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Oi Wah Pawnshop Credit Holdings Limited

靚華押業信貸控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1319)

VOLUNTARY ANNOUNCEMENT PROVISION OF FINANCIAL ASSISTANCE

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 2 December 2016, the Loan Agreement was entered into between Oi Wah PL as lender and Two Customers as borrower. Pursuant to the Loan Agreement, Oi Wah PL has agreed to grant the Loan to Two Customers for a term of 12 months.

This is a voluntary announcement made by the Company.

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As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan granted to Two Customers under the Loan Agreement are below 5%, the grant of the Loan is not subject to the disclosure requirement under Chapter 14 of the Listing Rules.

Furthermore, as one of the ultimate beneficial owners of Customer F and Customer G are the same with or an associate of the ultimate beneficial owners of the customers of the Existing Loans, the grant of the Loan requires aggregation with the Existing Loans (which in aggregate constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and were disclosed under the announcements issued by the Company on 8 April 2016, 18 April 2016, 12 July 2016, 25 July 2016, 26 July 2016, 18 August 2016 and 30 November 2016) under Rule 14.22 of the Listing Rules. Given the applicable percentage ratios in respect of the Loan and the Existing Loans in aggregate under Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the grant of the Loan and the Existing Loans in aggregate still constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the disclosure in this announcement is made on a voluntary basis since the Existing Loans were disclosed earlier and the aggregation of the Loan and the Existing Loans does not alter the classification of transaction of the Existing Loans.

Summarised below are the principal terms of the Loan Agreement.

THE LOAN AGREEMENT

Date of the Loan Agreement	:	2 December 2016*
Lender	:	Oi Wah PL and Lender A
Borrower	:	Two Customers
Principal	:	Oi Wah PL: HK\$20,000,000.00 Lender A: HK\$43,000,000.00
Interest rate	:	P + 3.75% per annum where P represented the prime rate of 5.25% of Wing Lung Bank Limited as of the date of the Loan Agreement
Term	:	12 months commencing from the Drawdown Date
Security	:	A first legal charge/mortgage in respect of three commercial properties located in Mong Kok and Hung Hom with valuation conducted by an independent property valuer on 28 October 2016 and 9 November 2016 with the total amount of approximately HK\$90,000,000.00
Repayment	:	Two Customers shall repay the interests on a monthly basis with the principal amount at loan maturity
Early redemption	:	Handling charges in the sum of HK\$2,840,000.00 is payable if full repayment is made within 6 months and such handling charges will be shared by Oi Wah PL and Lender A based on the proportion of the principal

*Note: *The date of the MOU was 10 November 2016*

OTHER TERMS OF THE LOAN AGREEMENT

Pursuant to the Loan Agreement, the Loan is guaranteed by two individuals who are Independent Third Party(ies) and the mortgaged properties under the Loan Agreement are insured against fire risks with an insurance company approved by Oi Wah PL.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

The making of the Loan is collateralised. The collaterals provided by Two Customers for the Loan is sufficient as the loan-to-value ratio of three mortgaged properties is approximately 70% (loan-to-value ratio as a first mortgage to Lender A: approximately 48%, loan-to-value ratio of the Loan as a first mortgage to the Group: approximately 22%) based on the value of three mortgaged properties for the Loan as determined by an independent valuer.

The advance in respect of the Loan was also made on the basis of the Company's credit assessments made on Two Customers' financial strength and repayment ability, the collaterals provided which are at the prime sites in Hong Kong, and the relatively short term nature of the advance. After taking into account the factors as disclosed above in assessing the risks of the relevant advance, the Company considers that the risks involved in the advance to Two Customers are relatively low.

FUNDING OF THE LOAN

The Group will finance the Loan with the Company's general working capital.

INFORMATION ON CUSTOMER F

Customer F is a company incorporated in Hong Kong principally engaged in the business of rental investment and operating game centre. Customer F is our repeated customer with no default record in our Group. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer F and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

INFORMATION ON CUSTOMER G

Customer G is a company incorporated in Hong Kong principally engaged in the business of rental investment and operating game centre. Customer G is our repeated customer with no default record in our Group. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer G and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

INFORMATION ON THE GROUP AND THE LENDER

The Group is a financing service provider in Hong Kong mainly providing secured financing, including pawn loans and mortgage loans under the provisions of the Pawnbrokers Ordinance and the Money Lenders Ordinance. Oi Wah PL, as the lender of the Loan, is an indirect wholly-owned subsidiary of the Company.

INFORMATION ON LENDER A

Lender A is a company incorporated in Hong Kong principally engaged in the business of financing service in Hong Kong. Lender A was approached by the Group through the Group's network. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Lender A is an Independent Third Party and not connected with the Group.

REASONS FOR ENTERING INTO THE AGREEMENTS

Taking into account the principal business activities of the Group, the grant of the Loan to Two Customers is in the ordinary and usual course of business of the Group.

The terms of the Agreements were negotiated on an arm's length basis between Oi Wah PL and Two Customers. The Directors consider that the granting of the Loan is a financial assistance provided by the Company within the meaning of the Listing Rules. The Directors are of the view that the terms of the Agreements were entered into on normal commercial terms based on the Company's credit policy. Taking into account the satisfactory financial background of Two Customers and that a stable revenue and cashflow stream from the interest income is expected, the Directors consider that the terms of the Agreements are fair and reasonable and the entering into of the Agreements is in the interests of the Company and its shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Agreements”	the Loan Agreement and the MOU
“Board”	the board of Directors
“Company”	Oi Wah Pawnshop Credit Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Customer F”	the borrower, being a company incorporated in Hong Kong and an Independent Third Party
“Customer G”	the borrower, being a company incorporated in Hong Kong and an Independent Third Party
“Director(s)”	the director(s) of the Company

“Drawdown Date”	the date on which the Loan is drawdown
“Existing Loans”	the loans granted to the associates of Two Customers by Oi Wah PL as set out in the Company’s announcements dated 8 April 2016, 18 April 2016, 12 July 2016, 25 July 2016, 26 July 2016, 18 August 2016 and 30 November 2016
“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 People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s) (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a mortgage loan in the amount of HK\$20,000,000.00 provided by Oi Wah PL to Two Customers
“Loan Agreement”	the loan agreement dated 2 December 2016 entered into between Oi Wah PL and the Two Customers in respect of the Loan
“Lender A”	the lender, being a company incorporated in Hong Kong and an Independent Third Party
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“MOU”	the memorandum of understanding dated 10 November 2016 entered into between Oi Wah PL and Lender A
“Oi Wah PL”	Oi Wah Property Credit Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

“Pawnbrokers Ordinance”	the Pawnbrokers Ordinance (Chapter 166 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Two Customers”	Customer F and Customer G

By Order of the Board of
Oi Wah Pawnshop Credit Holdings Limited
Chan Kai Ho Edward
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 2 December 2016

As at the date of this announcement, the Board comprises Mr. Chan Kai Ho Edward (Chief Executive Officer and Chairman), Mr. Chan Chart Man, Ms. Chan Mei Fong and Ms. Chan Ying Yu as executive Directors; Mr. Chan Kai Kow Mackston as non-executive Director; and Mr. Chan Wing Lee, Dr. Leung Shiu Ki Albert and Dr. Yip Ngai as independent non-executive Directors.