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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult an exchange participant or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Pacific Plywood Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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PACIFIC PLYWOOD HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 767)

NOTICE OF ANNUAL GENERAL MEETING, RE-ELECTION OF DIRECTORS AND GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

The notice of Annual General Meeting of Pacific Plywood Holdings Limited to be held at Kennedy Room, Level 7, Conrad Hong Kong Hotel, Pacific Place, 88 Queensway, Hong Kong on Friday, 19th June, 2009, at 10:00 a.m. ("AGM") is set out in Appendix 1 to this circular.

Whether or not you are able to attend the AGM, please complete the accompanying 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, 46th Floor, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

29th April, 2009

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“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, 19th June, 2009 at 10:00 a.m., the notice of which is set out in Appendix I to this circular or, where the context so admits, any adjournment thereof;
“Company”	Pacific Plywood Holdings Limited, a company incorporated in Bermuda with limited liability;
“Controlling Shareholder”	as defined under paragraph 1.01 of the Listing Rules;
“Directors”	the directors of the Company;
“HK\$”	Hong Kong dollar(s);
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	22nd April, 2009, being the latest practicable date prior to the printing this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Management Bonus Fund”	an amount not exceeding 5% of the consolidated net profit after taxation and minority interests but before extraordinary items of the Company as reported in the audited annual accounts of the Company;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Shareholders”	holders of Shares;
“Shares”	shares of HK\$0.025 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers;
“US\$”	United States dollar(s); and
“%”	per cent.

LETTER FROM THE CHAIRMAN



PACIFIC PLYWOOD HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 767)

Executive Directors:

Budiono Widodo (*Chairman*)

Sardjono Widodo

Liao Yun Kuang

Yu Chien Te

Registered office:–

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Non-executive Directors:

Pipin Kusnadi

Sudjono Halim

Principal place of business:–

Room 602

Yue Xiu Building

160–174 Lockhart Road

Wanchai

Hong Kong

Independent Non-executive Directors:

Marzuki Usman

Kusnadi Widjaja

Siah Chong Huat

29th April, 2009

To the shareholders of the Company

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING,
RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES**

INTRODUCTION

The Company will propose at the AGM resolutions to re-elect the retiring Directors and to dispose of vacant office(s) and grant to the Directors the general mandates for issue of Shares and repurchase by the Company of its own Shares. The latest general mandates granted to the Directors were approved in the Company's annual general meeting held on 19th June, 2008.

The purpose of this circular is to provide you with further information and details about these resolutions to be proposed at the AGM.

LETTER FROM THE CHAIRMAN

ANNUAL GENERAL MEETING

A notice convening the AGM is set out in Appendix I to this circular. At the AGM, resolutions will be proposed to approve, *inter alia*, the re-election of Directors and the general mandates to issue Shares and repurchase Shares.

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 99 of the Company's Bye-laws and Code Provision A.4 under Appendix 14 to the Listing Rules, Dr. Budiono Widodo, Mr. Sardjono Widodo and Mr. Pipin Kusnadi will retire at the AGM and, being eligible, will offer themselves for re-election. Information of these retiring directors as required to be disclosed under the Listing Rules is set out in Appendix II to this circular.

GENERAL MANDATE FOR ISSUE OF SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all powers of the Company to issue and otherwise deal with Shares up to a limit equal to 20% of the issued share capital of the Company as at the date of the passing of such resolution.

As at the Latest Practicable Date, the Company has 1,327,779,448 Shares in issue. Subject to the passing of resolution no. 4(A) set out in the notice of AGM and on the basis that no further Shares are issued prior to the AGM, the Company would be allowed under this general mandate to issue a maximum of 265,555,889 Shares.

Another ordinary resolution will be proposed to increase the limit of this 20% by the amount of any Shares repurchased by the Company up to a maximum of 10% of the issued share capital of the Company at the date of the passing of the relevant resolution.

Shareholders should note that this mandate will continue in force until the conclusion of the next annual general meeting following the AGM or any earlier date as referred to in paragraph (b) and (c) of resolution no. 4(A)(iii) set out in the notice of the AGM.

