”**) to the Agent to subscribe for new Shares, be and are hereby approved, confirmed and ratified;
- (b) the grant of specific mandate to the Directors of the Company for the allotment and issue of new Shares (the **“Agent Option Shares”**) from time to time upon the exercise of the rights attaching to the Agent Option in accordance with the terms and conditions of the Agent Option be and are hereby approved; and
- (c) any one or more of the Directors be and is/are hereby authorized to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Agent Agreement and the transactions contemplated thereunder.”

3. **“THAT**

- (a) the sale and purchase agreement (the **“Agreement”**) (a copy of which has been produced to the SGM marked **“C”** and signed by the Chairman of the SGM for the purpose of identification) dated 2 December 2011 and entered into among Century Praise Limited (the **“Purchaser”**) as purchaser, Able Famous Limited and Peak Sino Limited as vendors and Ms. To Yuk Fung as guarantor in relation to the acquisition by the Purchaser of 30% of entire issued shares capital of Profit Grand Enterprises Limited (the **“Target Company”**) at a total consideration of HK\$310 million and the transactions contemplated thereunder, including but not limited to the entering into of the Option Deed and the Shareholders’ Agreement (both as defined in the Circular) be and are hereby approved, confirmed and ratified;
- (b) the issue by the Company of the bonds (the **“Bonds”**) in the aggregate principal amount of HK\$33,000,000 to the Vendors and/or their respective nominee(s) pursuant to the terms and conditions of the Agreement be and are hereby approved;

- (c) the grant of specific mandate to the Directors of the Company for the allotment and issue of new Shares (the “**Conversion Shares**”) from time to time upon the exercise of the conversion rights attaching to the Bond(s) be and are hereby approved;
- (d) the issue by the Company of the promissory note (the “**Promissory Note**”) in the aggregate principal amount of not more than HK\$250,000,000 to the Vendors and/or their respective nominee(s) pursuant to the terms and conditions of the Agreement be and are hereby approved; and
- (e) any one or more of the Directors be and is/are hereby authorized to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 29 February 2012

Registered office:
Canon’s Court
22 Victoria Street
Hamilton, HM 12
Bermuda

*Head office and principal place
of business in Hong Kong:*
Units 3301–3303, 33/F.
West Tower Shun Tak Centre
168–200 Connaught Road Central
Sheung Wan, Hong Kong

Notes:

- (1) A member of the Company entitled to attend and vote at the special general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the special general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member of the Company from attending in person and voting at the special general meeting or any adjournment thereof should he/she so wish.
- (3) Completion and return of an instrument appointing a proxy should not preclude a member of the Company from attending and voting in person at the meeting and/or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

- (4) As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolutions will be decided by way of poll.

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, Mr. Jiang Yi Ren, the non-executive Director is Mr. Chan Kin Sang, and the independent non-executive Directors are Mr. Cheng Po Yuen, Mr. Wong Chun Hung and Mr. Li Sui Yang.

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