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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 4 June 2019, Loan Agreement A was entered into between Oi Wah Pawnshop as lender and Customer C as borrower. In addition, on 5 July 2019, Loan Agreement B was entered into between Oi Wah PL as lender and Customer C as borrower.

Pursuant to Loan Agreement A, Oi Wah Pawnshop has agreed to grant Loan A to Customer C for a term of 3 months. Pursuant to Loan Agreement B, Oi Wah PL has agreed to grant Loan B to Customer C for a term of 12 months.

LISTING RULES IMPLICATIONS

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

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

Furthermore, as Customer C is also the customer of the Existing Loans, the grant of the Loans requires aggregation with the Existing Loans under Rule 14.22 of the Listing Rules. On 27 June 2019, Customer C has repaid the principal amount with accrued interest under the loan agreement dated 19 May 2019 made between Oi Wah Pawnshop and Customer C as disclosed in the announcement issued by the Company on 20 May 2019.

Given the applicable percentage ratios in respect of the Loans 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 Loans and the Existing Loans in aggregate still constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE

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Summarised below are the principal terms of Loan Agreement A and Loan Agreement B.

LOAN AGREEMENT A

Date of the agreement	:	4 June 2019
Lender	:	Oi Wah Pawnshop
Borrower	:	Customer C
Principal	:	HK\$4,200,000.00
Interest rate	:	30% per annum
Term	:	3 months commencing from the drawdown date
Security	:	A pledge of 5 watches and 1 piece of jewellery with valuation conducted by a professional valuer on 4 March 2019 with an aggregate amount of approximately HK\$5,520,000.00
Repayment	:	Customer C shall repay the interest on a monthly basis with the principal amount to be repaid at loan maturity

LOAN AGREEMENT B

Date of the agreement	:	5 July 2019
Lender	:	Oi Wah PL
Borrower	:	Customer C
Principal	:	HK\$34,400,000.00
Interest rate	:	P + 3.75% 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 Loan Agreement B
Term	:	12 months commencing from the drawdown date
Security	:	A first, further and second further legal charge/mortgage in respect of a residential property located in Ho Man Tin with valuation conducted by an independent property valuer on 27 June 2019 with an amount of approximately HK\$54,500,000.00
Repayment	:	Customer C shall repay the interest on a monthly basis with the principal amount to be repaid at loan maturity
Early redemption	:	Administration fees in the sum of HK\$784,000.00 will be charged if Loan B is fully repaid by Customer C within 3 months from the drawdown date

Pursuant to Loan Agreement B, the mortgaged property is insured against fire risks with an insurance company approved by Oi Wah PL.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOANS

The making of the Loans are collateralised. The collateral provided by Customer C for Loan A is sufficient as the loan-to-value ratio of the 5 pledged watches and 1 piece of pledged jewellery for the Loan is approximately 76%, based on the value of the 5 pledged watches and 1 piece of pledged jewellery for Loan A as determined by a professional valuer. The collateral provided by Customer C for Loan B is sufficient as the loan-to-value ratio of the mortgaged property for Loan B together with Existing Loan A is approximately 65%, based on the value of the mortgaged property for Loan B and Existing Loan A as determined by an independent valuer.

The advance in respect of Loans were also made on the basis of the Company's credit assessments made on the financial strength and repayment ability of Customer C, the collateral provided by Customer C are watches and jewellery of famous brand names and the mortgaged property is at the prime site 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 Customer C are relatively low.

FUNDING OF THE LOANS

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

INFORMATION ON CUSTOMER C

Customer C is a merchant and our repeated customer with no default record. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer C is an Independent Third Party and not connected with the Group.

INFORMATION ON THE GROUP AND THE LENDERS

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 Pawnshop, as the lender of Loan A, is an indirect wholly-owned subsidiary of the Company. Oi Wah PL, as the lender of Loan B, is an indirect wholly-owned subsidiary of the Company.

REASONS FOR ENTERING INTO LOAN AGREEMENT A AND LOAN AGREEMENT B

Taking into account the principal business activities of the Group, the grant of the Loans to Customer C is in the ordinary and usual course of business of the Group.

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

LISTING RULES IMPLICATIONS

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

Furthermore, as Customer C is also the customer of the Existing Loans, the grant of the Loans requires aggregation with the Existing Loans under Rule 14.22 of the Listing Rules. On 27 June 2019, Customer C has repaid the principal amount with accrued interest under the loan agreement dated 19 May 2019 made between Oi Wah Pawnshop and Customer C as disclosed in the announcement issued by the Company on 20 May 2019.

Given the applicable percentage ratios in respect of the Loans 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 Loans and the Existing Loans in aggregate still 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 C”	the borrower being an individual and an Independent Third Party
“Director(s)”	the director(s) of the Company
“Existing Loan A”	the loan granted to Customer C by Oi Wah PL as set out in the Company’s announcement dated 21 March 2019
“Existing Loans”	(1) Existing Loan A; (2) the three loans granted to Customer C by Oi Wah PL as disclosed in the Company’s announcements dated 8 August 2018, 1 March 2019 and 20 May 2019; and (3) the loan granted to Customer C by Oi Wah CL as disclosed in the Company’s announcement dated 10 September 2018

“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)”	third 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”	a loan in the amount of HK\$4,200,000.00 provided by Oi Wah Pawnshop to Customer C
“Loan B”	a loan in the amount of HK\$34,400,000.00 provided by Oi Wah PL to Customer C
“Loan Agreement A”	the loan agreement dated 4 June 2019 entered into between Oi Wah Pawnshop and Customer C in respect of Loan A
“Loan Agreement B”	the loan agreement dated 5 July 2019 entered into between Oi Wah PL and Customer C in respect of Loan B
“Loans”	Loan A and Loan B
“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 CL”	Oi Wah Credit Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Oi Wah Pawnshop”	Oi Wah Pawnshop Credit Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“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

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, 5 July 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.