



PACIFIC PLYWOOD HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code : 767)

UNUSUAL MOVEMENT IN TRADING VOLUME

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted the recent increases in the trading volume of the shares of the Company and wish to state that we are not aware of any reasons for such increases.

The Company's major shareholder is contemplating a placement of existing shares followed by subscription of new shares from the Company. Moreover, no specific terms have been agreed and no agreement has been signed at the time of this announcement. The Company will issue further announcement providing details of this transaction when an agreement is reached.

Save as the proposed transaction disclosed above, we confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

Made by the order of Pacific Plywood Holdings Limited the Board of directors of which individually and jointly accept responsibility for the accuracy of this statement.

As at the date of this announcement, the directors of the Company are:-

Executive Directors

Dr. Budiono Widodo (*Chairman*)
Mr. Sardjono Widodo (*Managing Director*)
Mr. Liao Yun Kuang (*President*)
Mr. Yu Chien Te

Non-executive Directors

Mr. Sudjono Halim
Mr. Pipin Kusnadi

Independent Non-executive Directors

Mr. Marzuki Usman
Mr. Kusnadi Widjaja
Mr. Ngai Kwok Chuen

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

Hong Kong, 16th October, 2007