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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 — ACQUISITION OF TRUST BENEFICIARY RIGHTS

The Board hereby announces that, on 23 March 2018, the Transferee (a subsidiary of the Company) and Beijing Yiboantai entered into the Transfer Agreement, pursuant to which Beijing Yiboantai has agreed to transfer, and the Transferee has agreed to acquire, the Trust Beneficiary Rights representing to 283,310,000 trust units under the Trust Scheme and all rights and obligations thereunder for a consideration of RMB240,000,000.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed(s) 5% but less than 25%, the transaction contemplated under the Transfer 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.

INTRODUCTION

The Board hereby announces that, on 23 March 2018, the Transferee (a subsidiary of the Company) and Beijing Yiboantai entered into the Transfer Agreement, pursuant to which Beijing Yiboantai has agreed to transfer, and the Transferee has agreed to acquire, the Trust Beneficiary Rights, representing 283,310,000 trust units under the Trust Scheme and all rights and obligations thereunder, at a consideration of RMB240,000,000.

* *For identification purposes only*

TRANSFER AGREEMENT

The principal terms of the Transfer Agreement are set out as follows:

Date: 23 March 2018

Parties to the Transfer Agreement: (1) Beijing Yiboantai (as transferor); and
(2) Transferee (a subsidiary of the Company) (as Transferee).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, Beijing Yiboantai and its ultimate beneficial owner are Independent Third Parties.

Subject of transfer: the Trust Beneficiary Rights under the Trust Scheme and all rights and obligations of 283,310,000 trust units.

Consideration and payments: The consideration of RMB240,000,000 for the transfer is determined on the basis of the principal amount of RMB283,310,000 of the Trust Plan and through arm's length negotiations between the Parties based on normal commercial terms.

The aforesaid consideration shall be settled by instalments. The Transferee shall deposit the first instalment of the consideration with an amount of RMB200,000,000 into the account designated by Beijing Yiboantai within 5 working days following the execution date of the Transfer Agreement, namely, by no later than 29 March 2018; and shall settle the balance of the consideration before 21 September 2018.

Income: Beijing Yiboantai has undertaken to distribute interests from the Trust Scheme to the Transferee at an annual rate of 12% (based on the remaining balance of the transfer funds paid to the trust by the Company). The principal amount will be distributed on a monthly basis, while interests will be distributed on a quarterly basis.

INFORMATION ON THE TRUST PLAN

The Trust Scheme has been established since 30 September 2014. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, as at the date of this announcement, the total principal amount of the Trust Scheme is RMB283,310,000, and funds raised through the Trust Scheme have been applied by the Trustee towards the provision of loans and the provision of related services.

REASONS FOR AND BENEFITS OF THE TRANSFER

The Trust Scheme has good risk return profile and the transaction allows the Company to invest its unutilized funds to maximize returns.

The terms of the Transfer Agreement have been entered into through arm's length negotiations between the two parties based on normal commercial terms, The Directors are of the view that the terms of the Transfer Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company is an investment holding company, and through its subsidiaries, is principally engaged in the businesses of the operation of peer-to-peer (P2P) financing platform and other loan facilitation services under the "Caijia" brand, money lending, and provision of credit and securities investments service. Beijing Huiju Yitong is a subsidiary of the Company principally engaged in financial and investment consultation services.

Beijing Yiboantai is a company with limited liability incorporated on 24 May 2010 and an Independent Third Party. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, Beijing Yiboantai is principally engaged in investment management and investment consultation services.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceed(s) 5% but is/are less than 25%, the transaction 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
“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
“Beijing Yiboantai”	Beijing Yiboantai Investment Management Company Limited* (北京億博安泰投資管理有限公司), a company incorporated under the laws of the PRC with limited liability and an Independent Third Party
“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
“Parties”	Beijing Huiju Yitong and Beijing Yiboantai
“Trust Beneficiary Rights ”	Corresponding Trust Beneficiary Rights under the Trust Plan and all rights and obligations of 283,310,000 trust units
“Trust Scheme”	“Tianxing Jiyuan Personal Loan Standalone Fund Trust Series Tranche I Standalone Fund Trust Contract*” (《天行紀元個人貸款單一資金信託系列專案一期單一資金信託合同》), a trust scheme effective from 30 September 2014
“Transferee”	Beijing Huiju Yitong Financial Consultation Limited* (北京匯聚壹通財務諮詢有限公司), a company incorporated under the laws of the PRC with limited liability and a domestic subsidiary of the Company
“Transfer Agreement”	the Transfer Agreement dated 23 March 2018 entered into by Transferee and Beijing Yiboantai in respect of the transaction
“Group”	the Company and its subsidiaries
“RMB”	RMB, the lawful currency of the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party/Parties”	Any person(s) or company/companies and their respective ultimate beneficial owners who, to the best of the knowledge, information and belief of the Directors having made all reasonable enquires, is/are third party/parties independent from the Company and its connected persons under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China
“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
Guo Jintong
Executive Director and Chairman

Hong Kong, 23 March 2018

As at the date of this announcement, the Directors are:

Executive Directors

Mr. Guo Jintong (*Chairman*)

Mr. Li Jiuhua

Non-executive Directors

Ms. Gao Zhenyun

Mr. Yao Luo

Ms. Yu Yang

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.

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