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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)

RESIGNATION OF DIRECTORS

The Board wishes to announce that Mr. Liao Yun Kuang and Mr. Yu Chien Te have resigned as executive Directors of the Company and Mr. Marzuki Usman has resigned as an independent non-executive Director of the Company with effect from 28 October 2010.

The Board also wishes to announce the appointment of Mr. Wong Chun Hung, an independent non-executive Director, as the chairman of the audit committee and the chairman of the remuneration committee of the Company with effect from 28 October 2010.

The Board also wishes to announce the appointment of Mr. Huang Chuan Fu, an executive Director, as a member of the remuneration committee of the Company with effect from 28 October 2010.

RESIGNATION OF DIRECTORS

The board of directors (the “**Directors**”) (the “**Board**”) of Pacific Plywood Holdings Limited (the “**Company**”) wishes to announce that Mr. Liao Yun Kuang (“**Mr. Liao**”) has resigned as an executive Director and the chairman of the remuneration committee of the Company; Mr. Yu Chien Te (“**Mr. Yu**”) has resigned as an executive Director of the Company; and Mr. Marzuki Usman (“**Mr. Usman**”) has resigned as an independent non-executive Director, the chairman of the auditor committee and a member of the remuneration committee of the Company. All of their resignations are effective from 28 October 2010.

Due to their various personal commitments, each of Mr. Liao, Mr. Yu and Mr. Usman found it increasingly difficult to give sufficient time to the Company in discharging their responsibilities as executive Directors and independent non-executive Director respectively.

They have also confirmed that they had no dispute with the Board and there was no matter in relation to their resignations which should be brought to the attention of the shareholders of the Company.

* *For identification purposes only*

The Board wishes to express its gratitude to Mr. Liao, Mr. Yu and Mr. Usman for their contributions to the Company during their tenure of services.

The Board wishes to announce the appointment of Mr. Wong Chun Hung, an independent non-executive Director of the Company, as the chairman of the audit committee and the chairman of the remuneration committee with effect from 28 October 2010.

The Board also wishes to announce the appointment of Mr. Huang Chuan Fu, an executive Director of the Company, as the member of the remuneration committee with effect from 28 October 2010.

IMPLICATION OF THE LISTING RULES

Following the resignation of Mr. Usman, the Company has only two independent non-executive Directors and two members of the audit committee, the number of which falls below the minimum number required under Rules 3.10(1) and 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Company is looking for a suitable candidate to fill the vacancy of an independent non-executive Director with a view to fulfilling the minimum required number of independent non-executive Directors and audit committee members under Rules 3.10(1) and 3.21 of the Listing Rules as soon as practicable and within 3 months from the date of failing to meet these requirements. Further announcement will be made by the Company upon fulfillment of those requirements under Rule 3.10(1) and 3.21 of the Listing Rules.

By order of the Board of
Pacific Plywood Holdings Limited
Huang Chuan Fu
Executive Director

Hong Kong, 28 October 2010

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.

As at the date of this announcement, the executive Directors are Dr. Budiono Widodo (Chairman), Mr. Sardjono Widodo (Managing Director), Ms. Jia Hui, Mr. Huang Chuan Fu, Mr. Jiang Yi Ren and Mr. Liang Jian Hua and the independent non-executive Directors are Mr. Chan Kin Sang and Mr. Wong Chun Hung.

This announcement will remain on the website of The Stock Exchange of Hong Kong Limited and the website of the Company for at least 7 days from the date of its posting.