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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 7 August 2020, the Loan Agreement was entered into between Oi Wah PL as lender and the Customer as borrower. Pursuant to the Loan Agreement, Oi Wah PL has agreed to grant the Loan to the Customer 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 the Loan granted to the Customer 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.

As the Customer is the borrower of the Existing Loans and the Loan, the grant of the Loan and the Existing Loans requires aggregation under Rule 14.22 of the Listing Rules. As the applicable percentage ratios in respect of the Loan and the Existing Loans granted to the Customer under Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the grant of the Loan and the Existing Loans constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **PROVISION OF THE LOAN**

The Board is pleased to announce that on 7 August 2020, the Loan Agreement was entered into between Oi Wah PL as lender and the Customer as borrower. Pursuant to the Loan Agreement, Oi Wah PL has agreed to grant the Loan to the Customer for a term of 12 months.

Summarised below are the principal terms of the Loan Agreement.

### **THE LOAN AGREEMENT**

Date of the agreement:	7 August 2020
Lender:	Oi Wah PL
Borrower:	The Customer
Principal:	HK\$35,400,000.00
Interest rate:	10.15% per annum
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 21 July 2020 with an amount of approximately HK\$49,500,000.00 as at 21 July 2020
Repayment:	The Customer shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity

### **Other terms of the Loan Agreement**

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

## **PROVISION OF THE EXISTING LOANS**

Prior to the entering into of the Loan Agreement, the Group has entered into the Existing Loan Agreements for the grant of the Existing Loans to the Customer. A summary of the Existing Loan Agreements is set out as follows:

## **EXISTING LOAN AGREEMENT A**

Date of the agreement:	23 March 2020
Lender:	Oi Wah PL
Borrower:	The Customer
Principal:	HK\$800,000.00
Interest rate:	11% per annum
Term:	12 months commencing from the drawdown date
Security:	A first legal charge/mortgage in respect of a car parking space located in the Mid-Levels with valuation conducted by an independent property valuer on 17 March 2020 with an amount of approximately HK\$1,400,000.00 as at 17 March 2020
Repayment:	The Customer shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity

### **Other terms of Existing Loan Agreement A**

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

## **EXISTING LOAN AGREEMENT B**

Date of the agreement:	13 July 2020
Lender:	Oi Wah Pawnshop
Borrower:	The Customer
Principal:	HK\$2,500,000.00*
Interest rate:	30% per annum
Term:	1 month commencing from the drawdown date
Security:	A pledge of a diamond with valuation conducted by a professional valuer on 13 July 2020 with an amount of approximately HK\$4,300,000.00 as at 13 July 2020
Repayment:	The Customer shall repay the interests and the principal amount at loan maturity

\* *The original amount of the principal of Existing Loan B was HK\$3,000,000.00. The Customer made partial repayment as to the principal of Existing Loan B in the amount of HK\$500,000.00 on 7 August 2020.*

## **INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN AND THE EXISTING LOANS**

The making of the Loan and the Existing Loans is collateralised.

The collateral provided by the Customer for the Loan is sufficient as the loan-to-value ratio of the mortgaged property for the Loan is approximately 72% based on the value of the mortgaged property for the Loan as determined by an independent valuer.

The collateral provided by Customer for Existing Loan A is sufficient as the loan-to-value ratio of the mortgaged property for Existing Loan A is approximately 57% based on the value of the mortgaged property for Existing Loan A as determined by an independent valuer.

The collateral provided by Customer for Existing Loan B is sufficient as the loan-to-value ratio of the pledged diamond for Existing Loan B is approximately 58% based on the value of the pledged diamond for Existing Loan B as determined by a professional valuer.

The advances in respect of the Existing Loans and the Loan were also made on the basis of the Company's credit assessments made on (i) the collateral provided by the Customer, which include a diamond with GIA certification and mortgaged properties located at the prime sites in Hong Kong; (ii) the fact that the Customer is our repeated customer with no default record; and (iii) the relatively short term nature of the advances. After taking into account the factors as disclosed above in assessing the risks of the relevant advances, the Company considers that the risks involved in the advances to the Customer are relatively low.

