

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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)

MAJOR TRANSACTION DISPOSAL OF PROPERTY

20 May 2010

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DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Pacific Plywood Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposal”	disposal of the Property by the Vendor to the Purchaser pursuant to the Formal Agreement
“Formal Agreement”	the formal sale and purchase agreement entered into between the Vendor and the Purchaser in relation to the Disposal on 30 April 2010
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 May 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option”	an option given by the Vendor to the Purchase to purchase the Property, subject to conditions precedent
“Property”	a commercial property located at 12th Floor, Southpoint, 200 Cantonment Road, Singapore with an aggregated gross floor area of approximately 16,038 sq. ft.
“Purchaser”	Evergreen Marine (Singapore) Pte. Limited, a company incorporated in Singapore with limited liabilities
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time

DEFINITIONS

“SGM”	a Special General Meeting of Shareholders of the Company to be convened and held to consider and if appropriate, approve the Disposal
“Share(s)”	share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	SMI Management & Co., Pte. Limited, a company incorporated in Singapore with limited liabilities and a wholly-owned subsidiary of the Company
“sq. ft.”	square feet
“S\$”	Singapore dollars, the lawful currency of Republic of Singapore
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD



PACIFIC PLYWOOD HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 767)

Directors:

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

Independent Non-executive Directors:

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

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal place of business:

Room 602
Yue Xiu Building
160-174 Lockhart Road
Wanchai
Hong Kong

20 May 2010

To the shareholders of the Company

Dear Sir or Madam,

MAJOR TRANSACTION DISPOSAL OF PROPERTY

INTRODUCTION

The Company announced on 16 April 2010 that the Vendor received from the Purchaser a non-refundable premium of S\$230,000 and granted the Option to the Purchaser in relation to the disposal of the Property at a consideration of S\$23,000,000.

The Company further announced on 30 April 2010 that the Purchaser exercised the Option; paid to the Vendor a further sum of S\$920,000 and entered into the Formal Agreement with the Vendor in respect of the sale and purchase of the Property.

The Disposal constituted a major transaction on the part of the Company under Rule 14.06 of the Listing Rules and is subject to announcement, circular and shareholders' approval requirements under the Listing Rules. To the best of the Directors' knowledge, information and belief having made reasonable enquiries, no Shareholder has a material interest in the Disposal and is required to abstain from voting at the SGM.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information regarding the Disposal and other information in accordance with the Listing Rules.

DETAILS OF THE FORMAL AGREEMENT

Date

30 April 2010 (after trading hours)

Parties

Vendor : SMI Management & Co., Pte. Limited, a wholly-owned subsidiary of the Company

Purchaser : Evergreen Marine (Singapore) Pte. Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Conditions precedent

Completion of this transaction shall be conditional upon the Company complying with the Listing Rules and approvals, if any, are obtained from the Stock Exchange and/or Shareholders of the Company in relation to the sale and purchase as contemplated under the Formal Agreement.

Neither the Vendor nor the Purchaser has the right to waive the condition as mentioned above.

Property to be disposed

The Property is a commercial property located at 12th Floor, Southpoint, 200 Cantonment Road, Singapore with an aggregated gross floor area of approximately 16,038 sq. ft..

The Property is to be disposed of with vacant possession. After the Disposal, the Company's Singapore office will be moved to 151 Chin Swee Road, #04-08, Manhattan House, Singapore 169876 and the rental expense per annum would be around S\$112,000.

LETTER FROM THE BOARD

Consideration

The consideration for the Disposal of S\$23,000,000, which was determined after arm's length negotiations between the Vendor and the Purchaser in normal commercial terms having taken into account the valuation on the Property conducted by an independent valuer, was and will be paid in the following manner:-

- S\$230,000 was paid on 16 April 2010 when the Option was signed;
- S\$920,000 was paid on 30 April 2010 when the Option was exercised by the Purchaser; and
- S\$21,850,000 will be paid upon completion of the Disposal, which shall be within 12 weeks from the date hereof.

Although the Property was valued at S\$25,000,000, the Directors still considered that the consideration of S\$23,000,000 was fair and reasonable in view of the vagaries of the market values of properties in Singapore.

Completion

If the conditions precedent is not fulfilled by the Company on or before 1 July 2010, the Vendor shall refund to the Purchaser all the monies paid by the Purchaser to the Vendor together with all interest accrued thereon calculated at the rate of 1.3% per annum on a daily basis but without any compensation or deductions.

Subject to the conditions precedent being satisfied, completion of the Disposal is expected to take place on or before 23 July 2010.

