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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 16 September 2019, Loan Agreement A was entered into between Oi Wah PL as lender and Customer D as borrower. In addition, on 21 September 2019, Loan Agreement B was entered into between Oi Wah CL as lender and Two Customers as borrower.

Pursuant to Loan Agreement A, Oi Wah PL has agreed to grant Loan A to Customer D for a term of 1 month. Pursuant to Loan Agreement B, Oi Wah CL has agreed to grant Loan B to Two Customers for a term of 12 months.

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 16 September 2019, Loan Agreement A was entered into between Oi Wah PL as lender and Customer D as borrower. In addition, on 21 September 2019, Loan Agreement B was entered into between Oi Wah CL as lender and Two Customers as borrower.

Pursuant to Loan Agreement A, Oi Wah PL has agreed to grant Loan A to Customer D for a term of 1 month. Pursuant to Loan Agreement B, Oi Wah CL has agreed to grant Loan B to Two Customers for a term of 12 months.

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

Furthermore, as Customer A is the ultimate beneficial owner of (i) Customer D; and (ii) Customer C (i.e. the customer of the Existing Loan), the grant of the Loans requires aggregation with the Existing Loan under Rule 14.22 of the Listing Rules. As the applicable percentage ratios in respect of the Loans and the Existing Loan 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 Loan 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 Loan was disclosed earlier and the aggregation of the Loans and the Existing Loan does not alter the classification of transaction of the Existing Loan.

Summarised below are the principal terms of the Loan Agreements.

LOAN AGREEMENT A

Date of the agreement	:	16 September 2019
Lender	:	Oi Wah PL
Borrower	:	Customer D
Principal	:	HK\$20,000,000.00
Interest rate	:	P + 12.625% 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 Loan Agreement A
Term	:	1 month commencing from the drawdown date
Security	:	A second legal charge/mortgage in respect of a commercial property located in Tsuen Wan with valuation conducted by an independent property valuer on 16 September 2019 with an amount of approximately HK\$70,000,000.00
Repayment	:	Customer D shall repay the interest with the principal amount at loan maturity
Early redemption	:	Handling fees plus interest in the sum of HK\$300,000.00 in total will be charged if Loan A is fully repaid by Customer D within one month

Other Terms of Loan Agreement A

Pursuant to Loan Agreement A, Loan A is guaranteed by an individual who is an Independent Third Party. The mortgaged property is insured against fire risks with an insurance company approved by Oi Wah PL.

LOAN AGREEMENT B

Date of the agreement	:	21 September 2019
Lender	:	Oi Wah CL
Borrower	:	Two Customers
Principal	:	HK\$6,000,000.00
Interest rate	:	P + 6.75% 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 legal charge/mortgage in respect of a residential property and a commercial property located in Sheung Shui with valuation conducted by an independent property valuer on 17 September 2019 with an aggregate amount of approximately HK\$9,800,000.00
Repayment	:	Two Customers shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity
Early redemption	:	Administration fees of HK\$181,000.00 will be charged if Loan B is fully repaid by Two Customers within 3 months from the drawdown date

Other Terms of Loan Agreement B

Pursuant to Loan Agreement B, all mortgaged properties are insured against fire risks with an insurance company approved by Oi Wah CL.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOANS

The making of the Loans is collateralised. The collateral provided by Customer D for Loan A is sufficient as the loan-to-value ratio of the mortgaged property is approximately 62% (loan-to-value ratio of first mortgage: approximately 33%, loan-to value ratio of Loan A as a subordinated mortgage to the Group: approximately 29%) based on the value of the mortgaged property for Loan A as determined by an independent valuer.

The collateral provided by Two Customers for Loan B is sufficient as the loan-to-value ratio of the mortgaged properties as first mortgage to the Group is approximately 61% based on the aggregate value of the mortgaged properties for Loan B as determined by the independent valuer.

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

FUNDING OF THE LOANS

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

INFORMATION ON CUSTOMER A

Customer A 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 A is an Independent Third Party and not connected with the Group.

INFORMATION ON CUSTOMER B

Customer B 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 B is an Independent Third Party and not connected with the Group.

INFORMATION ON CUSTOMER D

Customer D is a company incorporated in Hong Kong which is principally engaged in the business of investment. Customer D is a repeated customer of the Group with no default record. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer D and its ultimate beneficial owner are Independent Third Parties and are 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 PL, as the lender of Loan A, is an indirect wholly-owned subsidiary of the Company. Oi Wah CL, as the lender of Loan B, is an indirect wholly-owned subsidiary of the Company.

REASONS FOR ENTERING INTO THE LOAN AGREEMENTS

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

The terms of the Loan Agreement A were negotiated on an arm's length basis between Oi Wah PL and Customer D. The terms of the Loan Agreement B were negotiated on an arm's length basis between Oi Wah CL and Two Customers. The Directors consider that the granting of the Loans 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 Agreements were entered into on normal commercial terms based on the Company's credit policy. Taking into account the satisfactory financial background of the Customers and that a stable revenue and cashflow stream from the interest income is expected, the Directors consider that the terms of the Loan Agreements are fair and reasonable and the entering into of the Loan 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:

“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 an individual and an Independent Third Party
“Customer B”	the borrower, being an individual and an Independent Third Party
“Customer C”	Customer C as defined in the announcement issued by the Company on 19 August 2019
“Customer D”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customers”	Two Customers and Customer D

“Director(s)”	the director(s) of the Company
“Existing Loan”	the loan granted to Customer C by Oi Wah PL as disclosed in the announcement issued by the Company on 19 August 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”	a mortgage loan in the amount of HK\$20,000,000.00 provided by Oi Wah PL to Customer D
“Loan B”	a mortgage loan in the amount of HK\$6,000,000.00 provided by Oi Wah CL to Two Customers
“Loan Agreement A”	the loan agreement dated 16 September 2019 entered into between Oi Wah PL and Customer D in respect of Loan A
“Loan Agreement B”	the loan agreement dated 21 September 2019 entered into between Oi Wah CL and Two Customers in respect of Loan B
“Loans”	Loan A and Loan B
“Loan Agreements”	Loan Agreement A and Loan Agreement 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 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 A and Customer B

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, 23 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 Mackston 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.