



## **PACIFIC PLYWOOD HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 767)**

### **NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a special general meeting of Pacific Plywood Holdings Limited (the “Company”) will be held at 10:30 a.m. on Wednesday, 19 July 2006 at Taishan Room, Island Shangri-la Hotel, Level 5, Pacific Place, Supreme Court Road, Hong Kong for the purpose of considering and, if thought fit, passing the following Resolutions numbered 1 as a special resolution, and numbered 2 and 3 as ordinary resolutions of the Company:

#### **SPECIAL RESOLUTION**

1. **“THAT** subject to the fulfillment of all the conditions set out in the section headed “Conditions of the Capital Reorganization” in the circular of the Company dated 23 June 2006 (the “**Circular**”), a copy of which has been produced to the meeting marked “A” and initialed by the Chairman for the purpose of identification, and with effect from

9:30 a.m. on Thursday, 20 July 2006 being the next business date (not being a Saturday and Sunday) following the date on which this resolution is passed (the “**Effective Date**”):

- (a) every ten (10) issued and unissued shares of HK\$0.025 each in the share capital of the Company be consolidated into one (1) share of HK\$0.25 (the “**Consolidated Share**”) in the share capital of the Company (the “**Share Consolidation**”), and any fractional entitlements to the then issued Consolidated Shares resulting from the Share Consolidation shall be aggregated and sold in the form of Consolidated Shares for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit;
- (b) subject to and forthwith upon the Share Consolidation taking effect, the issued share capital of the Company be reduced by canceling the paid up capital to the extent of HK\$0.225 on each then issued Consolidated Share on the Effective Date such that the nominal value of all the issued Consolidated Shares will be reduced

from HK\$0.25 to HK\$0.025 each (the “**New Share**”) resulting in the reduction of issued share capital of the Company from HK\$139,522,431 to HK\$13,952,243 (the “**Capital Reduction**”);

- (c) subject to and forthwith upon the Capital Reduction taking effect, each of the authorized but unissued Consolidated Shares in the capital of the Company be sub-divided into ten (10) shares of HK\$0.025 each (“the “**Subdivision**”);
- (d) subject to and forthwith upon the Capital Reduction and the Subdivision taking effect, the entire amount standing to the credit of the share premium account of the Company as at 31 December 2005 (approximately HK\$707,086,000) be reduced to nil (the “**Share Premium Cancellation**”); and
- (e) the credits arising from the Capital Reduction and the Share Premium Cancellation be transferred to the contributed surplus account of the Company where it will be utilized by the Directors in the best interests of the Company in accordance with the

Bye-laws of the Company and all applicable laws, including towards application thereafter against the accumulated losses of the Company as at 31 December 2005 (the “**Credit Application**”); and

- (f) the Directors be and are hereby authorised to do all things and acts and sign all documents which they consider necessary, desirable, or expedient in connection with the implementation of the Share Consolidation, the Capital Reduction, the Subdivision, the Share Premium Cancellation (collectively, the “**Capital Reorganization**”) and the Credit Application.”

## **ORDINARY RESOLUTIONS**

2. “**THAT**, subject to the passing of Resolutions numbered 1 and 3 and the fulfilment of other conditions in the Underwriting Agreement as defined in the Circular, a copy of which has been tabled at the meeting and initialed by the Chairman for the purpose of identification marked “B”:
- (a) the issue by way of open offer (the “**Open Offer**”) of 558,089,724 New Shares of HK\$0.025 each in the capital of the Company upon the

Capital Reorganization (as defined in special resolution No. 1 in the notice of the meeting which this resolution forms part) becoming effective (the “**Offer Shares**”) to those shareholders of the Company whose names appear on the register of members of the Company at the close of business on a date to be fixed by the Directors (the “**Record Date**”), other than Excluded Shareholders (as defined in the Circular which is referred to in Resolution Numbered 1 in the notice of the meeting which this resolution forms part) in the proportion of one (1) Offer Share for every one (1) New Share then held on the Record Date at the subscription price of HK\$0.025 per Offer Share and on the terms and conditions as set out in the Circular, be and is hereby approved;

- (b) the Underwriting Agreement (as defined in the Circular) be and is hereby approved, confirmed and ratified and any Director be and is hereby authorised to do such acts or execute such other documents which may be necessary, desirable or expedient in his opinion to carry into effect or to give effect to the terms of the Underwriting Agreement; and

- (c) the Directors be and are hereby authorised to do all such acts and things and execute all such documents which in their opinion may be necessary, desirable or expedient to carry out or give effect to any or all the transactions contemplated in this resolution and the Circular.”
3. “**THAT**, subject to the passing of Resolution numbered 2 and the fulfilment of other conditions in the Underwriting Agreement as defined in the Circular, there be and is no facility for excess applications for the assured allotments of Offer Shares by Qualifying Shareholders (as defined in the Circular) in the Open Offer according to the terms of the Open Offer as set out in the Underwriting Agreement and the Circular.”

By Order of the Board  
**Pacific Plywood Holdings Limited**  
**Mr. Sardjono Widodo**  
*Managing Director*

Hong Kong, 23 June 2006

*Head office and Principal place of business in Hong Kong:*

Room 1802, 88 Gloucester Road  
Wanchai, Hong Kong

*Registered Office:*  
Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Notes:*

- (1) A form of proxy for use at the meeting is enclosed herewith.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing, or if the appointer is a corporation, either executed under its common seal or under the hand of any officer, attorney or other person authorized to sign the same.
- (3) Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (4) To be valid, the form of proxy together with any power of attorney or other authority under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time appointed for holding the meeting.
- (5) Completion and return of the form of proxy will not preclude members from attending and voting at the special general meeting or any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.

- (6) Where there are joint registered holders of any share(s), any one of such joint holders may attend and vote at the meeting, either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting or any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

*As at the date of this announcement, the Board comprises 4 executive directors, namely Dr. Budiono Widodo, Mr. Sardjono Widodo, Mr. Liao Yun Kuang, Mr. Yu Chien Te, 3 non-executive directors, namely Mr. Chen Chung I, Mr. Pipin Kusnadi and Mr. Sudjono Halim and 3 independent non-executive directors namely Mr. Marzuki Usman, Mr. Kusnadi Widjaja and Mr. Ngai Kwok Chuen.*