INFORMATION ON THE PROPERTY

The Property is a commercial property located at 12th Floor, Southpoint, 200 Cantonment Road, Singapore with an aggregated gross floor area of approximately 16,038 sq. ft..

The following table sets out the unaudited losses derived from the Property for the year ended 31 December 2008 and 2009:-

	Financial year ended	
	31 December	
	2009	2008
	S\$'000	S\$'000
Net loss before taxation	543	993
Net loss after taxation	543	993

LETTER FROM THE BOARD

REASON FOR AND BENEFITS OF THE DISPOSAL

The Disposal represents a good opportunity for the Group to realize its investment in the Property. The Directors expect that the Disposal will generate net cash proceeds, after repayment of the bank loan pertaining to the Property and expenses, of approximately S\$9,937,000 to the Group, which will be used for general working capital purposes of the Group.

The Property has a book value of approximately S\$21,700,000 and was valued at S\$25,000,000 on an open market basis by adopting the comparison approach as at 14 April 2010. The excess of the consideration over the net book value of the Property was approximately S\$1,300,000.

FINANCIAL EFFECT OF THE DISPOSAL

Upon the Disposal of the Property, the Company expects an overall increase in its consolidated net assets as a result of the reduction of its liabilities due to repayment of the bank loans pertaining to the Property and the reduction of its assets due to the disposal of the Property.

Subject to audit, the Company expects to record a consolidated gain of approximately US\$946,000 arising from the Disposal as calculated by reference to the net book value of the Property of approximately S\$21,700,000 and the consideration for the Disposal of S\$23,000,000 at the exchange rate of US\$:S\$ = 1:1.3740.

USE OF PROCEEDS

The Directors expect that the cash proceeds will be used for payment of expenses in connection with the Disposal of S\$263,000; repayment of the bank loans pertaining to the Property in the aggregated amount of approximately S\$12,800,000 and the balance of S\$9,937,000 will be used as general working capital of the Group.

INFORMATION ON THE GROUP

The Group is principally engaged in the manufacture, distribution and sale of plywood, veneer, flooring and other wood related products.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Singapore with limited liability and is principally engaged in shipping and logistics.

LISTING RULES IMPLICATION

The Disposal constituted a major transaction on the part of the Company under Rule 14.06 and 14.74(1) of the Listing Rules and is subject to announcement, circular and shareholders' approval requirements under the Listing Rules. To the best of the Directors' knowledge, information and belief having made reasonable enquiries, no Shareholder has a material interest in the Disposal and is required to abstain from voting at the SGM.

LETTER FROM THE BOARD

SPECIAL GENERAL MEETING

A notice convening the SGM is set out on page 20 of this circular. A form of proxy for use at the SGM is enclosed. At the SGM, resolution will be proposed for Shareholders to consider and, if thought fit, to approve the Disposal. Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrars and transfer office, Computershare Hong Kong Investor Services Limited at Hopewell Centre, 46th Floor, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjourned meetings thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meetings thereof (as the case may be) should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the SGM must be taken by poll and the Company will announce the results of the poll in the manner set out in Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors, including the independent non-executive Directors, consider that the terms of the Formal Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole, and accordingly recommend that all Shareholders should vote in favour of the ordinary resolution in the notice of Special General Meeting.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the Appendices to this circular.

Yours faithfully,
By Order of the Board
Pacific Plywood Holdings Limited
Budiono Widodo
Chairman

1. STATEMENT OF INDEBTEDNESS

Borrowings and other utilized banking facilities

At the close of business on 31 March 2010, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had total outstanding borrowings of approximately US\$69,807,000, which breakdown was as follows:-

Secured by certain property, plant and equipment, leasehold land, certain inventories, certain trade receivables, certain prepayment and other receivables, certain bank balances of the Group; corporate guarantee put up by the Company; and personal guarantee put up by certain directors of the Company	US\$66,351,000
Guaranteed by a director of a subsidiary of the Group	US\$936,000
Secured by property, plant and equipment	US\$76,000
Unguaranteed and unsecured	US\$2,444,000

Collaterals

At the close of business on 31 March 2010, the borrowings and other bank facilities of the Group were secured by:

- (i) Pledges of certain property, plant and equipment of the Group with a carrying value of approximately US\$47,578,000.
- (ii) Pledges of the leasehold land of the Group with a carrying value of approximately US\$2,889,000.
- (iii) Floating charges on certain inventories of the Group with a carrying value of approximately US\$7,214,000.
- (iv) Floating charges on certain trade receivables of the Group of approximately US\$2,050,000.
- (v) Floating charges on certain prepayment and other receivables of the Group of approximately US\$600,000.
- (vi) Floating charges on certain bank balances of the Group of approximately US\$179,000.
- (vii) Corporate guarantees given by the Company.

