

General Announcement

Reference No **CC-100824-60244**

Company Name : **CYMAO HOLDINGS BERHAD**
Stock Name : **CYMAO**
Date Announced : **24/08/2010**

Type : **Announcement**

Subject : **INCORPORATION OF A NEW SUBSIDIARY COMPANY "HANSWOOD CORPORATION"**

Contents :
The Board of Directors' of Cymao Holdings Berhad ("Cymao") or the "Company") is pleased to announce that Cymao had received an approval on 19 August 2010 from the relevant authorities in Taiwan, Republic of China to incorporate a new company. Pursuant thereto, the new company was incorporated on 20 August 2010 under the name "Hanswood Corporation" ("HWC").

Announcement
Details :

Information on HWC

HWC (Registration No. 53085463) was incorporated as a wholly-owned foreign enterprise under the laws and regulations of the Taiwan. HWC is a limited company with the authorized share capital of NT\$60 million comprising of 6 million ordinary shares of NT\$10 each of which NT\$25 million divided into 2.5 million ordinary shares of NT\$10 each (equivalent to USD0.79 million) have been issued and fully paid.

The intended business activity of HWC is to produce blockboard products and its business address is situated at No. 127 Wan-Tan 2 Road, Wan-Tan Township, Ping Tung County, Taiwan.

Rationale

The principal activities of Cymao Group are manufacturing and sale of veneer, plywood, decorative plywood, engineering wood flooring, layon and wooden musical component, trading of decorative plywood and timber logging concessionaire. At present, the Cymao Group's annual plywood production is 180,000m³.

The rationale of incorporation on this new subsidiary is to further expand Cymao Group's wood manufacturing base and tap into the local market in Taiwan. The new subsidiary, HWC is expected to contribute an annual production capacity of 60,000m³ of blockboard products to the Cymao Group's capacity. The Group intended to take advantage of the efficient infrastructure facilities available in Taiwan and subsequently expand its market worldwide.

Effects on Cymao

The incorporation of HWC will not have any effect on the share capital and shareholding structure of Cymao. Furthermore, it will not have any material effect on the net assets and earnings of the Cymao Group for the current financial year ending 31 December 2010.

Cymao will fund 100% of the issued and paid-up share capital of HWC totaling USD0.79 million by internally generated funds.

Directors' and Substantial Shareholders' Interest

None of the Directors, substantial shareholders of Cymao and/or any persons connected with them have any interest, whether direct or indirect, in HWC.

This announcement is dated 24 August 2010.