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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

ENTERING INTO OF THE FACILITY LETTER

The Board is pleased to announce that on 16 June 2011, the Lender entered into the Facility Letter with Mingford. Under the Facility Letter, the Lender agreed to lend and Mingford agreed to borrow the Loan with a principal amount of HK\$23 million pursuant to the terms and the conditions of the Facility Letter.

LISTING RULES IMPLICATION

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan exceed 5% but less than 25%, it 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.

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The Facility Letter

Set out below are the key terms of the Facility Letter:

Date

16 June 2011

Parties

Lender: Joy Wealth Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, which is a licensed money lender and is principally engaged in the business of money lending and provision of credits

Borrower: Mingford Development Limited, an investment holding company incorporated in the British Virgin Islands with limited liability

**For identification purpose only*

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, Mingford and its ultimate beneficial owner are third parties independent to the Company and its associates, and not connected with the Directors, chief executives or substantial Shareholders of the Company and its subsidiaries and their respective associates (as defined under the Listing Rules).

Principal amount

HK\$23,000,000

Term

The Facility Letter shall have a term of one (1) month from the date of the Facility Letter, subject to the agreement between the parties thereto on any possible extension.

Interest rate

1.2% per month, with reference to the credit policy of the Lender

Repayment Date

On or before the end of the term of the Facility Letter

Early settlement and partial payment

Early settlement and partial payment shall be subject to all accrued interest (accrued interest is calculated on a daily basis) and is subject to the consent of the Lender. A prior notice must be given by the Borrower.

Collateral

A share mortgage deed will be entered into between the Lender and Mingford, pursuant to which 100% equity interest of Rich Kind, a wholly-owned subsidiary of Mingford, will be pledged to the Lender.

Rich Kind is interested in the entire equity of a wholly-foreign-owned enterprise in the People's Republic of China.

Reasons for and benefits of entering into the Facility Letter

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

Entering into the Facility Letter with the Borrower is conducted in the ordinary and usual course of business of the Group, which provides interest income to the Group and the terms of which are entered into on normal commercial terms. Accordingly, the Directors consider that the terms of the Facility Letter are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

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

"associate(s)" has the meaning ascribed to it under the Listing Rules

"Board"	the board of Directors
"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"	the directors of the Company
"Facility Letter"	the facility letter issued to Mingford by Joy Wealth on 16 June 2011 to grant the Loan
"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
"Joy Wealth" or "Lender"	Joy Wealth Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company, which is a licensed money lender and is principally engaged in the business of money lending and provision of credits
"Loan"	a loan with a principal amount of HK\$23,000,000
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mingford" or "Borrower"	Mingford Development Limited, an investment holding company incorporated in the British Virgin Islands with limited liability
"Repayment Date"	on or before the end of the term of the Facility Letter
"Rich Kind"	Rich Kind (China) Limited, is an investment holding company incorporated in Hong Kong with limited liability and is wholly-owned by Mingford
"Share(s)"	share(s) of HK\$0.025 each in the share capital of the Company
"Shareholder(s)"	the 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, 16 June 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.

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