## **FUNDING OF THE LOAN**

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

## **INFORMATION ON THE CUSTOMER**

The Customer is an individual and a merchant who is principally engaged in property investment in Hong Kong.

The Customer is our repeated customer with no default record.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Customer 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 PL, as the lender of the Loan and Existing Loan A, is an indirect wholly-owned subsidiary of the Company. Oi Wah Pawnshop, as the lender of Existing Loan B, is an indirect wholly-owned subsidiary of the Company.

## **REASONS FOR ENTERING INTO THE LOAN AGREEMENT AND THE EXISTING LOAN AGREEMENTS**

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

The terms of the Loan Agreement and Existing Loan Agreement A were negotiated on an arm's length basis between Oi Wah PL and the Customer. The terms of the Existing Loan Agreement B were negotiated on an arm's length basis between Oi Wah Pawnshop and the Customer. The Directors consider that the grant of the Loan and the Existing Loans is 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 and the Existing 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 Customer and that a stable revenue and cashflow stream from the interest income is expected, the Directors consider that the terms of the Loan Agreement and the Existing Loan Agreements are fair and reasonable and the entering into of the Loan Agreement and the Existing Loan Agreements 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 the Customer 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.

As the Customer is the borrower of the Existing Loans and the Loan, the grant of the Loan and the Existing Loans requires aggregation under Rule 14.22 of the Listing Rules. As the applicable percentage ratios in respect of the Loan and the Existing Loans granted to the Customer under Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the grant of the Loan and the Existing Loans constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

It is required under Rule 14.58(2) of the Listing Rules to disclose the identity of the Customer. Since (i) the Loan (aggregated with the Existing Loans) is not regarded as a material transaction of the Company as compared to the Company's overall financial position; (ii) the Company has practical difficulties in complying with the aforesaid disclosure requirement as the Customer has confirmed to the Group that he/she will not consent to the disclosure of his/her identity in this announcement; (iii) the disclosure of the identity of the Customer does not reflect the financial standing or repayment abilities of the Customer and thus will serve little purpose in assisting the Shareholders to evaluate the Customer's creditworthiness and the risks and exposure of the Loan and the Existing Loans; and (iv) the Company has made alternative disclosures in respect of the Loan and the Existing Loans in this announcement, including but not limited to the details of the collateral and the loan-to-value ratio of the collateral in respect of the Loan and the Existing Loans, which would be much more meaningful for the Shareholders in assessing the risk and exposure of the Loan and the Existing Loans as well as the repayment abilities of the Customer, the Company has applied to, and been granted by, the Stock Exchange for a waiver from strict compliance with Rule 14.58(2) 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”	the borrower being an individual and an Independent Third Party

“Director(s)”	the director(s) of the Company
“Existing Loan A”	a mortgage loan in the amount of HK\$800,000.00 provided by Oi Wah PL to the Customer
“Existing Loan B”	a pawn loan in the amount of HK\$2,500,000.00 provided by Oi Wah Pawnshop to the Customer
“Existing Loans”	Existing Loan A and Existing Loan B
“Existing Loan Agreement A”	the loan agreement dated 23 March 2020 entered into between Oi Wah PL and the Customer in respect of Existing Loan A, the particulars of which are stated in the section headed “Existing Loan Agreement A”
“Existing Loan Agreement B”	the loan agreement dated 13 July 2020 entered into between Oi Wah Pawnshop and the Customer in respect of Existing Loan B, particulars of which are stated in the section headed “Existing Loan Agreement B”
“Existing Loan Agreements”	Existing Loan Agreement A and Existing Loan Agreement B
“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\$35,400,000.00 provided by Oi Wah PL to the Customer
“Loan Agreement”	the loan agreement dated 7 August 2020 entered into between Oi Wah PL and the Customer 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 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, 7 August 2020

*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.*