PACIFIC PLYWOOD HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 767)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2007

The Board of Directors (the "Directors") of Pacific Plywood Holdings Limited (the "Company") hereby announce the consolidated results of the Company and its subsidiaries (the "Group") for the financial year ended 31st December, 2007 and the comparative figures as follows:–

CONSOLIDATED INCOME STATEMENT

	Note	**2007**	2006
		US$'000	*US$'000*
Revenue	*3*	**131,963**	153,101
Cost of sales	*4*	**(113,056)**	(125,690)
Gross profit		**18,907**	27,411
Other gains-net		**3,907**	233
Distribution costs	*4*	**(11,633)**	(14,063)
Administrative expenses	*4*	**(10,208)**	(10,204)
Loss on disposal of subsidiaries		**–**	(1,766)
Write-back on impairment losses on property, plant and equipment		**3,362**	3,990
Operating profit		**4,335**	5,601
Finance costs		**(4,868)**	(5,143)
(Loss)/Profit before income tax		**(533)**	458
Income tax credit	*5*	**1,801**	–
Profit for the year		**1,268**	458
Attributable to:			
Equity holders of the Company		**1,268**	458
Earnings per share – basic	*6*	**US0.10 cents**	US0.06 cents
Earnings per share – diluted	*6*	**US0.10 cents**	US0.06 cents
Dividends		**–**	–

CONSOLIDATED BALANCE SHEET

	Note	**31st December, 2007 US$'000**	31st December, 2006 US$'000
Non-current assets			
Property, plant and equipment		**73,852**	74,371
Leasehold land		**2,958**	2,989
Deferred income tax assets		**5,021**	4,716
Deposit for acquisition of an investment		**1,500**	–
Total non-current assets		**83,331**	82,076
Current assets			
Inventories		**21,106**	18,542
Trade and other receivables	*7*	**18,995**	17,464
Cash and cash equivalents		**5,744**	3,235
Total current assets		**45,845**	39,241
Current liabilities			
Trade and other payables	*8*	**(23,543)**	(20,573)
Current income tax liabilities		**(98)**	(1,884)
Borrowings		**(20,596)**	(19,640)
Total current liabilities		**(44,237)**	(42,097)
Net current assets/(liabilities)		**1,608**	(2,856)
Total assets less current liabilities		**84,939**	79,220
Non-current liabilities			
Borrowings		**(48,197)**	(53,096)
Obligation under finance leases		**(222)**	(69)
Deferred income tax liabilities		**–**	(15)
Total non-current liabilities		**(48,419)**	(53,180)
NET ASSETS		**36,520**	26,040
Capital and reserves attributable to the Company's equity holders	*9*		
Ordinary shares		**4,278**	3,598
Share premium		**7,652**	–
Other reserves		**4,928**	4,048
Retained earnings		**18,662**	17,394
Minority interest in equity		**1,000**	1,000
TOTAL EQUITY		**36,520**	26,040

Notes:

1. GOING CONCERN BASIS OF ACCOUNTING

As at 31st December, 2007, the outstanding bank borrowings amounted to approximately US$68,793,000 (2006 – US$72,736,000), out of which approximately US$20,596,000 (2006 – US$19,640,000) was due for repayment and renewal within the next twelve months. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The Group will maintain its strong business relationship with its bankers to gain their continuing support and is actively discussing with its bankers for the renewal of short term banking facilities when they fall due in 2008. The Directors are confident that the short term banking facilities will be renewed. With the ongoing support from its bankers and major customers, the Group should be able to generate sufficient cashflows from future operations to cover its operating costs and to meet its financing commitments. Therefore the Directors are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the twelve months from 31st December, 2007. The Directors are confident that the Group will continue to obtain the ongoing support from its bankers, and accordingly, the Directors are of the opinion that it is appropriate to prepare the accounts on a going concern basis. The accounts do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") under the historical cost convention except that certain financial assets and financial liabilities are measured at fair value, as appropriate.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The following standards, amendments to standards and interpretations are mandatory for financial year ended 31st December, 2007.