- (viii) Personal guarantees given by certain Directors of the Company and a director of a subsidiary of the Group to banks in respect of certain bank loans and trade facilities granted to the Group.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have any loan capital issued or agreed to be issued and outstanding bank overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptance (other than normal trade bills and payable) or acceptance credits, debentures, mortgages, charges, hire purchase or other finance lease commitments, guarantees or other contingent liabilities at the close of business on 31 March 2010.

2. WORKING CAPITAL

The Directors are of the opinion that, dependent on the implementation of cost-cutting measures, the financial support from a shareholder, the ongoing support from its bankers and the present internal financial resources available to the Group including internally generated funds, and after completion of the Disposal, the Group will have sufficient working capital to meet its present requirements for the next twelve months from the date of this circular.

3. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited financial statements of the Company were made up.

4. FINANCIAL AND TRADING PROSPECTS

The Directors consider that upon completion of the Disposal, the Group's financial and cash position can be further strengthened.

The global economy had shown some signs of recovery with slight hiccups along the way although this process of recovery will be long and slow. Global trade balances will gradually improve and over the near term, the Directors believe that our core business of manufacturing and selling of plywood and other related wood related products will improve steadfastly.

The Group will continue its focus on maintaining its excellent relationships with customers, suppliers and strengthening more strategic ties with major plywood purchasing houses. Optimum utilization of our operating cashflow with continued cost-cutting measures together with product innovation and quality improvement will be pursued. The Directors also believe that a medium term strategy with active risk controls will assist to generate more positive returns. The Directors will also carefully explore suitable business opportunities with a view to enhancing shareholders' value in the long run.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Chesterton Suntec International Pte Ltd, an independent valuer, in connection with the valuation of the Property held by the Group as at 14 April 2010.



Chesterton Suntec International Pte Ltd
9 Temasek Boulevard #06-01
Suntec Tower Two
Singapore 038989

Tel: (65) 6221 8228 Fax: (65) 6533 4339
Email: chesterton@chestertonsuntec.sg
<http://chestertonsuntec.sg>

Co. Reg. No. 198404370K

20 May 2010

The Directors
Pacific Plywood Holdings Limited
Room 602, Yue Xiu Building
160-174 Lockhart Road
Wanchai, Hong Kong

Dear Sirs,

**OFFICE UNIT LOCATED ON THE 12TH STOREY OF 200 CANTONMENT ROAD,
SOUTHPOINT, SINGAPORE 089763**

1.0 INSTRUCTIONS

In accordance with your instructions for us to value the Property to be disposed by Pacific Plywood Holdings Limited (the "Company") and/or its subsidiaries (hereinafter together referred to as the "Group"), we confirm that we have inspected the property, made relevant searches and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 14 April 2010 (the "Valuation Date").

2.0 BASIS OF VALUATION

Our valuation of the Property is our opinion of the Market Value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

3.0 TITLE INVESTIGATION

We have conducted land search for the Property to be made at the Singapore Land Authority. However, we have neither examined the original documents to verify ownership nor to ascertain the existence of any amendments. All documents have been used for reference only.

4.0 VALUATION METHODOLOGIES

We have valued the Property on an open market basis by the Direct Comparison Approach on the assumption that the Property can be sold in its existing state with the benefit of vacant possession and free from all encumbrances, and by making reference to sales evidence of comparables as available in the relevant market. Appropriate adjustments have been made between the comparables and the subject property to reflect the differences in size, tenure, location, condition, prevailing market conditions and all other relevant factors affecting its value.

5.0 VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the Property is sold in the open market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the value of the Property.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the Property and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property for any expenses or taxation which may be incurred in affecting a sale. We have assumed that the property is free from any encumbrances, restrictions and outgoings of an onerous nature which may serve to affect the value of the property.

6.0 VALUATION CONSIDERATIONS

We have inspected the exterior and the interior of the property. While due care is taken to note building defects in the course of the inspection, no building or structural survey is conducted and no opinion, advice, representation or guarantee is given in respect of rot, termite or pest infestation or defects. None of the building services have been tested and they are assumed to be in good working order.

