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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)**

### **DISCLOSEABLE TRANSACTION — EXTENSION OF LOAN**

On 19 May 2014, the parties to the Loan Agreement agreed to extend the Repayment Date to the New Repayment Date. Subject only to the Extension, the Loan Agreement, Share Mortgage and Guarantee shall remain in full force and effect. As at the date of this announcement, a portion of the principal and all outstanding interest of the Loan have been repaid.

Since the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan and the Extension pursuant to Rule 14.22 of the Listing Rules exceed 5% but less than 25%, the provision of the Loan and the Extension constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement but exempt from Shareholders' approval requirement under the Listing Rules.

Reference is made to the announcement of the Company dated 20 December 2013 (the “**Announcement**”) in relation to the provision of the First Loan Facility (as defined in the Announcement).

On 19 May 2014, the parties to the Loan Agreement agreed to extend the Repayment Date to the New Repayment Date. Subject only to the Extension, the Loan Agreement, Share Mortgage and Guarantee shall remain in full force and effect. As at the date of this announcement, a portion of the principal and all outstanding interest of the Loan have been repaid.

#### **KEY TERMS OF THE LOAN AGREEMENT WITH THE EXTENSION**

##### **Original amount of the Loan Agreement**

HK\$50,000,000

\* *For identification purposes only*

## **Repayment**

The Borrower shall repay the Loan in full in one lump sum together with all interest accrued thereon and all other monies payable under the Loan Agreement on the New Repayment Date.

The Lender shall have the overriding right at any time by written notice to the Borrower to demand (apart from the other representations, warranties, covenants and undertakings given by the Borrower under the Loan Agreement) further security and assurances as the Lender shall consider appropriate to secure the obligations of the Borrower under the Loan Agreement and/or to demand immediate repayment of all or part of the outstanding indebtedness payable under the Loan Agreement.

## **Share mortgage**

A share mortgage has been given by the Borrower to pledge by way of a first legal and equitable mortgage the Mortgaged Shares in favor of the Lender as collateral for the Loan.

## **Guarantee**

The Guarantor has provided the Guarantee in favor of the Lender for the Borrower's obligations and liabilities under the Loan Agreement.

## **Interest**

Interest on the Loan shall accrue at the rate of 24% per annum under the Loan Agreement. The Borrower shall repay accrued interest on the Loan on the New Repayment Date.

## **REASONS FOR AND BENEFITS OF THE EXTENSION**

The Company is an investment holding company, and through its subsidiaries is principally engaged in the business of money lending and provision of credits, securities investments, provision of corporate secretarial and consultancy services and forestry business.

The provision of the Loan and the Extension is conducted in the ordinary and usual course of business of the Group which provides interest income to the Group and is fully secured by the Share Mortgage and the Guarantee. The Directors (including the independent non-executive Directors) consider that the provision of the Loan and the Extension is entered into upon normal commercial terms following arm's length negotiations between the parties thereto and that the conditions and terms of the Extension and the Loan Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

## **GENERAL**

Since the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan and the Extension pursuant to Rule 14.22 of the Listing Rules exceed 5% but less than 25%, the provision of the Loan and the Extension constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement but exempt from Shareholders' approval requirement under the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	board of Directors
“Borrower”	the borrower under the Loan Agreement
“Company”	Pacific Plywood Holdings Limited (太平洋實業控股有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Extension”	The extension of the Repayment Date to the New Repayment Date
“Group”	the Company and its subsidiaries
“Guarantee”	the personal guarantee provided by the Guarantor in favor of the Lender for the Borrower’s obligations and liabilities under the Loan Agreement
“Guarantor”	being an individual who is the sole shareholder of the Borrower and is an Independent Third Party
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules
“Lender”	Joy Wealth Finance Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of the Company and is a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan facility of HK\$50,000,000 provided by the Lender to the Borrower pursuant to the terms and conditions of the Loan Agreement

“Loan Agreement”	the loan agreement dated 20 December 2013 entered into between the Lender and the Borrower in relation to the provision of the Loan
“Mortgaged Shares”	(i) ordinary shares of a company listed on the Main Board of the Stock Exchange legally and beneficially owned by the Borrower, with aggregate market value of over HK\$80 million based on the recent closing prices as quoted on the Stock Exchange; (ii) any shares acquired in respect of such mortgaged shares by reason of a division or combination of shares, share dividend, reclassification or otherwise; and (iii) all other shares in such company from time to time legally or beneficially owned by the Borrower
“New Repayment Date”	19 July 2014
“Repayment Date”	subject to the Lender’s customary overriding right of repayment on demand and terms of the Loan Agreement, the date falling two (2) months from the date of the Loan Agreement subject to further written agreement between the Lender and the Borrower on any possible extension for further three (3) months
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Mortgage”	A share mortgage has been given by the Borrower to pledge by way of a first legal and equitable mortgage the Mortgaged Shares in favor of the Lender as collateral for the Loan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 19 May 2014

As at the date of this announcement, the Directors are:

*Executive Directors*

Mr. Huang Chuan Fu (*Chairman*)

Mr. Liang Jian Hua

Ms. Jia Hui

Mr. Jiang Yi Ren

*Independent non-executive Directors*

Mr. Wong Chun Hung

Mr. Wong Sze Kai

Mr. Zheng Zhen

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