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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 30 April 2021, the Loan Agreement was entered into between Oi Wah PL as lender and Customer A as borrower. Pursuant to the Loan Agreement, Oi Wah PL has agreed to grant the Loan to Customer A for a term of 12 months.

LISTING RULES IMPLICATIONS

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of the Loan granted to Customer A is less than 5%, the grant of the Loan does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Notwithstanding the above, as (i) the ultimate beneficial owner of Customer A, Customer C and Customer D is Customer B; and (ii) the Loan Agreement and the Existing Loan Agreements were entered into within a 12-month period, the transactions contemplated under the Loan Agreement and the Existing Loan Agreements are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregate amount of the Loan and the Existing Loans exceeds 5% but is less than 25%, the grant of the Loan and the Existing Loans in aggregate constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

PROVISION OF THE LOAN

The Board is pleased to announce that on 30 April 2021, the Loan Agreement was entered into between Oi Wah PL as lender and Customer A as borrower. Pursuant to the Loan Agreement, Oi Wah PL has agreed to grant the Loan to Customer A for a term of 12 months.

The principal terms of the Loan Agreement is set out as follows:

LOAN AGREEMENT

Date of the agreement:	30 April 2021
Drawdown date:	30 April 2021
Lender:	Oi Wah PL
Borrower:	Customer A
Principal:	HK\$23,500,000.00
Interest rate:	10% per annum
Term:	12 months commencing from the drawdown date
Security:	A first legal charge/mortgage in respect of the two commercial properties located in Sheung Wan with valuation conducted by an independent property valuer on 21 April 2021 with an aggregate amount of approximately HK\$85.0 million as at 21 April 2021
Repayment:	Customer A shall repay the interests on a monthly basis Customer A shall repay HK\$2,100,000.00 of the principal amount within 2 months from the drawdown date and repay the remaining principal amount at loan maturity

Other terms of the Loan Agreement

Pursuant to the Loan Agreement, the Loan is guaranteed by Customer B. The mortgaged properties 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. The principal terms of the Existing Loan Agreements are set out as follows:

EXISTING LOAN AGREEMENT B

Date of the agreement:	9 September 2020
Drawdown date:	12 September 2020
Lender:	Oi Wah PL
Borrower:	Customer B
Principal:	HK\$3,000,000.00
Interest rate:	13.125% per annum
Term:	12 months commencing from the drawdown date
Security:	A first legal charge/mortgage in respect of a residential property located in Lantau Island with valuation conducted by an independent property valuer on 27 August 2020 with an amount of approximately HK\$11.7 million as at 27 August 2020
Repayment:	Customer B shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity

EXISTING LOAN AGREEMENT C

Date of the agreement:	9 September 2020
Drawdown date:	10 September 2020
Lender:	Oi Wah PL
Borrower:	Customer C
Principal:	HK\$1,500,000.00
Interest rate:	12% per annum

Term: 12 months commencing from the drawdown date

Security: A first legal charge/mortgage in respect of a commercial property located in Prince Edward with valuation conducted by an independent property valuer on 4 August 2020 with an aggregate amount of approximately HK\$6.7 million as at 4 August 2020

Repayment: Customer C shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity

Early redemption: An administration fee of HK\$90,000.00 is payable if Existing Loan C is fully repaid within 6 months from the drawdown date

EXISTING LOAN AGREEMENT D

Date of the agreement: 19 January 2021

Drawdown date: 14 February 2021

Lender: Oi Wah CL

Borrower: Customer D

Principal: HK\$6,500,000.00

Interest rate: 13.125% per annum

Term: 12 months commencing from the drawdown date

Security: A first legal charge/mortgage in respect of two residential properties located in Lantau Island with valuation conducted by an independent property valuer on 13 January 2021 with an amount of approximately HK\$27.6 million as at 13 January 2021

Repayment: Customer D shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity

Early redemption: An administration fee of HK\$426,500.00 is payable if Existing Loan D is fully repaid within 6 months from the drawdown date

EXISTING LOAN AGREEMENT E

Date of the agreement:	7 April 2021
Drawdown date:	8 April 2021
Lender:	Oi Wah PL
Borrower:	Customer B
Principal:	HK\$6,000,000.00
Interest rate:	22% per annum
Term:	1 month commencing from the drawdown date
Security:	A second legal charge/mortgage in respect of a residential property located in Lantau Island with valuation conducted by an independent property valuer on 1 April 2021 with an amount of approximately HK\$49.5 million as at 1 April 2021
Repayment:	Customer B shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity

