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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 LEASE AGREEMENT**

On 13 October 2017 (after trading hours of the Stock Exchange), the Company entered into the Lease Agreement with the Landlord, pursuant to which, the Company agreed to rent, and the Landlord agreed to lease, the Premises located at 34th and 35th Floors of the Bank of China Tower, No. 1 Garden Road, Hong Kong for a term of three years commencing on 15 October 2017 and expiring on 14 October 2020 (both dates inclusive).

As two of the applicable percentage ratios in respect of the Lease under the Listing Rules exceed 5% but are less than 25%, the Lease Agreement and the transaction contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval under the Listing Rules.

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### **PRINCIPAL TERMS OF THE LEASE AGREEMENT**

Principal terms of the Lease Agreement are summarized below:

- Date: 13 October 2017
- Parties: (i) The Landlord, as the landlord of the Premises; and  
(ii) The Company, as the tenant.
- Premises: 34th and 35th Floors of the Bank of China Tower, No. 1 Garden Road, Hong Kong.

\* *For identification purposes only*

- Term:** Three years commencing on 15 October 2017 and expiring on 14 October 2020 (both dates inclusive).
- Rent-free period:** The period commencing on 15 October 2017 and ending on and including 14 February 2018.
- During the rent-free period, the Tenant is not required to pay any rent. However, the Tenant is responsible for the payment of, and shall pay, all the service charges, rates and all other charges and expenses of a recurring or non-capital nature incurred from time to time in connection with the Tenant's occupation of the Premises including, without limitation, rates and the fees, charges and expenses for all utilities and services consumed in respect of the Premises during such rent-free period.
- Rent and service charges:** Rent: HK\$2,983,470.00 per calendar month during the Term (subject to the rent-free period) and shall be payable in advance on the first day of each calendar month.
- Service charges: HK\$306,871.20 per calendar month during the Term.
- Rates: HK\$371,700.00 per quarter, payable by the Tenant not later than the end of each of the months of March, June, September and December of each and every succeeding calendar year during the Term.
- Deposit:** HK\$10,242,723.60 (being a sum equivalent to three months' rent, service charges and one calendar quarter's rates).
- Renewal Option:** The Tenant is entitled to take the lease of the Premises for a further term of three years commencing from the expiration of the Term of the Lease upon the same terms as are contained in the Lease Agreement (but save and except the renewal option and any rent-free period), at a monthly rent (which shall be the then prevailing market rent) to be determined between the Landlord and the Tenant by an agreement in writing and subject to a number of provisos specified in the Lease Agreement.

## **INFORMATION OF THE PARTIES**

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 Landlord is principally engaged in the business of banking. To the best of the Directors' knowledge, information and belief, having made reasonable enquiries, (a) the Landlord is the registered owner of the Premises and (b) the Landlord and its ultimate beneficial owners are Independent Third Parties.

## **REASONS AND BENEFITS FOR ENTERING INTO THE LEASE AGREEMENT**

In order to establish a good corporate image, the Company plans to grow its business. It is expected that the size of the staff will increase accordingly; and the existing office space of the Company will not be able to meet the expected actual demand. The Company therefore rents the Premises from the Landlord, which is to be used as the new principal office of the Company, and considers the size of the Premises to be consistent with the expected actual demand of office space.

The rental of the Premises and the terms of the Lease Agreement (including the rent) were arrived at after arm's length negotiations between the parties to the Lease Agreement on normal commercial terms after having taken into account the rental of similar properties in the vicinity (including market rents). The Directors consider that the terms of the Lease Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

As two of the applicable percentage ratios in respect of the Lease under the Listing Rules exceed 5% but are less than 25%, the Lease Agreement and the transaction contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of Directors
“Company” or the “Tenant”	Pacific Plywood Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“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)”	independent third party(ies) who is/are independent of and not connected with (a) the Company or any of its subsidiaries and (b) connected persons (as defined under the Listing Rules) of the Company or any of its subsidiaries
“Landlord”	Bank of China (Hong Kong) Limited, a limited liability company incorporated in Hong Kong
“Lease”	the lease of the Premises under the Lease Agreement
“Lease Agreement”	the lease agreement dated 13 October 2017 and entered into between the Company as the tenant and the Landlord as the landlord of the Premises

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Premises”	34th and 35th Floors of the Bank of China Tower, No. 1 Garden Road, Hong Kong
“Share(s)”	share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	three years commencing on 15 October 2017 and expiring on 14 October 2020 (both dates inclusive)

By Order of the Board  
**Pacific Plywood Holdings Limited**  
**Bai Tianhui**  
*Chairman*

Hong Kong, 13 October 2017

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

*Executive Directors*

Ms. Gao Zhenyun (*Vice Chairlady*)  
Mr. Li Jiuhua

*Independent Non-executive Directors*

Mr. Wong Chun Hung  
Mr. Zheng Zhen  
Mr. To Langa Samuelson

*Non-executive Directors*

Mr. Bai Tianhui (*Chairman*)  
Mr. Yao Luo  
Ms. Yu Yang

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*