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## **Oi Wah Pawnshop Credit Holdings Limited**

**靄華押業信貸控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1319)**

### **DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE**

#### **PROVISION OF FINANCIAL ASSISTANCE**

The Board is pleased to announce that on 15 March 2019, the Loan Agreement was entered into between Oi Wah PL as lender and Six Customers as borrowers. Pursuant to the Loan Agreement, Oi Wah PL has agreed to grant the Loan to Six Customers for a term of 1 month.

#### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan granted to Six Customers under the Loan Agreement exceed 5% but are less than 25%, the grant of the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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Summarised below are the principal terms of the Loan Agreement.

## **THE LOAN AGREEMENT**

Date of agreement	:	15 March 2019
Lender	:	Oi Wah PL
Borrower	:	Six Customers
Principal	:	HK\$80,500,000.00
Interest rate	:	P + 15.625% per annum, where P represented the prime rate of 5.375% per annum offered by CMB Wing Lung Bank Limited as of the date of the Loan Agreement
Term	:	1 month commencing from the Drawdown Date
Security	:	A second legal charge/mortgage in respect of fifteen commercial properties and five industrial properties located in Tsim Sha Tsui, Shatin, Kwun Tong, Wan Chai, Chai Wan, Tsuen Wan and Mei Foo with valuation conducted by two independent property valuers on 11 March 2019 with an aggregate amount of approximately HK\$801,000,000.00
Repayment	:	Six Customers shall repay the interests with the principal amount at loan maturity
Interest	:	Interest is calculated on a daily basis with the maximum amount of HK\$1,408,750.00
Early redemption	:	Handing charges together with interest in the sum of HK\$704,375.00 will be charged if the Loan is fully repaid within half a month

## **OTHER TERMS OF THE LOAN AGREEMENT**

Pursuant to the Loan Agreement, the Loan is guaranteed by three individuals who are Independent Third Parties. All mortgaged properties 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 Six Customers for the Loan are sufficient as the aggregate loan-to-value ratio of the twenty mortgaged properties is approximately 66% (loan-to-value ratio of first mortgage: approximately 39%, loan-to-value ratio as a subordinated mortgage to another independent mortgagee: approximately 17%, loan-to-value ratio of the Loan as a subordinated mortgage to the Group: approximately 10%) based on the value of the mortgaged properties for the Loan as determined by two independent property valuers.

The advance in respect of the Loan was also made on the basis of the Company's credit assessments made on the financial strength and repayment ability of Six Customers, the collaterals provided by Six Customers, 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 Six Customers are relatively low.

## **FUNDING OF THE LOAN**

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

## **INFORMATION ON CUSTOMER A**

Customer A, a company incorporated in Hong Kong principally engaged in the business of property investment, is a repeated customer of the Group. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer A and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

## **INFORMATION ON CUSTOMER E**

Customer E, a company incorporated in Hong Kong principally engaged in the business of property investment, is a repeated customer of the Group. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer E and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

## **INFORMATION ON CUSTOMER F**

Customer F, a company incorporated in Hong Kong principally engaged in the business of property investment, is a repeated customer of the 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 L**

Customer L, a company incorporated in Hong Kong principally engaged in the business of property investment, is a repeated customer of the Group. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Customer L and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

## **INFORMATION ON CUSTOMER M**

Customer M is a merchant and a repeated customer of the Group. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer M is an Independent Third Party and not connected with the Group.

## **INFORMATION ON CUSTOMER N**

Customer N, a company incorporated in Hong Kong principally engaged in the business of property investment, is a repeated customer of the Group. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer N 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.

## **REASONS FOR ENTERING INTO THE LOAN AGREEMENT**

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

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

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan granted to Six Customers under the Loan Agreement exceed 5% but are less than 25%, the grant of the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“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 A”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer E”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer F”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer L”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer M”	the borrower being an individual and an Independent Third Party
“Customer N”	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
“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\$80,500,000.00 granted by Oi Wah PL to Six Customers
“Loan Agreement”	the loan agreement dated 15 March 2019 entered into between Oi Wah PL and Six Customers in respect of the Loan
“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

“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
“Six Customers”	Customer A, Customer E, Customer F, Customer L, Customer M and Customer N
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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, 15 March 2019

*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. Lam On Tai, Dr. Leung Shiu Ki Albert and Dr. Yip Ngai as independent non-executive Directors.*