

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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 29 April 2020, 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 the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan granted to Customer A 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 Customer C is (i) the ultimate beneficial owner of Customer A; and (ii) one of the guarantors of both Existing Loan B and Existing Loan D, 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 Customers 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.

#### **PROVISION OF THE LOAN**

The Board is pleased to announce that on 29 April 2020, 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.

Summarised below are the principal terms of the Loan Agreement.

## **LOAN AGREEMENT**

Date of the agreement:	29 April 2020
Drawdown date:	3 May 2020
Lender:	Oi Wah PL
Borrower:	Customer A
Principal:	HK\$30,000,000.00
Interest rate:	10% per annum
Term:	12 months commencing from the drawdown date
Security:	A first legal charge/mortgage in respect of the a residential property and seven pieces of land located in Shatin with valuation conducted by an independent property valuer on 20 March 2020 with an aggregate amount of approximately HK\$49,800,000.00 as at 20 March 2020
Repayment:	Customer A 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 Loan is guaranteed by Customer C. The mortgaged properties under the Loan Agreement are 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, Oi Wah PL, as lender, has entered into the Existing Loan Agreements for the grant of the following existing secured loans to the Existing Customers. A summary of the Existing Loan Agreements is set out as follows:

## **EXISTING LOAN AGREEMENT B**

Date of the agreement:	16 January 2020
Lender:	Oi Wah PL
Borrower:	Customer B
Principal:	HK\$10,850,000.00
Interest rate:	P + 4.75% per annum where P represented the prime rate of 5.25% per annum of CMB Wing Lung Bank Limited as of the date of Existing Loan Agreement B
Term:	12 months commencing from the drawdown date
Security:	A first legal charge/mortgage in respect of a residential property and two car parking spaces located in Shatin with valuation conducted by an independent property valuer on 13 December 2019 with an aggregate amount of approximately HK\$18,000,000.00 as at 13 December 2019
Repayment:	Customer B shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity
Early redemption:	An administration fee of a sum of HK\$271,000.00 if Existing Loan B is fully repaid within 3 months from the drawdown date

## **EXISTING LOAN AGREEMENT C**

Date of the agreement:	28 February 2020
Lender:	Oi Wah PL
Borrower:	Customer C
Principal:	HK\$6,580,000.00
Interest rate:	P + 4.75% per annum where P represented the prime rate of 5.25% per annum of CMB Wing Lung Bank Limited as of the date of Existing Loan Agreement C
Term:	12 months commencing from the drawdown date

Security: A first legal charge/mortgage in respect of a residential property located in Tsim Sha Tsui with valuation conducted by an independent property valuer on 19 February 2020 with an amount of approximately HK\$19,200,000.00 as at 19 February 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\$164,500.00 is payable if Existing Loan C is fully repaid within 3 months from the drawdown date

#### **EXISTING LOAN AGREEMENT D**

Date of the agreement: 26 March 2020

Lender: Oi Wah PL

Borrower: Customer D

Principal: HK\$11,200,000.00

Interest rate: P + 4.75% per annum where P represented the prime rate of 5.25% per annum of CMB Wing Lung Bank Limited as of the date of the Existing Loan Agreement D

Term: 12 months commencing from the drawdown date

Security: A first legal charge/mortgage in respect of two residential properties located in Sai Kung with valuation conducted by an independent property valuer on 24 March 2020 with an amount of approximately HK\$21,500,000.00 as at 24 March 2020

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 a sum of HK\$280,000.00 if Existing Loan D is fully repaid within 3 months from the drawdown date

## **OTHER TERMS OF THE EXISTING LOAN AGREEMENTS**

Pursuant to Existing Loan Agreement B and Existing Loan Agreement D, Existing Loan B and Existing Loan D are guaranteed by Customer C and Merchant A.

The mortgaged properties under the Existing Loan Agreements are insured against fire risks with an insurance company approved by Oi Wah PL.

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

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 for the Loan is approximately 60% based on the aggregate 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 properties for Existing Loan B is approximately 60% based on the aggregate value of the mortgaged properties 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 69% (loan-to-value ratio as first mortgage to another independent mortgagee: approximately 35%, loan-to-value ratio of Existing Loan C as first mortgage to the Group: approximately 34%) 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 for Existing Loan D is approximately 52% based on the aggregate value of the mortgaged properties for Existing Loan D 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 existing 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 ON THE CUSTOMERS AND THEIR ULTIMATE BENEFICIAL OWNERS**

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

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

Customer C is an individual and a merchant who is principally engaged in the business of property investment in Hong Kong. Customer C is a director and the ultimate beneficial owner of Customer A.

Customer D is a company incorporated in the British Virgin Islands with limited liability which is principally engaged in the business of property investment in Hong Kong. The ultimate beneficial shareholders of Customer D are (i) Merchant A; and (ii) a company incorporated in the British Virgin Islands with limited liability, which is a direct wholly-owned subsidiary of a company whose shares are listed on GEM.

Merchant A is an individual and a merchant who is principally engaged in property investment in Hong Kong.

The Customers are our existing customers with no default record.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Customers and their ultimate beneficial owners are Independent Third Parties 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 the Existing Loans, 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 Customers is in the ordinary and usual course of business of the Group.

The terms of the Loan Agreement and the Existing Loan Agreements were negotiated on an arm's length basis between Oi Wah PL and the Customers. 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 the 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 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 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 Customer A 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 Customer C is (i) the ultimate beneficial owner of Customer A; and (ii) one of the guarantors of both Existing Loan B and Existing Loan D, 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 Customers 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.

It is required under Rule 14.58(2) of the Listing Rules to disclose the identities of the Customers. 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 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, 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 A”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer B”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer C”	the borrower being an individual and an Independent Third Party, who is also a director and the ultimate beneficial owner of Customer A
“Customer D”	the borrower being a company incorporated in the British Virgin Islands and an Independent Third Party
“Customers”	Customer A, Customer B, Customer C and Customer D
“Director(s)”	the director(s) of the Company
“Existing Customers”	Customer B, Customer C and Customer D
“Existing Loan B”	a mortgage loan in the amount of HK\$10,850,000.00 provided by Oi Wah PL to Customer B
“Existing Loan C”	a mortgage loan in the amount of HK\$6,580,000.00 provided by Oi Wah PL to Customer C
“Existing Loan D”	a mortgage loan in the amount of HK\$11,200,000.00 provided by Oi Wah PL to Customer D
“Existing Loans”	Existing Loan B, Existing Loan C and Existing Loan D
“Existing Loan Agreement B”	the loan agreement dated 16 January 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 “Existing Loan Agreement B”



“Existing Loan Agreement C”	the loan agreement dated 28 February 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 “Existing Loan Agreement C”
“Existing Loan Agreement D”	the loan agreement dated 26 March 2020 entered into between Oi Wah PL and Customer D in respect of Existing Loan D, particulars of which are stated in the section headed “Existing Loan Agreement D”
“Existing Loan Agreements”	Existing Loan Agreement B, Existing Loan Agreement C and Existing Loan Agreement D
“GEM”	the GEM of the Stock Exchange
“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\$30,000,000.00 provided by Oi Wah PL to Customer A
“Loan Agreement”	the loan agreement dated 29 April 2020 entered into between Oi Wah PL and Customer A in respect of the Loan
“Merchant A”	the ultimate beneficial owner of Customer B and one of the ultimate beneficial owners of Customer D, being an individual and an Independent Third Party;
“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 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, 29 April 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 Mackson 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.*