



PACIFIC PLYWOOD HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 767)

NOTICE OF SPECIAL GENERAL MEETING

Notice is hereby given that the Special General Meeting of the Company will be held at Taishan Room, Island Shangri-la Hotel, Level 5, Pacific Place, Supreme Court Road, Hong Kong on Wednesday, 19 July 2006 at 10:00 a.m. for the following purposes:—

SPECIAL RESOLUTIONS

To consider and approve the following by way of a special resolution:

“THAT the existing Bye-laws of the Company be and are hereby amended as follows:—

- (I) by the insertion of the following before the definition of “Head Office” in existing Bye-law 1(A):
“the Executive Committee” shall mean the executive committee established pursuant to Bye-law 123;”;
- (II) by the deletions of the word “that” after the words “general meeting of which not less” and “being a majority together holding not less” in existing Bye-law 1(C) and substitutions therefor the word “than”;
- (III) by the insertion of the following at the end of Bye-law 3:
“Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may

from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all shareholders alike.”;

- (IV) by the deletion of the existing Bye-law 40(i) in its entirety and substitution therefor the following as new Bye-law 40(i):

“a fee of such maximum sum as the Clearing House may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;”;

- (V) by the deletion of the existing Bye-law 84 in its entirety and substitution therefor the following as new Bye-law 84:

“Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, as it thinks fit, send out with the notice of any general meeting forms of instrument of proxy for use at such general meeting.”;

- (VI) by the deletion of the words “or suspends payment or compounds with his creditors generally” in the existing Bye-law 97(A)(i) and the deletion of the word “a Special” in the existing Bye-law 97(A)(vi) and substitution therefor the word “an Ordinary”;

- (VII) by the deletion of the words “save any Director holding office as Chairman or Managing Director” in the first sentence of the existing Bye-law 99;

- (VIII) by the deletions of the word “Special” after the words “The Company may by” in existing Bye-law 104 and after the words “Power to remove Directors by” in the existing margin note to Bye-law 104 and substitution therefor the word “Ordinary” and by the insertion of the following at the end of the existing Bye-law 104:

“Notwithstanding any other provision in these Bye-laws, the Board shall have the power to remove a Director at any time before the expiration of his period of office and such power may be delegated to the Executive Committee established under Bye-law 123”;

(IX) by the insertion of the phrase “Executive Committee” at the end of the existing margin note to Bye-law 123 and the insertions of the phrase “(A)” at the beginning of the existing Bye-law 123 and the following at the end thereof:

“(B) Unless otherwise determined by all the Directors, the Board shall establish an Executive Committee which shall have responsibility for the management and administration of the business of the Company and any matters which are within the ordinary course of the Company’s business under the control and supervision of the Board and in accordance with the provisions of these Bye-laws.

(C) The members of the Executive Committee shall be the executive Directors, unless otherwise removed pursuant to these Bye-laws. No change shall be made to the composition of the Executive Committee except with the approval, by way of an ordinary resolution, of the Board. The Chairman of the Board shall be the Chairman of the Executive Committee. A list of the members of the Executive Committee from time to time shall be maintained by the Secretary on behalf of the Company. Removal of any member from the Executive Committee shall be approved by the Board.

(D) The Company shall not carry out, conduct or engage in, or enter into any agreement in respect of, any of the activities or transactions described below, without the approval in writing of three-fourths of the members of the Executive Committee:

- (i) (a) any incurrence of indebtedness, making of loan or advance of money to any person (other than a subsidiary of the Company) or the giving of any guarantee in respect of the indebtedness of any person (other than a subsidiary of the Company) or the entering into any contract or arrangement to effect any of the foregoing;
 - (b) any incurrence of indebtedness, making of loan or advance of money to a subsidiary of the Company or the giving of any guarantee in respect of, in each case, the indebtedness of any subsidiary of the Company, in each case, in an amount in excess of HK\$1,000,000 or the entering into any contract or arrangement to effect any of the foregoing;
- (ii) any purchase or acquisition of any business or assets or any shares or interests in any company or carry out any transaction of an investment nature, in each case, having a value in excess of HK\$1,000,000 or the entering into any contract or arrangement to effect any of the foregoing;
- (iii) the creation or any attempt to create or having outstanding any encumbrances on or over any of the assets of the Company or the entering into any contract or arrangement to effect any of the foregoing;
- (iv) (a) any disposal of any interest in any subsidiary or associated company of the

Company or the entering into any contract or arrangement to effect the foregoing or entering into any onerous or material contracts of or incur any obligations of a material nature or which may result in any material change in the nature or scope or operation of the Company;

- (b) subject to paragraph (a) above, any disposal of any part of any of the other assets of the Company having a value in excess of HK\$1,000,000 or the entering into any contract or arrangement to effect the foregoing.
 - (v) any issuance or allotment of shares and/or other securities of the Company to any person save pursuant to the exercise of the option(s) granted under the share option scheme(s) adopted by the Company or granting any new options to acquire shares of the Company save under the share option scheme(s) adopted by the Company or any purchase or redemption or reduction of or increase in the issued or paid up capital of the Company; and
 - (vi) the appointment or removal of any member of the senior management of the Company and/or its subsidiary.
- (E) The Executive Committee shall have the right to remove any Director of the Company with the approval in writing of three-fourths of the members of the Executive Committee.

- (F) Any Executive Committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.
- (G) All acts done by the Executive Committee in conformity with such regulations, and in fulfillment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Board and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of the Executive Committee, and charge such remuneration to the current expenses of the Company.
- (H) Unless otherwise provided in this Bye-law, the meetings and proceedings of the Executive Committee shall be governed by the provisions contained in these Bye-laws for regulating the meetings and proceedings of the Directors (*mutatis mutandis*) so far as the same are applicable.”

By Order of the Board
Sardjono Widodo
Managing Director

Hong Kong, 23 June 2006

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.