HKAS 1 (Amendment)	Presentation to Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of the above standards, amendments to standards and interpretations did not have any significant financial impact to the Group.

The following standards, amendments to standards and interpretations have been issued but are not effective for 2007 and have not been early adopted.

HKAS 1 (Revised)	Presentation to Financial Statements
HKAS 23 (Amendment)	Borrowing Costs
HKFRS 8	Operating Segments
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Directors anticipate that adoption of these standards, amendments to standards and interpretations in future periods will have no significant financial impact to the Group.

3. SEGMENTAL INFORMATION

An analysis of sales and contribution to the Group's results by geographical locations of operations and products is set out below:–

	2007 Sales ***US$'000***	2006 Sales *US$'000*	**2007 Results** ***US$'000***	2006 Results *US$'000*
By geographical locations of operations:–				
– Malaysia	**100,865**	97,859	**9,792**	7,349
– People's Republic of China ("The PRC")	**28,593**	51,230	**(4,102)**	(4,415)
– Singapore	**–**	–	**2,794**	4,119
– Hong Kong	**2,505**	4,012	**168**	79
	131,963	153,101	**8,652**	7,132
Unallocated corporate expenses			**(4,317)**	(1,531)
Operating profit			**4,335**	5,601
By products:–				
– Moisture resistant plywood	**27,058**	26,298	**2,557**	1,551
– Structural	**11,020**	22,548	**(1,580)**	283
– Jamb and mouldings	**13,793**	23,208	**(1,978)**	574
– Weather and boil proof plywood	**52,787**	60,482	**5,124**	4,542
– Flooring	**23,710**	15,952	**2,211**	1,159
– Others	**3,595**	4,613	**(475)**	107
	131,963	153,101	**5,859**	8,216
Unallocated corporate expenses			**(1,524)**	(2,615)
Operating profit			**4,335**	5,601

4. EXPENSES BY NATURE

Expenses included in cost of sales, distribution costs and administrative expenses are analyzed as follows:

	2007	2006
	US$'000	*US$'000*
Amortization of leasehold land	**31**	31
Auditors' remuneration	**332**	324
Changes in inventories of finished goods and work in progress	**(5,000)**	919
Depreciation, amortization and impairment charges		
– own assets	**8,937**	9,369
– assets held under finance leases	**48**	10
Directors' emoluments	**915**	913
Employee benefit expense (excluding Directors' emoluments)		
– Wages and salaries	**2,801**	2,959
– Social security and pension costs	**228**	346
Freight and other related charges	**11,633**	14,063
Operating lease expenses on land, buildings and machinery	**470**	543
Provision for impairment of receivables	**–**	91
Provision of inventories to net realizable value	**678**	25
Raw materials and consumables used	**82,750**	82,461
Staff secondment and consulting fee	**1,620**	1,800

5. INCOME TAX

(i) Bermuda

The Company is exempt from taxation in Bermuda until 28th March, 2016.

(ii) Hong Kong

No Hong Kong profits tax has been provided for as the Group had no assessable profit arising in or derived from Hong Kong.

(iii) Malaysia

No taxation has been provided by a subsidiary in Malaysia because it had unutilized tax allowances to offset its estimated assessable profit for the year ended 31st December, 2007. The applicable income tax rate of this subsidiary is 27% (2006 – 28%).

(iv) The PRC

The Group's joint venture enterprise ("JV") established in Dalian, the PRC is subject to PRC enterprise income tax ("EIT") on the taxable income as reported in its PRC statutory financial statements adjusted in accordance with relevant PRC income tax laws. The current applicable EIT rate of the JV is 15% (15% preferential state income tax and 0% local income tax).

As approved by the tax authorities, the JV is entitled to full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing from the first profitable year after offsetting all tax losses brought forward from the previous five years.

No taxation has been provided for as the JV had no estimated assessable profit for the current year (2006 – Nil).

