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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)

VOLUNTARY ANNOUNCEMENT PROVISION OF FINANCIAL ASSISTANCE

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 17 September 2019, the Loan Agreement was entered into between Oi Wah Pawnshop as lender and Customer C as borrower. Pursuant to the Loan Agreement, Oi Wah Pawnshop has agreed to grant the Loan to Customer C for a term of 3 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 Customer C 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 Customer C is also the customer of the Existing Loans, the grant of the Loan requires aggregation with the Existing Loans (which were disclosed under the announcements issued by the Company on 1 March 2019, 21 March 2019, 20 May 2019, 5 July 2019 and 10 September 2019) under Rule 14.22 of the Listing Rules. On 17 September 2019, Customer C has fully repaid the principal amount with accrued interest under the loan agreement dated 16 July 2019 made between Oi Wah Pawnshop and Customer C as disclosed in the announcement issued by the Company on 10 September 2019.

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	:	17 September 2019
Lender	:	Oi Wah Pawnshop
Borrower	:	Customer C
Principal	:	HK\$3,000,000.00
Interest rate	:	30% per annum
Term	:	3 months commencing from the drawdown date
Security	:	A pledge of a diamond with valuation conducted by a professional valuer on 16 September 2019 with an amount of approximately HK\$4,000,000.00
Repayment	:	Customer C shall repay the interest on a monthly basis with the principal amount to be repaid at loan maturity

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

The making of the Loan is collateralised. The collateral provided by Customer C for the Loan is sufficient as the loan-to-value ratio of the diamond for the Loan is approximately 75%, based on the value of the diamond for the Loan as determined by a professional valuer.

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 Customer C, the collateral provided by Customer C, which is a diamond of a famous brand, 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 LOAN

The Group will finance the Loan 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 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 Pawnshop, 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 Customer C 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 Customer C and Oi Wah Pawnshop. 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 Loan Agreement 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 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.

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 Loans”	(1) the five loans granted to Customer C by Oi Wah PL as disclosed in the Company’s announcements dated 1 March 2019, 21 March 2019, 20 May 2019, 5 July 2019 and 10 September 2019 respectively; and (2) the loan granted to Customer C by Oi Wah CL as disclosed in the Company’s announcement dated 10 September 2019
“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 loan in the amount of HK\$3,000,000.00 provided by Oi Wah Pawnshop to Customer C
“Loan Agreement”	the loan agreement dated 17 September 2019 entered into between Oi Wah Pawnshop and Customer C 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 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, 17 September 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 Macksion and Mr. Ng Siu Hong as non-executive Directors; and Mr. Lam On Tai, Dr. Leung Shiu Ki Albert and Dr. Yip Ngai as independent non-executive Directors.