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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 5 September 2014, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender has agreed to provide the Loan Facility of up to HK\$61,000,000 to the Borrower in accordance with the terms thereunder.

Prior to 5 September 2014, the Lender entered into Previous Loan Agreements with the Borrower which have been repaid in full as at the date of this announcement.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the entering into of the Loan Agreement (when aggregated with the Previous Loan Agreements pursuant to Rule 14.22 of the Listing Rules) exceed 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.

* For identification purpose only

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THE LOAN AGREEMENT

Date : 5 September 2014

Parties : the Lender and the Borrower

The Borrower is a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange and its principal activity is investment holding.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Borrower is an Independent Third Party.

Amount of the Loan Facility

Up to HK\$61,000,000

Term

The Business Day falling on six months from the date of the Loan Agreement subject to further written agreement between the Lender and the Borrower on any possible extension.

Repayment

Subject to the Lender's overriding right of repayment on demand, the Borrower shall repay the Loan Facility 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. In addition, the Lender shall have the right from time to time in its absolute and sole discretion require or demand any collateral which is with a value equivalent or over the outstanding amount from the Borrower.

Prepayment

The Borrower may prepay to the Lender the whole or any part of the Loan Facility 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).

Conditions

- (a) The Borrower may not utilize any amount under the Loan Agreement unless the Lender has first received from the Borrower, in the form and substance acceptable to the Lender, inter alia, (i) evidence that all authorisations have been obtained and all necessary filings, registrations and other formalities have been or will, as soon as practical, be completed in order to ensure that the Loan Agreement and such other documents in connection therewith are valid, enforceable and legally binding; and (ii) such other documents, evidence and financial and other information in connection with the Loan Agreement and the transactions contemplated herein as the Lender may reasonably request; and
- (b) The Lender shall have absolute discretion as to whether to make available any sum for any drawdown under the Loan Agreement.

Interest

Interest on the Loan Facility 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 Facility shall be calculated on the actual number of days elapsed from and including the date of drawdown up to but excluding the date that any amount shall be repaid in full on the basis of a 365-day year. The Borrower shall repay accrued interest on the Loan Facility on the Repayment Date.

If the Borrower defaults in repayment on Repayment Date of any part of the amount drawn, 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, if applicable) at the rate which is 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 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 provision of the Loan Facility shall be financed by internal resources of the Group. 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 ratios (as defined under the Listing Rules) in respect of the entering into of the Loan Agreement (when aggregated with the Previous Loan Agreements pursuant to Rule 14.22 of the Listing Rules) exceed 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

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
“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
“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, 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 Agreement”	the loan agreement dated 5 September 2014 entered into between the Lender and the Borrower in relation to the provision of the Loan Facility
“Loan Facility”	the loan facility of up to HK\$61,000,000 to be provided by the Lender to the Borrower pursuant to the terms and conditions of the Loan Agreement
“PRC”	People’s Republic of China

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“Previous Loan Agreements”	loan agreements dated 10 July 2014 and 21 August 2014 entered into between the Lender and the Borrower in relation to the provision of loan facility of HK\$13,000,000 in aggregate with an interest rate of 10% per annum and a term of six (6) months from the date of drawdown of any amount by the Borrower subject to further written agreement between the Lender and the Borrower on any possible extension pursuant to the terms and conditions thereunder
“Repayment Date”	the Business Day falling on six months from the date of drawdown of any amount of the Loan Facility by the Borrower subject to further written agreement between the Lender and the Borrower on any 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
“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, 5 September 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.