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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 – EXTENSION OF LOAN

On 18 October 2016, the parties to the Loan Agreement agreed to extend the Repayment Date to the New Repayment Date. Subject only to the Extension, the Loan Agreement shall remain in full force and effect. As at the date of this announcement, outstanding interest of the Loan has been repaid.

As more than one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan and the Extension (when aggregated with the Previous Loan Agreements and the Prior Loan Agreements pursuant to Rule 14.22 of the Listing Rules) exceed 5% but less than 25%, the provision of the Loan and the Extension constitute 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.

Reference is made to the announcement of the Company dated 19 October 2015 (the “**Announcement**”) in relation to the provision of the Loan (defined as the Second Loan in the Announcement).

On 18 October 2016, the parties to the Loan Agreement agreed to extend the Repayment Date to the New Repayment Date. Subject only to the Extension, the Loan Agreement shall remain in full force and effect. As at the date of this announcement, outstanding interest of the Loan has been repaid.

* *For identification purpose only*

KEY TERMS OF THE LOAN AGREEMENT WITH THE EXTENSION

Original amount of the Loan Agreement

Up to HK\$5,000,000

Repayment

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

Interest

Interest on the Loan shall accrue at the rate of 12% per annum under the Loan Agreement. The Borrower shall repay accrued interest on the outstanding Loan on the New Repayment Date.

REASONS FOR AND BENEFITS OF THE EXTENSION

The Company is an investment holding company, and through its subsidiaries, is principally engaged in the business of operation of P2P financing platform under the CAIJIA brand and other loan facilitation services, money lending and provision of credit and securities investments.

The provision of the Loan and the Extension is conducted in the ordinary and usual course of business of the Group which provides interest income to the Group and outstanding interest of the Loan has been repaid as at the date of this announcement. The Directors consider that the provision of the Loan and the Extension is entered into upon normal commercial terms following arm's length negotiations between the parties thereto and that the conditions and terms of the Extension and the Loan Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

GENERAL

As more than one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan and the Extension (when aggregated with the Previous Loan Agreements and the Prior Loan Agreements pursuant to Rule 14.22 of the Listing Rules) exceed 5% but less than 25%, the provision of the Loan and the Extension constitute 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:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors
“Borrower”	the borrower under the Loan Agreement, which is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange and its principal activity is investment holding
“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
“Extension”	the extension of the Repayment Date to the New Repayment Date

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“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 amount drawn down by the Borrower pursuant to the terms and conditions of the Loan Agreement
“Loan Agreement”	the loan agreement dated 19 October 2015 entered into between the Lender and the Borrower in relation to the provision of a loan with principal amount of up to HK\$5,000,000 to the Borrower in accordance with the terms thereunder
“New Repayment Date”	18 October 2017
“PRC”	People’s Republic of China

“Previous Loan Agreements”	the loan agreements dated 17 July 2014 (supplemented by the extension letter dated 17 January 2015), 27 October 2014 (supplemented by the extension letter dated 27 February 2015), 19 October 2015, 16 March 2016 and 29 March 2016 entered into between the Lender and associates of the Borrower in relation to the provision of loans of HK\$85,100,000 in aggregate, with respective interest rates ranging from 10% to 14.4% per annum and the respective terms ranging from four (4) to twelve (12) months from the date of drawdown, subject to further written agreement between the parties thereto on any possible extension pursuant to the terms and conditions thereunder
“Prior Loan Agreements”	the loan agreements dated 16 March 2016, 13 May 2016, 8 July 2016 and 28 September 2016 entered into between the Lender and the Borrower in relation to the provision of loans of HK\$12,000,000 in aggregate, all with interest rates of 12% per annum and respective terms of twelve (12) months from the date of drawdown, subject to further written agreement between the parties thereto on any possible extension pursuant to the terms and conditions thereunder
“Repayment Date”	the Business Day falling on the twelfth (12th) month from the date of drawdown, which may be extended if so agreed by the parties to the Loan Agreement
“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
“%”	per cent.

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

Hong Kong, 18 October 2016

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.