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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)

PROPOSED CHANGE OF AUDITOR AND SUPPLEMENTAL DOCUMENTS FOR THE ANNUAL GENERAL MEETING TO BE HELD ON 18 JUNE 2010

The Board announces that PricewaterhouseCoopers will retire as auditor of the Company at the AGM. The Board has resolved to propose the appointment of SHINEWING as the new auditor of the Company and accordingly, an ordinary resolution will be submitted for approval by Shareholders in the AGM to appoint SHINEWING as the new auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company following the AGM.

PROPOSED CHANGE OF AUDITOR

The Board announces that PricewaterhouseCoopers will retire as auditor of the Company at the AGM and the Board has resolved to propose the appointment of SHINEWING (HK) CPA Limited (“SHINEWING”) as the auditor of the Company and accordingly, an ordinary resolution will be submitted for approval by the Shareholders at the AGM to appoint SHINEWING as the new auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company following the AGM.

The Board considers that it is in the best interests of the Company and the Shareholders as a whole to appoint SHINEWING as the auditor of the Company as PricewaterhouseCoopers and the Company could not reach a consensus on the auditors’ remuneration for the financial year ending 31 December 2010.

Both the Board and the audit committee of the Company confirmed that there is no disagreement between the Company and PricewaterhouseCoopers and there are no circumstances connected with the retirement of PricewaterhouseCoopers which the Board and the audit committee of the Company considered should be brought to the attention of the Shareholders.

* *For identification purposes only*

The Company is incorporated under the laws of Bermuda and it has been advised that there is no requirement under the laws of Bermuda for the retiring auditors to provide a clearance letter to the Company confirming whether or not there are any circumstances connected with their retiring which they consider should be brought to the attention of the Shareholders. PricewaterhouseCoopers has not issued such a confirmation.

The Board would like to take this opportunity to thank PricewaterhouseCoopers for their professional services and support in the past.

SUPPLEMENTAL DOCUMENTS

Since the proposed change of auditor and the appointments of Mr. Jiang Yi Ren and Mr. Liang Jian Hua as executive Directors of the Company were made after the publication of the Company's notice of annual general meeting dated 27 April 2010, the Board considers it appropriate to provide further information to the Shareholders regarding the re-election of retiring directors of the Company and the proposed change of auditor.

Supplemental Circular

Bye-law 102(B) of the Company's Bye-laws stipulates that Directors appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

The Company has dispatched to the Shareholders the 2009 Annual Report and a circular dated 28 April 2010 ("the Circular") in respect of certain matters including the re-election of retiring Directors of the Company at the AGM.

A supplemental circular ("the Supplemental Circular") containing particulars of Mr. Jiang Yi Ren and Mr. Liang Jian Hua together with a new form of proxy (the "Second Form of Proxy") for the AGM will be sent to Shareholders as soon as practicable. For the particulars of the other retiring Directors who have offered themselves for re-election, please refer to Appendix II of the Circular.

Second Form of Proxy

Since a form of proxy, which was sent together with the Circular and the 2009 Annual Report, does not contain proposed resolutions for re-election of Mr. Jiang Yi Ren and Mr. Liang Jian Hua as Directors of the Company and the proposed appointment of SHINEWING as the auditor of the Company following the retirement of PricewaterhouseCoopers, the Second Form of Proxy will be prepared and sent to Shareholders together with the Supplemental Circular.

Shareholders are requested to complete the Second Form of Proxy in accordance with the instructions printed thereon and return it to the Company's share registrars, Computershare Hong Kong Investor Services Limited, Hopewell Centre, 46/F., 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the AGM. Special arrangements about the completion and submission of the Second Form of Proxy are also set out in the Supplemental Circular. Shareholders who have appointed or intend to appoint proxies to attend the AGM are requested to pay particular attention to the special arrangements set out therein.

The Supplemental Circular, the Second Form of Proxy and a supplementary notice of AGM will be available on the website of the Company at <http://www.irasia.com/listco/hk/pphl/index.htm> and the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk>.

Shareholders are advised to read the Supplemental Circular together with the Circular for information relating to re-election of retiring Directors.

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Kennedy Room, Level 7, Conrad Hong Kong Hotel, Pacific Place, 88 Queensway, Hong Kong on Friday, 18 June 2010 at 10:00 a.m. or any adjournment thereof.
“Board”	the board of Directors
“Company”	Pacific Plywood Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Shareholder(s)”	holder(s) of share(s) of HK\$0.025 each in the share capital of the Company

By order of the Board
Pacific Plywood Holdings Limited
Budiono Widodo
Chairman

Hong Kong, 25 May 2010

As at the date of this announcement, the Directors are:–

Executive Directors

Dr. Budiono Widodo (*Chairman*)
Mr. Sardjono Widodo (*Managing Director*)
Mr. Liao Yun Kuang (*President*)
Mr. Yu Chien Te
Ms. Jia Hui
Mr. Huang Chuan Fu
Mr. Jiang Yi Ren
Mr. Liang Jian Hua

Independent Non-executive Directors

Mr. Marzuki Usman
Mr. Wong Chun Hung
Mr. Chan Kin Sang