On 16th March, 2007, the PRC National People's Congress approved the New Corporate Income Tax Law and on 6th December, 2007, the PRC State Council approved the Detailed Implementation Regulations (hereinafter "the new CIT Law"). The JV shall follow the requirement of the new CIT Law from 1st January, 2008. In accordance with the new CIT Law and the circular of the State Council Guo Fa [2007] No. 39, the preferential tax policies enjoyed by the JV, the "two-year exemption and three-year half rate" policy shall be calculated commencing from the 2008 tax year. From 1st January, 2008, the JV's EIT rate shall gradually be increased to the statutory tax rate of 25%, within 5 years of the date on which the new CIT Law comes into effect.

(v) Others

Other overseas taxation has been calculated at the rates of taxation applicable in the countries in which the relevant subsidiaries operate.

The amount of taxation credited to the consolidated income statement represents:

	2007	2006
	US$'000	*US$'000*
Hong Kong profits tax		
– over provision in previous year	**1,786**	–
Deferred income tax	**15**	–
	1,801	–

6. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2007	2006
Profit attributable to equity holders of the Company	**US$1,268,000**	US$458,000
Weighted average number of ordinary shares in issue	**1,215,579,448**	744,119,632
Basic earnings per share	**US0.10 cents**	US0.06 cents

There was no dilutive effect on earnings per share for the years ended 31st December, 2007 and 2006 since all outstanding share options were anti-dilutive.

7. TRADE AND OTHER RECEIVABLES

	2007	2006
	US$'000	*US$'000*
Trade receivables	**13,957**	17,001
Bill receivables	**2,727**	1,075
Less: provision for impairment of trade receivables	**(660)**	(2,981)
Trade receivables – net	**16,024**	15,095
Other receivables		
Value-added tax ("VAT") refund receivable	**330**	228
Prepayments	**1,824**	1,372
Other receivables	**817**	1,007
Less: provision for other receivables	**–**	(238)
Other receivables – net	**2,971**	2,369
Total trade and other receivables	**18,995**	17,464

The aging analysis of the trade receivables were as follows:

	2007	2006
	US$'000	*US$'000*
0–30 days	**8,867**	8,603
31–60 days	**2,033**	2,050
61–90 days	**1,257**	2,538
91–180 days	**762**	401
181–360 days	**17**	26
Over 360 days	**1,021**	3,383
	13,957	17,001

The Group normally grants credit terms of not more than 180 days to existing customers without collaterals. Management makes periodic collective assessment as well as individual assessment on the recoverability of trade and other receivables based on historical payment records, the length of overdue period, the financial strength of the debtors and whether there are any disputes with the relevant debtors.

As at 31st December, 2007, trade receivables amounting to approximately US$4,649,000 (2006 – US$3,915,000) were subject to floating charges as collateral for certain banking facilities of the Group.

Certain subsidiaries of the Group transferred receivable balances to banks in exchange for cash during the year ended 31st December, 2007 and the outstanding amount as at 31st December 2007 was US$2,635,000 (2006 – US$1,009,000). The transactions have been accounted for as collateralized borrowings.

As of 31st December, 2007, trade receivables of US$660,000 (2006: US$2,981,000) were impaired and provided for. The individually impaired receivables mainly relate to customers, which are in unexpected difficult economic situations.

8. TRADE AND OTHER PAYABLES

	2007 US$'000	2006 US$'000
Trade payables	**18,509**	16,631
Customer deposits	**–**	50
Accrued expenses	**2,759**	1,764
Salary and welfare payable	**1,415**	1,362
Obligation under finance leases – current portion	**201**	128
Others	**659**	638
	23,543	20,573

The aging analysis of the trade payables were as follows:

	2007 US$'000	2006 US$'000
0–30 days	**8,204**	7,284
31–60 days	**4,542**	3,748
61–90 days	**3,858**	2,240
91–180 days	**1,642**	3,257
181–360 days	**244**	91
Over 360 days	**19**	11
	18,509	16,631

