

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of members of Pacific Plywood Holdings Limited (the “Company”) will be held at Aberdeen, Level 3, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Monday, 28th June, 2004 at 9:30 a.m. for the following purposes:–

ORDINARY BUSINESS

1. To receive and consider the audited accounts and the Directors’ report and auditors’ report for the year ended 31st December, 2003.
2. To elect Directors and to fix their remuneration.
3. To appoint auditors and to authorize the board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, pass the following resolution as ordinary resolution:–
 - (A) “THAT:–
 - (i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements, warrants and options which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;
 - (ii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in sub-paragraph (i) of this resolution, otherwise than pursuant to a Rights Issue or the exercise of subscription or conversion rights under any warrants of the Company or any securities which are convertible into shares of the Company or any share option scheme, shall not exceed twenty per cent of the nominal amount of the issued share capital of the Company on the date of this resolution and this approval shall be limited accordingly; and

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(iii) for the purposes of this resolution:–

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) 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; and
- (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares 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 restriction or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

(B) “THAT:–

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company, subject to and in accordance with all applicable laws and the Bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the share capital which the Company is authorized to repurchase pursuant to the approval in paragraph (i) above shall not exceed ten per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and
- (iii) for the purposes of this resolution:–

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

- (a) the conclusion of the next annual general meeting of the Company;

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- (b) 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; and
 - (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.”
- (C) “THAT conditional upon resolution no. 4(B) above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no. 4(B) above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to resolution no. 4(A) above.”
5. To consider and, if thought fit, pass the following resolution as special resolution:–
- “THAT the Bye-Laws of the Company be amended as follows:
- (a) By deleting the existing definition of “associates” in Bye-Law I(A) in its entirety and replacing therewith the following new definition of “associate”:

“associate” shall have the meaning attributed to it in the rules of the relevant board of the stock exchange in the Relevant Territory
 - (b) By adding the following new definition immediately after the definition for “HK\$” in Bye-Law I(A):

“Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China
 - (c) By deleting the words “a recognised clearing house within the meaning of Section 2 of the Securities and futures (Clearing Houses) Ordinance of Hong Kong or” from the definition of “Clearing House” in Bye-Law I(A)
 - (d) By deleting the existing Bye-Law 70 in its entirety and replacing therewith the following new Bye-Law 70:

“70. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required under the rules of the relevant board of the stock exchange in the Relevant Territory or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

 - (i) by the Chairman of the meeting; or

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- (ii) by at least three shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any shareholder or shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (iv) by any shareholder or shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferred that right.

Unless a poll be so required or so demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.”

- (e) By deleting the existing Bye-Law 71 in its entirety and replacing therewith the following new Bye-Law 71:

“71. If a poll is required or demanded as aforesaid, it shall (subject as provided in Bye-Law 72) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was so required or demanded as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. The demand for a poll (but not the requirement for a poll under the rules of the relevant board of the stock exchange of the Relevant Territory) may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is the earlier.”

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- (f) The existing Bye-Law 80(B) be re-numbered as Bye-Law 80(C) and the following new Bye-Law 80(B) be inserted immediately after Bye-Law 80(A):

“(B) Where any shareholder is, under the rules of the relevant board of the stock exchange in the Relevant Territory, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.”

- (g) By deleting the existing Bye-Law 98(H) in its entirety and replacing therewith the following new Bye-Law 98(H):

“(H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving by the Company of any security or indemnity to the Director or his associate(s) in respect of money lent or obligations undertaken by him or any of his associates for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part or whether alone or jointly guaranteed or secured in whole or in part;
- (iii) any contract or arrangement concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase whether the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;

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- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested directly or indirectly whether as an officer or a shareholder in which the Director and any of his associates are not in aggregate owns five per cent. or more of the issued shares of any class of the equity share capital of such company or of the voting rights of any class of shares of such company (or of any third party through which his interest or that of any of his associate(s) is derived) or of the voting rights;
 - (vi) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to Director or his associate(s) and employees of the Company or of any of its subsidiaries and does not give the Director or his associate(s) any privilege not accorded generally to the class of persons to whom such scheme or fund relates; or
 - (vii) any proposal concerning the adoption, modification or operation of any employees' share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of, the employees of the Company or its subsidiaries under which the Director or his associate(s) may benefit.”
- (h) By substituting the existing Bye-Law 98(I) with the following new Bye-Law 98(I):–
- “(I) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.”
- (i) By substituting the existing Bye-Law 98(J) with the following new Bye-Law 98(J):–
- “(J) A Director or his associate(s) shall be deemed materially interested in a transaction if a company in which a Director or his associate(s) own five per cent. or more of its issued shares or other securities is interested in such transaction.”

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- (j) By substituting the existing Bye-Law 98(K) with the following new Bye-Law 98(K):

“(K) Any question arising at any meeting of the Board as to the materiality of the interest of a Director or as to the entitlement of any Director to vote shall be referred to the Chairman of the meeting and his ruling shall be final and conclusive, whereas any question as aforesaid arising in respect of the Chairman of the meeting shall be decided by a resolution of the Board for which purpose such Chairman shall not be counted in the quorum nor shall he vote thereon and such resolution shall be final and conclusive.”

- (k) By inserting the following words immediately after the words “if their number is nearest to one-third” on the fourth line of Bye-Law 99:

“, or such other manner of rotation as may be required by the rules and regulations or codes as may be prescribed by the relevant board of the stock exchange or the applicable regulatory authority in the Relevant Territory from time to time”.

- (l) By inserting the words “by a shareholder” after the words “unless notice in writing” appearing in the fourth line and by deleting the words “at least seven days before the date of the general meeting” in Bye-Law 103 and replacing therewith the following proviso:

“provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.””

By Order of the Board

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Chairman

Hong Kong, 15th April, 2004