

**PACIFIC PLYWOOD HOLDINGS LTD:
CHAIRMAN BUDIONO WIDODO CALLED
TO PAY UP MORE THAN \$HK100 MILLION**

The Chairman and Founder of publicly listed Pacific Plywood Holdings Ltd (Code: 767, Main Board, The Stock Exchange of Hongkong Ltd) has just been sued for more than \$US13.26 million (about \$HK103.39 million).

He is Mr Budiono Widodo, the 60-year-old businessman, who, according to the Interim Report of Pacific Plywood for the 6 months, ended June 30, 2003, is beneficially interested in 39.83 percent of the Issued and Fully Paid-Up Share Capital of the Company, as at September 18, 2003.

That equity holding represents 2,222,996,000 shares which, at today's market price of 2.30 cents per share, has a market value of not more than \$HK51,128,908.

EAA Finance Ltd, formerly known as BDNI Finance Ltd, has alleged, in High Court Action Number 4302, that, on or about October 24, 1997, Mr Widodo *'entered into a loan agreement'* with BDNI Finance, which changed its name to EAA Finance Ltd on March 1, 2000.

That agreement stated, inter alia, that EAA Finance would lend \$US8 million to Mr Widodo and that 100 million shares in the Issued and Fully Paid-Up Share Capital of Pacific Plywood would be charged to EAA Finance, those shares, being the property of Mr Widodo, via his private company, namely, SMI International Ltd.

Clearly, the security for the \$US8-million loan, made to Mr Widodo by EAA Finance, is a long way short of the market value of the shares, today.

The Statement of Claim, attached to the Writ of Summons, alleges, at Paragraph 4, that the \$US8 million was advanced as follows:

1. \$US600,000 on June 27, 1996
2. \$US3.40 million on July 1, 1996
3. \$US4 million on August 2, 1996

Then, at Paragraph 5:

'In breach of the Agreement, despite repeated requests and demands, including letters dated 22 May 1998 and 30 September 2002 to the Defendant (Mr Widodo), the Defendant has failed to repay the sum of US\$8,000,000 together with interest thereon. The Defendant was late in paying the interest due on 31 March 1998.'

The loan agreement of October 1997 specified that interest on the loan would be at the rate of 3 percent above the Prime Rate of Citibank, New York, and 1.75 percent per annum.

EAA Finance is demanding:

1. \$US8 million
 2. Interest on the \$US8 million from March 1, 1998 to November 11, 2003 in the amount of \$US5,255,537.05, with a daily rate of \$US1,277.78
 3. Cost and further and/or other relief
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