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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)**

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS  
AND  
RESUMPTION OF TRADING**

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Directors**”) (the “**Board**”) of Pacific Plywood Holdings Limited (the “**Company**”) has noted the increase on the price and trading volume of the shares of the Company today and wishes to state that the Board is not aware of any reasons for such movements.

The Company is currently in negotiation on a possible acquisition of shares of a listed company in Hong Kong, which may constitute a notifiable transaction for the Company. However, the Company has not entered into any legally binding agreement or contract in relation to such acquisition. The Board however wishes to emphasize that the aforementioned acquisition is subject to, among other things, the signing of the formal agreement. As the aforementioned acquisition may or may not proceed, investors and shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. If the Company proceeds with the aforementioned acquisition, further announcement in respect of the acquisition will be made by the Company as and when appropriate in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

As disclosed in the announcement, circular and listing document of the Company dated, 8 March 2011, 28 March 2011 and 27 April 2011 respectively, the Rights Issue becomes unconditional at 4:30 p.m. on Wednesday, 18 May 2011. Further announcement in relation to the results of the Rights Issue will be published on Friday, 20 May 2011. According to the announcement of the Company dated 16 May 2011, the Placing Agreement regarding the issue of the Placing Convertible Notes has been completed on 16 May 2011 and the relevant conversion notices of the Placing Convertible Notes have been received from the subscribers.

Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23, of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 19 May 2011.

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

Hong Kong, 18 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*