Our valuation is prepared in accordance with the Valuations Standards and Guidelines issued by the Singapore Institute of Surveyors and Valuers and the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors and in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

7.0 REMARKS

We declare that we are independent to the Group and we neither have any present nor any prospective interest in the Group or the appraised Property or the value reported.

We enclose herewith our Valuation Certificate.

Yours faithfully,
For and on behalf of
Chesterton Suntec International Pte Ltd
Chng Shih Hian

B.Sc (Hons)(Est. Man) (National University of Singapore)
MBA (Construction & Real Estate) University Of Reading
Member Singapore Institute of Surveyors and Valuers (SISV)
Licence Appraiser (Lands & Buildings)
(Licence No : AD041-2006472D)
Senior Executive Director

Note:

Mr Chng Shih Hian, MSISV has been a qualified valuer with over 20 years of experience in valuation of properties in Singapore.

VALUATION SUMMARY

Property to be disposed by the Group in Singapore

Property	Market Value in existing state as at 14 April 2010 Singapore Dollars (S\$)
Office Unit on the 12th Storey 200 Cantonment Road #12-00 Southpoint Singapore 089763	\$25,000,000

VALUATION CERTIFICATE

Property to be disposed by the Group in Singapore

Property	Description and tenure	Particulars of Occupancy	Market Value in existing state as at 14 April 2010
Office unit on the 12th storey of 200 Cantonment Road Southpoint	<p>The property comprises the whole 12th floor of a 16 storey high-rise office block completed circa 1987.</p> <p>The building has three basement carpark levels.</p> <p>The Property is held under strata certificate of title, with the legal description being TS 23 – U2883L.</p> <p>The tenure of the Property is Estate in Fee Simple (Freehold).</p> <p>The Strata Floor Area is 1,490 square metres or 16,038.36 square feet approximately.</p> <p>Master Plan Zoning (2008) is commercial with a gross plot ratio of 4.4.</p>	<p>As advised by the Group, part of the Property (#12-01) was owner-occupied and the remaining portion (#12-02) is subject to a tenancy agreement as at the date of valuation.</p> <p>The existing monthly rental before tax is S\$69,021.50.</p> <p>There is no vacant space.</p> <p>The property is classified as property held for owner-occupation under Listing Rule 5.06(5).</p>	S\$25,000,000

Notes:

1. The registered subsidiary proprietor of the Property is SMI Management & Company Private Limited.
2. The registered subsidiary proprietor's share in the common property of the whole land lot is 100 out of 1500 shares.
3. The Property is mortgaged to United Overseas Bank Limited.

(A) RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, 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.

(B) DIRECTORS' INTEREST AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Director	Personal Interest	Corporate Interest (Note 1)	Trust Interest (Note 2)	Total	% of total shareholding
Dr. Budiono Widodo	24,827,600	24,827,600	394,944,000	444,599,200	27.90%
Mr. Sardjono Widodo	–	–	394,944,000	394,944,000	24.79%
Mr. Yu Chien Te	5,887,320	–	–	5,887,320	0.37%

Notes:

- As at 31 December 2009, Wealth Summit Holdings Limited held 24,827,600 shares of the Company. Dr. Budiono Widodo, a Director of the Company, held 100% of the outstanding shares of Wealth Summit Holdings Limited.
- As at 31 December 2009, Bank of East Asia (Trustee) Limited, being the trustee of the Peace Trust, held indirectly 394,944,000 shares of the Company. Dr. Budiono Widodo and Mr. Sardjono Widodo are named beneficiaries of the Peace Trust.

As at the Latest Practicable Date, save as disclosed above, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO)

which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange.

(C) SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any member of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

(D) LITIGATIONS

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries as engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

(E) COMPETING INTERESTS

As at the Latest Practicable Date, Dr. Budiono Widodo, (a Commissioner of P.T. Sumatra Timber Utama Damai (“P.T. STUD”)) Chairman of the Company, and Mr. Sardjono Widodo, (a Commissioner of P.T. STUD) Managing Director of the Company, have personal and corporate interests of approximately 2.82% and 3.31% in P.T. STUD respectively.

P.T. STUD is a prominent manufacturer in the container flooring segment and its management team comprises professionals, associates and family members of Dr. Budiono Widodo.

During the year ended 31 December 2009, P.T. STUD recorded sales of approximately US\$888,000, which was analyzed by product range as follows:

	<i>US\$'000</i>
Plywood	769
Film Face	119
	<hr/>
Total	888
	<hr/> <hr/>

The core business of P.T. STUD is the manufacture and sales of industrial plywood and other secondary plywood products. The principal business of the Group is the manufacture and distribution of plywood, veneer and consumer-related wood products.