Other terms of the Existing Loan Agreements

Pursuant to the Existing Loan Agreement C, the Existing Loan C is guaranteed by Customer B. The mortgaged properties under Existing Loan Agreement B, Existing Loan Agreement C and Existing Loan Agreement E are insured against fire risks with an insurance company approved by Oi Wah PL, while the mortgaged properties under the Existing Loan Agreement D are insured against fire risks with an insurance company approved by Oi Wah CL.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN AND THE EXISTING LOAN

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

The collateral provided by Customer A for the Loan is sufficient as the loan-to-value ratio of the mortgaged properties is approximately 77.7% (loan-to-value ratio as a first mortgage to other independent mortgagees: approximately 50.0%, loan-to-value ratio of the Loan as a first mortgage to the Group: approximately 27.7%) based on the value of the mortgaged properties for the Loan as determined by an independent valuer.

The collateral provided by Customer B for Existing Loan B is sufficient as the loan-to-value ratio of the mortgaged property is approximately 51.2% (loan-to-value ratio as a first mortgage to another independent mortgagee: approximately 25.6%, loan-to-value ratio of Existing Loan B to the Group: approximately 25.6%) based on the value of the mortgaged property for Existing Loan B as determined by an independent valuer.

The collateral provided by Customer C for Existing Loan C is sufficient as the loan-to-value ratio of the mortgaged property is approximately 59.7% (loan-to-value ratio as a first mortgage to another independent mortgagee: approximately 37.3%, loan-to-value ratio of Existing Loan C as a first mortgage to the Group: approximately 22.4%) based on the value of the mortgaged property for Existing Loan C as determined by an independent valuer.

The collateral provided by Customer D for Existing Loan D is sufficient as the loan-to-value ratio of the mortgaged properties is approximately 47.1% (loan-to-value ratio as a first mortgage to another independent mortgagee: approximately 23.5%, loan-to-value ratio of Existing Loan D as a first mortgage to the Group: approximately 23.6%) based on the value of the mortgaged properties for Existing Loan D as determined by an independent valuer.

The collateral provided by Customer B for Existing Loan E is sufficient as the loan-to-value ratio of the mortgaged property is approximately 61.9% (loan-to-value ratio of first mortgage: approximately 37.7%, loan-to-value ratio as a sub-ordinated mortgage to another independent mortgagee: approximately 12.1%, loan-to-value ratio of Existing Loan E as a sub-ordinated mortgage to the Group: approximately 12.1%) based on the value of the mortgaged property for Existing Loan E as determined by an independent 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 Customers, which are at the prime sites in Hong Kong, (ii) the fact that the Customers are our repeated customers 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 Customers are relatively low.

FUNDING OF THE LOAN

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

INFORMATION OF THE CUSTOMERS AND THEIR ULTIMATE BENEFICIAL OWNERS

Customer A is a company incorporated in the British Virgin Islands with limited liability which is principally engaged in the business of property investment. Customer A is ultimately wholly-owned by Customer B.

Customer B is an individual and the ultimate beneficial owner of Customer A, Customer C and Customer D. Customer B is a director of each of Customer C and Customer D.

Customer B is a controlling shareholder, an executive director and the chairman of the board of directors of a company whose shares are listed on the main board of the Stock Exchange. Furthermore, Customer B is currently a member of the Standing Committee of the Shaanxi Provincial Committee of the Chinese People's Political Consultative Conference.

Customer C is a company incorporated in Hong Kong with limited liability which is principally engaged in the business of property investment. Customer C is wholly-owned by Customer B.

Customer D is a company incorporated in Hong Kong with limited liability which is principally engaged in the business of property investment. Customer D is wholly-owned by Customer B.

The Customers are our repeated customers with no default record.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Customers and their ultimate beneficial owners are Independent Third Parties and not connected with the Group.

INFORMATION OF 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, Existing Loan B, Existing Loan C and Existing Loan E, is an indirect wholly-owned subsidiary of the Company. Oi Wah CL, as the lender of Existing Loan D, is an indirect wholly-owned subsidiary of the Company.