9. CAPITAL AND RESERVES ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS

	Attributable to the Company's equity holders					
	Ordinary shares US$'000	Share premium US$'000	Other reserves US$'000	(Accumulated losses)/ Retained earnings US$'000	Minority interest in equity US$'000	Total US$'000
At 1st January, 2006	18,037	90,652	4,121	(90,491)	1,000	23,319
Capital reduction	(16,234)	–	16,234	–	–	–
Share premium cancellation	–	(90,652)	90,652	–	–	–
Issuance of new shares	1,795	–	–	–	–	1,795
Adjustment of accumulated losses	–	–	(107,427)	107,427	–	–
Profit for the year	–	–	–	458	–	458
Disposal of subsidiaries	–	–	(23)	–	–	(23)
Currency translation differences	–	–	491	–	–	491
At 31st December, 2006	3,598	–	4,048	17,394	1,000	26,040
At 1st January, 2007, as per above	**3,598**	**–**	**4,048**	**17,394**	**1,000**	**26,040**
Issuance of new shares	**680**	**7,652**	**–**	**–**	**–**	**8,332**
Profit for the year	**–**	**–**	**–**	**1,268**	**–**	**1,268**
Currency translation differences	**–**	**–**	**880**	**–**	**–**	**880**
At 31st December, 2007	**4,278**	**7,652**	**4,928**	**18,662**	**1,000**	**36,520**

POTENTIAL MODIFICATION TO THE AUDITOR'S REPORT

The report of the auditor on the Group's consolidated financial statements is likely to be modified to include the disclosures of a material uncertainty. The auditor, without qualifying their opinion, will draw attention to the "Going Concern Basis of Accounting" concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. As explained in the "Going Concern Basis of Accounting", the consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the ongoing support from the Group's bankers and the ability to generate sufficient cash flows from future operations to cover the Group's operating costs and to meet its financing commitments. The consolidated financial statements do not include any adjustments that would result from the failure of such measures. Details of the circumstances relating to this material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern are described in "Going Concern Basis of Accounting" above.

BUSINESS REVIEW

Manufacturing Business

Our Malaysian plant continued to operate at close to 80% of its capacity during the year under review. Although the plant's output volume lowered slightly, it was able to produce higher value products and boost market coverage. Currently, the plant exports to Japan, Korea, the PRC and Europe, with each market accounting for about 16% of the export and Southeast Asia accounting for about 24%. Volume to other markets also increased to about 12% of the total sales volume. Compared with the previous years, the Malaysian plant was less reliant on the Japanese market which, incidentally, cut down on imports particularly during the second half year.

There was upward pressure on raw material prices during the year with oil prices continuing to rise close to US$100 per barrel. Glue costs increased by close to 30% and log prices was up by about 10%. Fortunately, through our continued efforts to improve recovery of materials and cost cutting measures, the plant was able to mitigate some of these increases. The plant is constantly looking into using cheaper and more environmental friendly materials to produce plywood and also various ways and methods of sourcing such materials. We are also looking forward to having an interest in some logging concessions in Sabah, Malaysia. By then, we will be able to get veneers and logs from our concessions to compliment current log supplies from Sarawak, Malaysia.

Our Dalian plant, however, was subject to a more difficult operating environment. The Chinese government reduced export rebate to 5% instead of the original 13%. The Russian government increased log export tax from 6.5% to 20%, and comes 1st April, 2008, this will increase to 25% and by 1st January, 2009 to 80%. The strengthening Renminbi also affected the plant's performance. The plant operated under heavy pressure in the entire second half of 2007, however, efforts were made to counter the adverse operating conditions and we should be able to cope with such conditions by 2008.

During the year, the total production volume of the Dalian plant dropped to about 51,000 M3 compared to 79,000 M3 last year. The drastic drop in production volume was the result of tight raw materials supply especially after the Russian increased export tax for logs and also because of slack in major markets namely Japan and the US. The Japan market was hit by a slow housing sector dampened by the change in construction policy, while the US market was hit by the sub-prime mortgage crisis. Against the adverse backdrop, the Dalian plant had to reduce production and step up search for more value added products that it could put out. With new products scheduled to be introduced in 2008, we have confidence that the plant's business will gradually improve.

