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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 30 November 2012, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender has agreed to provide the Loan of HK\$44,000,000 to the Borrower.

As the applicable percentage ratio(s) (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 a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement but exempt from the Shareholders' approval requirement under the Listing Rules.

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Loan Agreement

Date : 30 November 2012

Parties : the Lender and the Borrower

The Borrower is a company incorporated in the British Virgin Islands with limited liability and the principal activity of which is investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Borrower and its ultimate beneficial owner are Independent Third Parties.

Amount of the Loan

HK\$44,000,000

* *For identification purposes only*

Term

One (1) year from the date of drawdown which may be extended for another one (1) year if so agreed by the parties thereto.

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.

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 a 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).

Collaterals

Within 5 Business Days from the date of draw-down of the Loan by the Borrower, the Borrower shall grant or procure to grant to the Lender a conditional assignment of a second mortgage of shares of a listed company in Hong Kong, with monetary value of over HK\$44 million, or any other collaterals of equivalent value acceptable to the Lender.

In addition, the Lender shall have the right from time to time at its absolute and sole discretion require or demand any other collateral, irrespective of whether the monetary value of the same is equivalent to or over the outstanding amount owing from the Borrower to the Lender.

Interest

Interest on the Loan shall accrue at the rate of ten per cent. (10%) per annum with reference to the credit policy of the Lender. Interest charged 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 ten per cent. (10%) 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, 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 (including the independent non-executive 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(s) (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 a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement but exempt from the Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Borrower”	Iron Champion Limited, a company incorporated in the British Virgin Islands with limited liability
“Business Day”	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, a company incorporated in Bermuda and the Shares of which are listed on the main board of the Stock Exchange
“Directors”	directors of the Company
“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 PRC
“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 of HK\$44,000,000 to be provided by the Lender to the Borrower pursuant to the terms and conditions of the Loan Agreement
“Loan Agreement”	the loan agreement dated 30 November 2012 and entered into between the Lender and the Borrower in relation to the provision of the Loan
“PRC”	the People’s Republic of China
“Repayment Date”	the date falling 1 year from the date of drawdown which may be extended for another 1 year if so agreed by the parties thereto
“Share(s)”	the ordinary share(s) of HK\$0.08 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
“%”	per cent.

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

Hong Kong, 30 November 2012

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

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