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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 a special general meeting (the “**SGM**”) of Pacific Plywood Holdings Limited (the “**Company**”) will be held at Units 3301–3303, 33/F., West Tower Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong on Friday, 7 September 2012 at 9:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendment:

ORDINARY RESOLUTIONS

1. “**THAT**, conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Consolidated Shares (as defined below), with effect from the day following the day of passing of this resolution by the shareholders of the Company:
 - (a) every eight (8) existing shares of par value of HK\$0.01 each in the issued and unissued share capital of the Company be consolidated into one (1) share of par value of HK\$0.08 (the “**Consolidated Share(s)**”) (the consolidation of the issued and unissued shares in the manner described, the “**Share Consolidation**”); and
 - (b) any one director of the Company (the “**Director**”) be and is authorised to approve, sign and execute such documents and take any and all steps, and to do and/or procure to be done any and all acts and things which in his/her opinion may be necessary, desirable or expedient to implement and carry into effect this resolution.”

* For identification purposes only

2. “THAT

- (a) subject to and conditional upon (i) the passing of the resolutions numbered 1, 3 and 4 as set out in this notice; (ii) fulfillment or waiver (as applicable) of the conditions of the Underwriting Agreement (as defined below); (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Bonus Shares (as defined below); and (iv) the Underwriting Agreement not being terminated in accordance with its terms, the Rights Issue (as defined below) and the transactions contemplated thereunder be and are hereby approved;

For the purpose of this resolution, “Rights Issue” means the proposed issue by way of right of not less than 342,412,634 new Consolidated Shares and not more than 435,653,664 new Consolidated Shares (the “**Rights Shares**”) at a subscription price of HK\$0.56 per Rights Share to the qualifying shareholders (the “**Qualifying Shareholders**”) of the Company whose names appear on the register of members of the Company at the date by reference to which entitlement under the Rights Issue will be determined (other than those shareholders (the “**Non-Qualifying Shareholders**”) with addresses on the register of members of the Company are outside Hong Kong whom the Directors, after making enquiries, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) on the basis of two (2) Rights Shares for every one (1) Consolidated Share held and otherwise pursuant to and subject to the fulfillment of the conditions set out in the underwriting agreement (the “**Underwriting Agreement**” including all supplemental agreements relating thereto) (a copy of which will be produced to the SGM and marked “A” and initialed by the chairman of the SGM for the purpose of identification) dated 6 July 2012 and entered into among the Company, Allied Summit Inc. (“**Allied Summit**”) and Kingston Securities Limited (“**Kingston Securities**”) (Allied Summit and Kingston Securities collectively defined as the “**Underwriters**”);

- (b) any Director be and is hereby authorised to allot and issue the Rights Shares pursuant to and in connection with the Rights Issue notwithstanding that (a) the Rights Shares may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors be and are hereby authorised to make such exclusions or other arrangements in relation to fractional entitlements and/or Non-Qualifying Shareholders as they deem necessary, desirable or expedient having regard to any restrictions or obligations under the Bye-laws of the Company (the “**Bye-laws**”) or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and (b) the Rights Shares which would otherwise have been made available for application by the Qualifying Shareholders or the Non-Qualifying Shareholders (as the case may be) will be made available for subscription under forms of application for excess Rights Shares;

- (c) the entering into the Underwriting Agreement by the Company be and is hereby approved, confirmed and ratified and the performance of the transactions contemplated thereunder by the Company (including but not limited to the arrangements for taking up of the underwritten Rights Shares, if any, by the Underwriters) be and are hereby approved;
- (d) any Director be and is hereby authorised to sign and execute such documents and do all such acts and things incidental to the Rights Issue or as he/she considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder;
- (e) the issue (the “**Bonus Issue**”) of new Consolidated Shares (the “**Bonus Shares**”), credited as fully paid, to the first registered holder of the Consolidated Shares on the basis of five (5) Bonus Shares for every one (1) Rights Share taken up under the Rights Issue be and is hereby approved;
- (f) any Director be and is hereby authorised to allot and issue the Bonus Shares pursuant to or in connection with the Bonus Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro-rata to the existing shareholders of the Company and, in particular, the Directors be and are hereby authorised to make such exclusion or other arrangements in relation to fractional entitlements or Non-Qualifying Shareholders as they deem necessary, desirable or expedient having regard to any restrictions or obligations under the Bye-laws or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and
- (g) any Director be and is hereby authorised to sign and execute such documents and do all such acts and things incidental to the Bonus Issue (including the appropriation of such sum from the Company’s reserve accounts or funds or credits of the profits and loss account in paying up in full the Bonus Shares) or as he/she considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Bonus Issue and the transactions contemplated thereunder.”

3. “**THAT**

- (a) the waiver (the “**Whitewash Waiver**”) granted or to be granted by the executive director (the “**Executive Director**”) of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director to Allied Summit pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) in respect of the obligation on the part of Allied Summit to make a mandatory general offer for all the securities of the Company other than those already owned or agreed to be acquired by Allied Summit and the parties acting in concert with it under Rule 26 of the Takeovers Code, as a result of Allied Summit being called upon by the Company to subscribe or procure subscription for the Untaken Shares (as defined in the Underwriting Agreement) pursuant to the obligations under the Underwriting Agreement be and is hereby approved; and

- (b) any one Director be and is hereby authorized to do all acts, deeds and things and to sign and execute all documents as he/she may, at his/her absolute discretion, deem necessary, desirable or expedient to carry out or to give effect to any matters relating to or in connection with the Whitewash Waiver.”

SPECIAL RESOLUTION

4. “**THAT** the existing Bye-laws be and are hereby amended by deleting the existing Bye-Law 140(A) in its entirety and substituting therefor the following new Bye-Law 140(A):

“140. (A) The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the shareholders or any class of shareholders who would be entitled thereto if it were distributed by way of dividend, and in the same proportions or such other proportions as approved by the Company by way of an ordinary resolution, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Bye-law, a share premium account and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Act.”

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

Hong Kong, 14 August 2012

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 need not be a Shareholder.
- (2) The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised 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 Shareholder 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 of the Company) 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 Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, 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.

As at the date of this announcement, the Directors 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.