Market Overview

This year saw a change in our market mix. Shipments to Japan made up only about 20% of the Group's total sales compared to 34% last year. As we continue to build a more balance market portfolio to lessen reliance on any one market, shipment volume to other markets improved. The depressed Japan market imported about 17% less plywood as compared with 2006. It purchased about 20% less wood materials from Malaysia and about 25% less from Indonesia. We expect the Japanese market to improve only some time in the middle of 2008.

The Korean market, however, has been stable. Shipment volume to the market actually went up from less than 2% of our total export in 2006 to about 11% in 2007. The Korean market is quite similar to that of the Japanese market with its main demand being 6' x 3' boards. Our main exports to Korea were WBP plywood as well as structural plywood. Another market that returned stable performance was the PRC flooring market. With the Indonesian mills having to shoulder very high production cost, the market turned to Malaysia for flooring supplies thus presented business to the Group. We are confident of improving sales volume of flooring to the market in 2008.

For our customers in South East Asia, we continue to produce special plywood and other high value items like furniture parts, auto parts, fan blades, etc. There was an improvement in our exports to this region from 17% in 2006 to about 20% of our total export volume in 2007. We will look into producing such plywood for other markets, mainly Europe and the US and hope we can continue to be a plywood manufacturer boasting ability to cater to the niche markets. To this end, we will constantly seek to improve our technical and manufacturing capabilities, our knowledge of plywood making and wood species, and research and development teams in our various manufacturing plants.

Prospects

Looking to the future, we will continue to focus on markets with better economic prospects and potential like Korea, South East Asia and Europe. We will also continue to maintain excellent relationship with our customers and strategic ties with major purchasing houses in Japan as well as other countries.

Internally, we will focus on consolidating our capacities and resources, and at the same time, grow our business through exploiting and capitalizing on any opportunities for market and product expansion, especially in relation to special plywood and niche markets. To maximize productivity and offer an optimum product mix, we will continuously improve product quality, lower costs, increase recovery of materials and improve customer service. We are determined to enhance our performance and create additional value for our shareholders.

FINANCIAL REVIEW

Liquidity and financial resources

The Group maintained its financial performance during the year 2007. The profit attributable to shareholders was US$1.3 million. As at 31st December, 2007, the Group had net current assets of approximately US$1.6 million as compared to net current liabilities of approximately US$2.9 million as at 31st December, 2006. The increase in net current assets resulted from the issue of new shares during the year.

The Group will continue its efforts to streamline its operation as well as adopt prudent financial management. The Group is confident that, bearing unforeseen unfavourable market conditions, this trend would continue in 2008.

Capital structure

During the year ended 31st December, 2007, the Company issued in aggregate 211,600,000 new shares by way of placing and received gross proceeds of approximately HK$65.5 million, equivalent to approximately US$8.3 million. Such proceeds have been used for general working capital purposes.

Significant investments, acquisitions and disposals

In August 2007, a subsidiary of the Company entered into a sale and purchase agreement to acquire the entire issued capital a special purpose company, which has entered into a MOU with an independent third party Malaysian company to invest in a 49% interest of a 40,000 acres logging concession in Malaysia at the consideration of US$2 million. A refundable deposit of US$1.5 million was paid at the time when the sale and purchase agreement was entered into. This acquisition is expected to be completed on or before August 2008.

The management believed that the acquisition enables the Group access to stable supplies of logs which is the key raw material as well as diversification into upstream timber logging and forestry business.

Employees

As at 31st December, 2007, the Group had 4,059 staff, 3,551 of whom worked at the manufacturing plant in Bintulu, Sarawak, Malaysia and 468 at facilities in Dalian, the PRC. In-house training programmes were provided for staff to enhance skills and job knowledge. Management will continue to foster close co-operation with the staff.

Details of charges on assets

Bank loans and other banking facilities of the Group were secured by pledges of certain property, plant and equipment and leasehold land with a net book value of approximately US$70.5 million, floating charges on certain inventories of approximately US$13.2 million, trade receivables of approximately US$4.6 million, bank balances of approximately US$1.1 million, other assets of approximately US$1.5 million, corporate guarantees given by the Company and personal guarantees given by a Director of the Company.

