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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)

RE-DESIGNATION OF DIRECTOR AND APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

RE-DESIGNATION OF DIRECTOR

The Board wishes to announce that Mr. Chan, an independent non-executive Director, a member of the audit committee and the remuneration committee of the Company, has been re-designated as a non-executive Director with effect from 16 December 2011 and henceforth ceased to be a member of the audit committee and the remuneration committee of the Company with effect from 16 December 2011.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board wishes to announce that Mr. Li has been appointed as an independent non-executive Director, a member of the audit committee and the remuneration committee of the Company with effect from 16 December 2011.

RE-DESIGNATION OF DIRECTOR

The Board wishes to announce that Mr. Chan Kin Sang (“**Mr. Chan**”), an independent non-executive Director, a member of the audit committee and the remuneration committee of the Company, has been re-designated as a non-executive Director with effect from 16 December 2011 and henceforth ceased to be a member of the audit committee and the remuneration committee of the Company with effect from 16 December 2011.

Mr. Chan has also confirmed that he has no dispute with the Board and there was no matter in relation to his re-designation as a non-executive Director which should be brought to the attention of the Shareholders.

* *For identification purpose only*

Mr. Chan, aged 60, is currently the sole proprietor of Messrs. Peter K. S. Chan & Co., Solicitor and Notaries. He joined the Group since 22 April 2010. He has been a practicing solicitor in Hong Kong since 1982. Mr. Chan graduated from the University of Hong Kong with a Bachelor of Law degree in 1979. He was admitted as a Notary Public in 1997 and as a China-appointed Attesting Officer in 2000. He is currently a Fellow of the Hong Kong Institute of Directors. Mr. Chan currently acts as an independent non-executive director of two listed companies in Singapore, namely, Luxking Group Holdings Limited and People's Food Holdings Limited. He also acts as a non-executive director of Pan Hong Property Group Limited, a listed company in Singapore. Mr. Chan also acts as an independent non-executive director of China Precious Metal Resources Holdings Co., Limited (Stock Code: 1194) and International Taifeng Holdings Limited (Stock Code: 873) which are both listed on the Main Board, and acts as a non-executive director of Mayer Holdings Limited (Stock Code: 1116), Combest Holdings Limited (Stock Code: 8190) and United Pacific Industries Limited (Stock Code: 176), among which Mayer Holdings Limited and United Pacific Industries Limited are listed on the Main Board while Combest Holdings Limited is listed on the GEM. Mr. Chan was formerly an independent non-executive director of Sunray Holdings Limited which is listed in Singapore, New Smart Energy Group Limited (Stock Code: 91) and Dynamic Energy Holdings Limited (Stock Code: 578) which are both listed on the Main Board.

Save as disclosed herein, Mr. Chan did not hold other directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other positions with the Company or other members of the Group.

There is no service contract between the Company and Mr. Chan. Mr. Chan will be entitled to receive a director's fee of HK\$600,000 per annum which is determined with reference to the prevailing market rate and his duties and responsibilities in the Company. Pursuant to the Company's bye-laws, Mr. Chan will retire and be eligible for re-election at the next annual general meeting. Thereafter, he will be subject to retirement by rotation and re-election in accordance with the Company's bye-laws.

As at the date of this announcement, Mr. Chan did not have or was not deemed to have any interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As far as the Board is aware, Mr. Chan does not have any relationships with any other directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board wishes to announce the appointment of Mr. Li Sui Yang (“**Mr. Li**”) as an independent non-executive Director, a member of the audit committee and the remuneration committee of the Company with effect from 16 December 2011.

Mr. Li, aged 54, holds a master's degree of economic administration from North-west China University. Prior to that, he was a lecturer at Xian Statistics College. He also had vast experience in retail, real estate and electronics industry in the PRC. Mr Li is an executive director and the chief executive officer of Jian ePayment Systems Limited (Stock Code: 8165), which is listed on the GEM.

Save as disclosed herein, Mr. Li did not hold other directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years and does not hold any other positions with the Company or other members of the Group.

There is no service contract between the Company and Mr. Li. Mr. Li will be entitled to receive a director's fee of HK\$100,000 per annum which is determined with reference to the prevailing market rate and his duties and responsibilities in the Company. Pursuant to the Company's bye-laws, Mr. Li will retire and be eligible for re-election at the next annual general meeting. Thereafter, he will be subject to retirement by rotation and re-election in accordance with the Company's bye-laws.

As at the date of this announcement, Mr. Li did not have or was not deemed to have any interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As far as the Board is aware, Mr. Li does not have any relationships with any other directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

As confirmed by Mr. Li that he met the independence criteria as set out in Rule 3.13 of the Listing Rules and as far as the Board is aware, they have no information to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to his appointment that need to be brought to the attention of the shareholders of the Company.

The Board would like to extend its warmest welcome to Mr. Li for joining the Board.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Board”	the board of Directors
“Company”	Pacific Plywood Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“PRC”	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 Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 16 December 2011

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.