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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 — PROVISION OF LOAN

On 3 December 2015, the Lender entered into the Loan Agreement with the Borrower and the Guarantor, pursuant to which the Lender has agreed to provide a loan with principal amount of up to US\$9,445,180 to the Borrower in accordance with the terms thereunder.

As the applicable percentage ratio (as defined under the Listing Rules) in respect of the entering into of the Loan Agreement exceeds 5% but less than 25%, the entering into of the Loan Agreement constitutes as a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the announcement requirement but exempt from the Shareholders' approval requirement under the Listing Rules.

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THE LOAN AGREEMENT

Date: 3 December 2015

Parties: the Lender, the Borrower and the Guarantor

The Borrower and the Guarantor are individuals. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Borrower and the Guarantor are Independent Third Parties.

Amount of the Loan

Up to US\$9,445,180

* *For identification purposes only*

Term

The Business Day falling on the first (1st) month from the drawdown date of the Loan subject to the further agreement between the Lender and the Borrower on possible extension

Conditions of the Loan Agreement

The obligation of the Lender to advance the Loan to the Borrower is conditional upon the Lender (or its nominee) having received:

- (1) the original of the Loan Agreement duly executed by the Borrower and the Guarantor; and
- (2) such other documents, evidence and financial and other information relating to any of the matters contemplated under the Loan Agreement as the Lender may require.

Repayment

The Borrower will 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 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 the Loan and all interest accrued thereon and all other monies payable under the Loan Agreement.

Prepayment

The Borrower may prepay to the Lender the whole or any part of the Loan provided that:

- (a) the Borrower shall have given to the Lender not less than seven (7) Business Days' notice in writing of its intention to make such prepayment, specifying the amount to be prepaid and the date on which prepayment is to be made; and
- (b) the Lender shall have consented in writing to such prepayment (the Lender shall have the unfettered right to give (with or without conditions) or withhold such consent at its sole and absolute discretion).

Interest

Interest on the Loan shall accrue at the rate of twelve per cent. (12%) per annum. Interest on the Loan shall be calculated on the basis of a 365-day year and the actual number of days elapsed.

If the Borrower defaults in repayment on the due date of any part of the Loan, interest or other amounts payable under the Loan Agreement, the Borrower shall pay additional interest on such overdue sums from the due date until payment in full (before and after judgment) at the rate which is twelve per cent. (12%) per annum. Such interest shall be calculated on the basis of a 365-day year and the actual number of days elapsed.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE LOAN AGREEMENT

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.

Entering into of the Loan Agreement is conducted in the ordinary and usual course of business of the Group and it provides interest income to the Group and the terms of which are entered on normal and commercial terms. The Directors consider that the Loan Agreement is entered into upon normal commercial terms following arm's length negotiations between the parties to the Loan Agreement and that the conditions and terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratio (as defined under the Listing Rules) in respect of the entering into of the Loan Agreement exceeds 5% but less than 25%, the entering into of the Loan Agreement constitutes as a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the announcement requirement but exempt from the Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	the borrower under the Loan Agreement
“Business Day(s)”	a day (other than a Saturday, a Sunday and a public holiday) on which the licensed banks in Hong Kong are generally open for business in Hong Kong
“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
“Group”	the Company and its subsidiaries
“Guarantor”	the guarantor under the Loan Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

* For identification purposes only

“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, is a wholly-owned subsidiary of the Company and 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 amount drawn down by the Lender pursuant to the terms and conditions of the Loan Agreement
“Loan Agreement”	the loan agreement dated 3 December 2015 entered into between the Lender, the Borrower and the Guarantor in relation to the provision of a loan with principal amount of up to US\$9,445,180 to the Borrower in accordance with the terms thereunder
“PRC”	People’s Republic of China
“Repayment Date”	the Business Day falling on first (1st) month from the date of drawdown of the Loan subject to the further agreement between the Lender and the Borrower on possible extension
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America.
“%”	per cent

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

Hong Kong, 3 December 2015

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. Zheng Zhen

Mr. To Langa Samuelson

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