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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

On 16 June 2011, the Lender entered into the First Facility Letter with Mingford. Under the First Facility Letter, the Lender agreed to lend and Mingford agreed to borrow the First Loan pursuant to the terms and the conditions of the First Facility Letter. The First Loan was drawdown by Mingford on 16 June 2011. Details of which have been set out in the announcement of the Company dated 16 June 2011.

On 27 June 2011, the Lender entered into the Second Facility Letter with Mingford. Under the Second Facility Letter, the Lender agreed to lend and Mingford agreed to borrow the Second Loan subject to the terms and the conditions of the Second Facility Letter.

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the provision of the Second Loan (when aggregated with the First Loan pursuant to Rule 14.22 of the Listing Rules) exceeds 5% but less than 25%, the provision of the Second Loan 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. As the assets ratio exceeds 8%, the provision of the Second Loan (when aggregated with the First Loan pursuant to Rule 14.22 of the Listing Rules) also constitutes an advance to an entity under Rules 13.13 and 13.15 of the Listing Rules and is subject to the relevant disclosure requirement.

On 16 June 2011, the Lender entered into the First Facility Letter with Mingford. Under the First Facility Letter, the Lender agreed to lend and Mingford agreed to borrow the First Loan pursuant to the terms and the conditions of the First Facility Letter. The First Loan was drawdown by Mingford on 16 June 2011. Details of which have been set out in the announcement of the Company dated 16 June 2011.

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* *For identification purposes only*

THE SECOND FACILITY LETTER

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

Date

27 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

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).

Amount of the Second Facility Letter

HK\$42,000,000

Term

It has a term of one (1) month from the date of the Second 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

Subject to the Lender's overriding right of repayment on demand, the principal sum of the then outstanding loan together with accrued interest thereon shall be repaid on or before 27 July 2011.

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

An Assignment Deed will be entered into between the Lender and the Borrower within 3 days after the drawdown of the Second Loan.

Reasons for and benefits of entering into the Second 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 Second Facility Letter with Mingford 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 on normal and commercial terms. Accordingly, the Directors consider that the terms of the Second Facility Letter are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the provision of the Second Loan (when aggregated with the First Loan pursuant to Rule 14.22 of the Listing Rules) exceeds 5% but less than 25%, the provision of the Second Loan 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. As the assets ratio exceeds 8%, the provision of the Second Loan (when aggregated with the First Loan pursuant to Rule 14.22 of the Listing Rules) also constitutes an advance to an entity under Rules 13.13 and 13.15 of the Listing Rules and is subject to the relevant disclosure requirement.

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
“Assignment Deed”	assignment by way of security of the convertible bonds issued by Greenfield Chemical Holdings Limited with principal amounts of HK\$65 million by the Borrower to the Lender, in secure of the Second Loan
“Board”	the board of Directors
“Borrower” or “Mingford”	Mingford Development Limited, an investment holding company incorporated in the British Virgin Islands with limited liability
“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

“First Facility Letter”	the first facility letter made between the Lender and the Borrower on 16 June 2011
“First Loan”	the first loan with principal amount of HK\$23,000,000
“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”	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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Second Facility Letter”	the second facility letter made between the Lender and the Borrower on 27 June 2011
“Second Loan”	the second loan with principal amount of up to HK\$42,000,000
“Share(s)”	the ordinary 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, 27 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.