REASONS FOR THE ENTERING INTO OF THE LOAN AGREEMENT AND THE EXISTING LOAN AGREEMENT

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

The terms of the Loan Agreement, Existing Loan Agreement B, Existing Loan Agreement C and Existing Loan Agreement E were negotiated on an arm's length basis between Oi Wah PL and the relevant customers. The terms of Existing Loan Agreement D were negotiated on an arm's length basis between Oi Wah CL and Customer D. The Directors consider that the grant of the Loan and the Existing 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 the Loan Agreement and the Existing Loan Agreements were entered into on normal commercial terms based on the Company's credit policy. After having taken 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 Agreement and the Existing Loan Agreements are fair and reasonable and the entering into of the Loan Agreement and the Existing Loan Agreements are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of the Loan granted to Customer A is less than 5%, the grant of the Loan does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Notwithstanding the above, as (i) the ultimate beneficial owner of Customer A, Customer C and Customer D is Customer B; and (ii) the Loan Agreement and the Existing Loan Agreements were entered into within a 12-month period, the transactions contemplated under the Loan Agreement and the Existing Loan Agreements are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregate amount of the Loan and the Existing Loans exceeds 5% but is less than 25%, the grant of the Loan and the Existing Loans in aggregate constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.58(2) of the Listing Rules, the identities of the Customers are required to be disclosed. Since (i) the granting of the Loan (which have been aggregated with the Existing Loans) are 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 Customers have confirmed to the Group that they will not consent to the disclosure of their identities in this announcement; (iii) the disclosure of the identities of the Customers does not reflect their financial standing or repayment abilities and thus will serve little purpose in assisting the Shareholders to evaluate their 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 Customers, the Company has applied to the Stock Exchange, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.58(2) of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Oi Wah Pawnshop Credit Holdings Limited (靄華押業信貸控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1319)

“Customer A”	the borrower being a company incorporated in British Virgin Islands and an Independent Third Party
“Customer B”	the borrower being an individual and an Independent Third Party
“Customer C”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer D”	the borrower being a company incorporated in the Hong Kong and an Independent Third Party
“Customers”	Customer A, Customer B, Customer C and Customer D
“Directors”	the director(s) of the Company
“Existing Loan B”	a mortgage loan in the amount of HK\$3,000,000.00 provided by Oi Wah PL to Customer B
“Existing Loan C”	a mortgage loan in the amount of HK\$1,500,000.00 provided by Oi Wah PL to Customer C
“Existing Loan D”	a mortgage loan in the amount of HK\$6,500,000.00 provided by Oi Wah CL to Customer D
“Existing Loan E”	a mortgage loan in the amount of HK\$6,000,000.00 provided by Oi Wah PL to Customer B
“Existing Loans”	Existing Loan B, Existing Loan C, Existing Loan D and Existing Loan E
“Existing Loan Agreement B”	the loan agreement dated 9 September 2020 entered into between Oi Wah PL and Customer B in respect of Existing Loan B, particulars of which are stated in the section headed “Provision of the Existing Loans” in this announcement
“Existing Loan Agreement C”	the loan agreement dated 9 September 2020 entered into between Oi Wah PL and Customer C in respect of Existing Loan C, particulars of which are stated in the section headed “Provision of the Existing Loans” in this announcement
“Existing Loan Agreement D”	the loan agreement dated 19 January 2021 entered into between Oi Wah CL and Customer D in respect of Existing Loan D, particulars of which are stated in the section headed “Provision of the Existing Loans” in this announcement

“Existing Loan Agreement E”	the loan agreement dated 7 April 2021 entered into between Oi Wah PL and Customer E in respect of Existing Loan E, particulars of which are stated in the section headed “Provision of the Existing Loans” in this announcement
“Existing Loan Agreements”	Existing Loan Agreement B, Existing Loan Agreement C, Existing Loan Agreement D and Existing Loan Agreement E
“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)”	a third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a mortgage loan in the amount of HK\$23,500,000.00 provided by Oi Wah PL to Customer A
“Loan Agreement”	the loan agreement dated 30 April 2021 entered into between Oi Wah PL and Customer A 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 company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Oi Wah PL”	Oi Wah Property Credit Limited, a company incorporated in Hong Kong with limited liability 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

“percentage ratio(s)”	has the meaning ascribed to it in the Listing Rules
“Share(s)”	ordinary share(s) of the Company
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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, 30 April 2021

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 nonexecutive Directors.