LETTER FROM THE CHAIRMAN

GENERAL MANDATE FOR THE REPURCHASE OF SHARES

At the AGM, an ordinary resolution will also be proposed that the Directors be given a general and unconditional mandate to exercise all powers of the Company to repurchase Shares subject to the criteria set out in this circular. In particular, Shareholders should note that the maximum number of Shares that the Company may repurchase pursuant to the mandate will be such number of Shares as represented 10% of the share capital of the Company in issue as at the date of passing the relevant resolution. Shareholders should also note that the authority relates only to repurchase made on the Stock Exchange and otherwise in accordance with the Listing Rules and the repurchase mandate will continue in force until the conclusion of the next annual general meeting following the AGM or any earlier date as referred to in paragraph (b) and (c) of resolution no. 4(B)(iii) set out in the notice of the AGM.

An explanatory statement giving the particulars under the Listing Rules in respect of the aforesaid mandate is set out in the Appendix III of this circular.

VOTING BY POLL

All the resolutions set out in the notice of AGM will be voted by way of poll pursuant to the Listing Rules.

RESPONSIBILITY OF THE DIRECTORS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

Your Directors believe that the re-election of those retiring directors and the general mandate for issue of Shares and repurchase of Shares are in the interests of the Company and Shareholders and, accordingly, recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Budiono Widodo
Chairman



PACIFIC PLYWOOD HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 767)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of members of Pacific Plywood Holdings Limited (the “Company”) will be held at Kennedy Room, Level 7, Conrad Hong Kong Hotel, Pacific Place, 88 Queensway, Hong Kong on Friday, 19th June, 2009 at 10:00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive and consider the audited accounts and the Directors’ report and auditors’ report for the year ended 31st December, 2008.
2. To re-elect Directors and to fix their remuneration and to dispose of vacant office(s).
3. To appoint auditors and to authorize the board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, pass the following resolution as ordinary resolution:-
 - (A) “**THAT:-**
 - (i) subject to sub-paragraph (ii) of this resolution, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot and issue additional Shares in the capital of the Company and to make or grant offers, agreements, warrants and options which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;
 - (ii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in sub-paragraph (i) of this resolution, otherwise than pursuant to a Rights Issue or the exercise of subscription or conversion rights under any warrants of the Company or any securities which are convertible into Shares of the Company or any share option scheme,

shall not exceed 20% of the nominal amount of the issued share capital of the Company on the date of this resolution and this approval shall be limited accordingly; and

(iii) for the purposes of this resolution:–

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:–

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

(B) **“THAT:–**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase issued Shares in the capital of the Company, subject to and in accordance with all applicable laws and the Bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the share capital which the Company is authorized to repurchase pursuant to the approval in paragraph (i) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and

(iii) for the purposes of this resolution:-

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:-

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.”

(C) “**THAT** conditional upon resolution no. 4(B) above being passed, the aggregate nominal amount of the number of Shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no. 4(B) above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to resolution no. 4(A) above”.

The following is the information, as required to be disclosed by the Listing Rules, on the retiring directors proposed to be re-elected at the AGM.

Dr. Budiono Widodo, aged 65, is a founder and the Chairman of the Group and is responsible for strategic development of the Group. He is also a director of a number of subsidiaries of the Company, including Ankan Holdings Limited, Ankan (China) Holdings Limited, Daunting Services Limited, Georich Trading Limited, Manuply Wood Industries (S) Sdn. Bhd., Pacific Plywood Limited, SMI Global Corporation, Sevier Pacific Limited, Sino Realm Investments Limited and SMI Management & Co., Pte. Limited. He started in the forestry business in Indonesia in 1979 and has over 30 years of experience in the timber industry, starting as a log exporter and then becoming a plywood manufacturer and trader. Apart from the plywood business, he is also engaged in other industries including palm oil, shipping, mining, property and hotels.

Dr. Widodo has a service contract with the Company for a term of one year from 1st July, 2008 and his remuneration under this service contract includes a fixed salary of approximately US\$456,000 per annum, a management bonus, equivalent to 50% of the Management Bonus Fund and other fringe benefits. Dr. Widodo is the father of Mr. Sardjono Widodo, Managing Director of the Company, the father-in-law of Mr. Sudjono Halim, a non-executive director of the Company, and the controlling shareholder of the Company. Dr. Widodo has interests in 444,599,200 Shares within the meaning of Part XV of SFO.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements under paragraph 13.51(2) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

Mr. Sardjono Widodo, aged 41, is the Managing Director of the Group and a son of Dr. Budiono Widodo. He is also a director of each of the subsidiaries of the Company except Glowing Schemes Sdn. Bhd. and Dalian Global Wood Products Co., Ltd.. He holds a Diploma in Mechanical Engineering and has been in the wood industry for over 20 years.

