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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 29 August 2017 (after trading hour), 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 and Security Mortgage shall remain in full force and effect.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan and the Extension pursuant to Rule 14.22 of the Listing Rules exceeds 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 November 2015 in relation to the provision of the Loan.

On 29 August 2017 (after trading hour), 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 and Security Mortgage shall remain in full force and effect.

KEY TERMS OF THE LOAN AGREEMENT WITH THE EXTENSION

Original amount of the Loan Agreement

HK\$290,000,000

Outstanding amount of the Loan Agreement

HK\$163,003,144

* *For identification purposes only*

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.

Prepayment

- (a) Early repayment of the Loan together with interest before the New Repayment Date is allowed upon the Borrower giving notice to the Lender specifying therein the date of the intended early repayment together with a cheque for the Loan and the interest calculated up to the date of early repayment.
- (b) the Borrower shall, on the date of such early repayment, pay to the Lender all accrued interest on the amount so prepaid.

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 basis of a 365- day year and the actual number of days elapsed. The Borrower shall repay accrued interest on the Loan in arrears on the New Repayment Date.

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, 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 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 credits 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 is secured by the Security Mortgage. Having considered the on-going repayments of the loan and interests payable made by the Borrower during the original term of the Loan Agreement, 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 one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan and the Extension pursuant to Rule 14.22 of the Listing Rules exceeds 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
“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 outstanding principal of HK\$163,003,144 owed by the Borrower to the Lender pursuant to the terms and conditions of the Loan Agreement
“Loan Agreement”	the loan agreement dated 23 November 2015 entered into between the Lender and the Borrower in relation to the provision of a loan with principal amount of up to HK\$290,000,000 to the Borrower in accordance with the terms thereunder
“New Repayment Date”	31 August 2018
“PRC”	People’s Republic of China

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“Repayment Date”	the Business Day falling on 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
“Security Mortgage”	the security mortgage given by the Borrower to pledge by way of a first legal and equitable mortgage a security issued by a company listed on the Main board of the Stock Exchange as collateral for all the monies owed to the Lender from time to time
“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, 29 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.