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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)

SUPPLEMENTARY ANNOUNCEMENT DISCLOSEABLE TRANSACTION PROVISION OF LOAN

DISCLOSEABLE TRANSACTION

The Board wishes to announce that the Loan made between Delta Wealth Finance Limited, a non wholly-owned subsidiary of the Company as the Lender, with Mr. Lam Chi Keong, as the Client, with a principal amount of HK\$15,000,000 constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 24 February 2011 (the “**Announcement**”).

THE LOAN AGREEMENT

Date: 24 February 2011

Parties:

Lender: Delta Wealth Finance Limited (formerly known as Head & Shoulders Finance Limited prior to 20 January 2011), a company incorporated in Hong Kong with limited liability and a non wholly-owned subsidiary of the Company, is a licensed money lender and is principally engaged in the business of money lending and provision of credits.

* *For identification purpose only*

Borrower: Mr. Lam Chi Keong.

To the best of Directors' knowledge, information and belief and having made all reasonable enquiries, the Client is a third party independent of the Company and connected persons (as defined under the Listing Rules).

Loan amount:

HK\$15,000,000

Interest rate:

2% per month, with reference to the credit policy of Delta Wealth Finance Limited. The interest shall be repaid at the end of each month.

Repayment Date:

25 May 2011

Repayment:

- (i) The Loan and other monies outstanding in connection with the provision of the Loan shall be repaid in full on the Final Repayment Date;
- (ii) The Lender shall have the overriding right to demand repayment of the Loan together with interest accrued thereon from time to time; and
- (iii) The Client may repay the Loan or any part of the Loan at any time before the Final Repayment Date without penalty.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The Company is an investment holding company, and through its subsidiaries is principally engaged in the business of money lending and provision of credits.

Provision of the Loan to the Client is conducted in the ordinary and usual course of the business of the Group, which brings interest income to the Group and the terms of which are entered on normal and commercial terms. Accordingly, the Directors consider that the terms of the Loan Agreement are fair and reasonable and the provision of the Loan is in the interest of the Company and the Shareholders as a whole.

GENERAL

As the relevant percentage ratio(s) (as defined under the Listing Rules) in respect of the provision of the Loan exceeds 5% but less than 25%, the provision of the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirements, but exempt from shareholders' approval requirement under the Listing Rules.

DEFINITIONS

Unless otherwise stated, the terms in this announcement have the following meanings:

“Board”	the board of directors
“Borrower” or “Client”	Mr. Lam Chi Keong
“Company”	Pacific Plywood Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Directors”	directors of the Company
“Final Repayment Date”	25 May 2011
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Lender”	Delta Wealth Finance Limited, a company incorporated in Hong Kong with limited liability and is a non wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the principal amount of HK\$15 million
“Loan Agreement”	the loan agreement entered into by the Lender and the Borrower dated 24 February 2011
“Share(s)”	share(s) of HK\$0.025 each in the share capital of the Company

“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 1 March 2011

As at the date of this announcement, the executive Directors are Mr. Liang Jian Hua (Chairman), Mr. Huang Chuan Fu (Deputy Chairman), Ms. Jia Hui and Mr. Jiang Yi Ren and the independent non-executive Directors are Mr. Chan Kin Sang, Mr. Cheng Po Yuen and Mr. Wong Chun Hung.