Mr. Widodo has a service contract with the Company for a term of one year from 1st July, 2008 and his remuneration under this service contract includes a fixed salary of approximately US\$180,000 per annum, a management bonus, equivalent to 20% of the Management Bonus Fund and other fringe benefits. Mr. Widodo has interests in 394,944,000 Shares within the meaning of Part XV of SFO.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements under paragraph 13.51(2) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

Mr. Pipin Kusnadi, aged 63, is the commissioner for over 10 companies in Jakarta and has been in the wood industry since 1991.

The appointment of Mr. Pipin as a non-executive director of the Company is for a term of one year from 28th June, 2008 and his annual director's remuneration is HK\$50,000. Mr. Pipin is a shareholder of and holds 5.21% and 6.64% interests in SMI International Limited and Precious Win Group Limited respectively, both Substantial Shareholders of the Company. Mr. Pipin is not interested in the Shares within the meaning of Part XV of SFO.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements under paragraph 13.51(2) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration in relation to the repurchase mandate as set out in resolution no. 4(B) of the notice of the AGM.

1. LISTING RULES

The Listing Rules permit companies with their primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which is:-

Sources of funds

Repurchase must be funded entirely from the Company's available cash flow or working capital facilities, which will be funds legally available for the purpose and in accordance with the memorandum of association and bye-laws of the company concerned and The Companies Act 1981 of Bermuda (as amended).

2. SHARE CAPITAL

As at the Latest Practicable Date, the Company has issued 1,327,779,448 Shares.

Subject to the passing of resolution no. 4(B) set out in the notice of the AGM and on the basis that no further Shares are issued prior to the AGM, the Company would be allowed under the repurchase mandate to purchase a maximum of 132,777,944 Shares, representing 10% of the issued share capital of the Company as at the date of passing the resolution.

3. REASONS FOR REPURCHASE

The Directors believe that the granting of repurchase mandate is in the best interests of the Company and its shareholders. The exercise of the repurchase mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or earnings per share and will only be made when the Directors believe that such a purchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

In repurchasing shares, the Company may only apply funds entirely from the Company's available cash flow or working capital facilities, which will be funds legally available for such purpose in accordance with its memorandum of association and bye-laws and The Companies Act 1981 of Bermuda (as amended). The Directors propose that repurchases of Shares be financed by the Company's distributable profits or proceeds from a fresh issue of Shares.

There might be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31st December, 2008) in the event that repurchase mandate is carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise their power under the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous months were as follows:-

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
April	0.1180	0.0830
May	0.0950	0.0800
June	0.0950	0.0800
July	0.0890	0.0500
August	0.0550	0.0410
September	0.0550	0.0360
October	0.0540	0.0230
November	0.0450	0.0260
December	0.0450	0.0300
2009		
January	0.0510	0.0300
February	0.0450	0.0350
March	0.0440	0.0320
April*	0.0450	0.0400

* *Up to the Latest Practicable Date.*

6. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable they will exercise the powers of the Company to make repurchases under the repurchase mandate in accordance with the Listing Rules and the applicable laws of Hong Kong and The Companies Act 1981 of Bermuda (as amended).

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares of the Company to the Company or its subsidiaries under the repurchase mandate if such is approved by the Shareholders.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to do so, in the event that the repurchase mandate is approved by the Shareholders.

If on the exercise of the power to repurchase shares of the Company pursuant to the repurchase mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 8 of the Hong Kong Code on Share Repurchases. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, SMI International Limited and Precious Win Group Limited held together 394,944,000 Shares, representing approximately 29.74% of the issued share capital of the Company and for the purposes of the SFO, each of Dr. Budiono Widodo, Mr. Sardjono Widodo, Bank of East Asia (Trustees) Limited as the trustee of the Peace Trust, Aroma Pinnacle Inc. and Peace Avenue Group Limited is taken to have an interest in the same block of 394,944,000 Shares. In addition, Dr. Budiono Widodo held under his name and through a company 49,655,200 Shares in aggregate. For the purposes of the Takeover Code, Dr. Budiono Widodo is taken to have interests in a total of 444,599,200 Shares, representing 33.48% of the issued share capital of the Company. If the repurchase mandate is exercised in full, the interests of Dr. Budiono Widodo will increase to approximately 37.20%.

The Directors do not intend to exercise the repurchase mandate to such an extent as would result in a Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory general offer under Rule 26 of the Takeover Code and accordingly, it is not anticipated that purchases of Shares under the repurchase mandate will give rise to any consequences under the Takeover Code.

7. SHARES REPURCHASES MADE BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the 6-month period prior to the date of this circular.