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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)**

**ANNOUNCEMENT**

This is a voluntary announcement by the Company.

The Board is pleased to announce that on 24 May 2011, the Company has adopted a treasury policy in relation to proposed securities investments by the Company with regard to their proper monitoring and risk control. The Group shall engage in securities investments as one of its principal business activities. The securities investment will principally comprise of securities from companies listed on the Stock Exchange. The securities investments will be held for short term trading purpose. It is intended that the securities investments will provide the Group with a reasonable dividend yield as well as capital appreciation at an acceptable level of risk utilizing the surplus cash in hand.

The Board is of the view that engaging in securities investments enables the Group to diversify its business scope with a view to achieve better Shareholder's return and is in the interest of the Company and the Shareholders as a whole.

**DEFINITIONS:**

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	board of Directors
“Company”	Pacific Plywood Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 24 May 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.*

*\*For identification purpose only*