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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 24 August 2017, 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 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 pursuant to Rule 14.22 of the Listing Rules) exceed 5% but less than 25%, the provision of the Loan and the Extension constitutes as 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.

Reference is made to the announcement of the Company dated 23 August 2016 in relation to the provision of the Loan.

On 24 August 2017, 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.

KEY TERMS OF THE LOAN AGREEMENT WITH THE EXTENSION

Original amount of the Loan

HK\$82,000,000

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

* *For identification purposes only*

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.

Prepayment

The Borrower may prepay to the Lender the whole or any part of the Loan provided that 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.

Interest

Interest on the Loan shall accrue at the rate of 10% per annum under the Loan Agreement. Interest charged on the Loan shall be calculated on the actual number of days elapsed up to but excluding the New Repayment Date and on the basis of a 365-day year. The Borrower shall repay accrued interest on the Loan on the New Repayment Date.

If the Borrower defaults in repayment on the New Repayment 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 New Repayment Date until payment in full (before and after judgment, if applicable) at the rate of 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 THE EXTENSION

The Company is an investment holding company, and through its subsidiaries, is principally engaged in the business of operation of Peer-to-Peer (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 Loan Agreement and the Extension are fair and reasonable and are in the interests of the Shareholders as a whole.

GENERAL

Prior to 24 August 2017, the Lender entered into the Previous Loan Agreements with the Borrower which have not been due as at the date of this announcement. As 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 pursuant to Rule 14.22 of the Listing Rules) exceed 5% but less than 25%, the provision of the Loan and the Extension constitutes as 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, an Independent Third Party which 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
“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
“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 knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons 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”	the amount drawn down by the Borrower pursuant to the terms and conditions of the Loan Agreement
“Loan Agreement”	the loan agreement dated 23 August 2016 (supplemented by the extension letter dated 22 February 2017) entered into between the Lender and the Borrower in relation to the provision of the revolving loan facility with principal amount of up to HK\$82,000,000 to the Borrower in accordance with the terms thereunder

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“New Repayment Date”	22 August 2018
“PRC”	People’s Republic of China
“Previous Loan Agreements”	the loan agreements dated 3 March 2016 (supplemented by the extension letters dated 2 September 2016 and 19 April 2017), 25 May 2016 (supplemented by the extension letters dated 24 November 2016 and 25 May 2017), 27 June 2016 (supplemented by the extension letters dated 23 December 2016 and 29 June 2017) and 19 April 2017 and entered into between the Lender and the Borrower in relation to the provision of the revolving loan facility of HK\$36,000,000, HK\$50,000,000, HK\$70,000,000 and HK\$60,000,000 respectively, all with interest rate of 10% per annum and the respective term ranging from six (6) months to twelve (12) months from the date of drawdown, subject to further written agreement between the Lender and the Borrower on any possible extension
“Repayment Date”	the Business Day falling on the sixth (6th) month from the date of drawdown of the Loan subject to the further agreement between the Lender and the Borrower on possible extension for further six (6) months
“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, 24 August 2017

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.