Therefore, the business of P.T. STUD does not and will not compete with that of the Group. In addition, Dr. Budiono Widodo and Mr. Sardjono Widodo are not involved in the day-to-day operations of the business of P.T. STUD. Furthermore, P.T. STUD has given an undertaking in favour of the Group that it will not compete with the Group by manufacturing those plywood products which are currently produced, or are likely to be produced in the future, by the Group, but excluding products which are currently produced by P.T. STUD. Dr. Budiono Widodo has also undertaken to use his best efforts to procure P.T. STUD to comply with its undertaking, as long as he is the controlling shareholder (as defined under the Listing Rules) of both the Company and P.T. STUD.

Save as disclosed herein, to the best knowledge of the Directors, none of the Directors and their respective associates (as defined in the Listing Rules) are considered to have any interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

(F) INTEREST IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 December 2009 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

(G) QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has provided its advice for inclusion in this circular.

Name	Qualification
Chesterton Suntec International Pte. Ltd.	a global real estate service group, which provides full range of services at local, regional and international levels with a professional valuation team comprising Member of Singapore Institute of Surveyors and Valuers

Chesterton Suntec International Pte. Ltd. has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and valuation certificate and the references to its name in the form and context in which they appear.

As at the Latest Practicable Date, Chesterton Suntec International Pte. Ltd. was not interested beneficially or otherwise in any Shares or securities in any of the subsidiaries or associated corporation (within the meaning of Part XV of the SFO) of the Company and did not have any rights, whether legally enforceable or not, or option to subscribe for or to nominate persons to subscribe for any Shares or securities in any of the subsidiaries or associated corporations of the Company nor did they have any interests, either direct or indirect, in any assets which have been, since 31 December 2009 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

(H) MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular:

- (a) the Formal Agreement;
- (b) the Option;
- (c) the placing agreement dated 2 March 2010 for the placement of 265,540,000 Shares;
- (d) the sale and purchase agreement dated 29 May 2009 in respect of the sale of all issued shares in Ankan (China) Holdings Limited;
- (e) the 2nd supplemental agreement dated 15 April 2009 in relation to the acquisition of certain interest in forest concession and its termination dated 8 December 2009; and
- (f) the sale and purchase agreement dated 6 June 2008 in respect of the sale of all issued shares in Ankan (China) Holdings Limited and its termination dated 23 July 2008.

(I) GENERAL

The secretary of the Company is Mr. Lau Kin Wah, an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Limited at at Hopewell Centre, 46th Floor, 183 Queen's Road East, Wanchai, Hong Kong.

In case of inconsistency, the English text of this circular shall prevail over its Chinese text.

(J) DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours in any weekday (Saturdays and public holidays excepted) at Room 602, Yue Xiu Building, 160-174 Lockhart Road, Wanchai, Hong Kong from the date of this circular up to and including 3 June 2010:

- (a) the bye-laws of the Company;
- (b) the annual reports of the Company for the years ended 31 December 2008 and 31 December 2009 respectively;
- (c) the valuation report of Chesterton Suntec International Pte. Ltd. set out in Appendix II to this circular;
- (d) the material contracts referred to in the paragraph headed "Material Contracts" in this Appendix; and
- (e) the written consent referred to in the paragraph headed "Qualification and Consent of Expert" in this Appendix.

NOTICE OF SPECIAL GENERAL MEETING



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 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, 18 June 2010 at 10:30 a.m. for the following purposes:-

ORDINARY RESOLUTION

"THAT:

- (a) the conditional agreement (the "Formal Agreement") dated 30 April 2010 between SMI Management & Co., Pte. Limited (the "Vendor"), a wholly-owned subsidiary of the Company, and Evergreen Marine (Singapore) Pte. Limited (the "Purchaser") pursuant to which, inter alia, the Vendor agreed to sell and the Purchaser agreed to purchase the commercial property located at 12th Floor, Southpoint, 200 Cantonment Road, Singapore (the "Property") with vacant possession for a consideration of S\$23,000,000 (a copy of the Formal Agreement having been produced to this meeting marked "A" and initialled by the chairman of the meeting for identification) be and is hereby confirmed, approved and ratified; and
- (b) the directors of the Company be and are hereby authorised to take such actions and execute such documents to effect the Formal Agreement and transactions contemplated under the Formal Agreement and to sign or execute such other documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as they consider necessary or desirable for the purposes of giving effect to the Formal Agreement."

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

20 May 2010