Future plans for material investment or capital assets

At completion of the acquisition of the special purpose company, the Group is required to pay the balance of consideration payable of US$0.5 million. The management also expects that further capital investments will be required for the operation of the concession.

Gearing ratio

During 2007, the Group's strategy, which was unchanged from 2006, was to maintain a gearing ratio within 50% to 80%. The gearing ratios at 31st December, 2007 and 2006 were as follows:

	2007	2006
	US$'000	*US$'000*
Total borrowings	**68,793**	72,736
Less: Cash and cash equivalents	**(5,744)**	(3,235)
Net debt	**63,049**	69,501
Total equity	**36,520**	26,040
Total capital	**99,569**	95,541
Gearing ratio (net debt to total capital)	**63%**	73%

The decrease in the gearing ratio during 2007 resulted primarily from the issuance of new shares and the scheduled repayments of bank loans and borrowings when due.

Foreign exchange exposures

The Group has operations in the PRC and Malaysia with significant number of the transactions conducted in Chinese Renminbi and Malaysian Ringgits. While the functional and presentation currency of the Company is United States dollars, the Group is exposed to foreign exchange risk primarily from these currencies. The Group has not used any forward contracts to hedge such exchange risk because it is considered as not cost-effective.

Contingent liabilities

As at 31st December, 2007, the Group had no material contingent liabilities.

FINAL DIVIDEND

The Directors of the Company do not recommend the payment of a final dividend in respect of the year ended 31st December, 2007 (2006 – Nil).

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31st December, 2007, with deviations from code provisions A.2.1 and A.3.

Code provision A.2.1

Under code provision A.2.1, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

Dr. Budiono Widodo and Mr. Sardjono Widodo are father and son who act as the Chairman and Managing Director of the Company respectively. In addition to his duties as the Chairman of the Company, Dr. Budiono Widodo is also responsible for the strategic planning and overseeing certain aspects of the Group's operation. Such duties overlap with those of the chief executive officer, namely Mr. Sardjono Widodo. Nevertheless, the Board considers that this will not impair the balance of power and authority. In addition, the rich experience of Dr. Budiono Widodo in plywood industry does contribute materially to the Group's operation.

Code provision A.3

Under code provision A.3, the Board should include a balance composition of executive and non-executive directors (including independent non-executive directors) and under rule 3.10, the Board must include at least three (3) independent non-executive directors.

Due to the resignation of Mr. Ngai Kwok Chuen as an independent non-executive director of the Company on 29th November, 2007, the Board only had two independent non-executive directors since then until Mr. Siah Chong Huat was appointed as an independent non-executive director of the Company to fill this vacancy on 18th January, 2008.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. All existing Directors, upon specific enquiry, confirmed that they had complied with the required standard as set out in the Model Code during the year ended 31st December, 2007.

AUDIT COMMITTEE

The Audit Committee comprises of three independent non-executive directors, Mr. Marzuki Usman (chairman), Mr. Kusnadi Widjaja and Mr. Siah Chong Huat (appointed on 18th January, 2008 to fill the causal vacancy arising from the resignation of Mr. Ngai Kwok Chuen on 29th November, 2007).

The Audit Committee has adopted terms of reference, which are in line with the Code.

During the year ended 31st December, 2007, the Audit Committee met to review the annual financial information for the year ended 31st December, 2006 and the interim financial statements for the six months ended 30th June, 2007.

The Audit Committee has discussed and reviewed with management the consolidated financial statement for the year ended 31st December, 2007.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year ended 31st December, 2007, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

PUBLICATION OF THIS ANNOUNCEMENT

This announcement is published on the website of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk under "Latest Listed Companies Information" and at the website of the Company at http://www.irasia.com/listco/hk/pphl/index.htm under "Announcements & Notices".

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. Pipin Kusnadi
Mr. Sudjono Halim

Independent Non-executive Directors
Mr. Marzuki Usman
Mr. Kusnadi Widjaja
Mr. Siah Chong Huat

By order of the Board
Budiono Widodo
Chairman

Hong Kong, 11th April, 2008