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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 27 November 2020, the Loan Agreement was entered into between Oi Wah CL as lender and the Customer as borrower. Pursuant to the Loan Agreement, Oi Wah CL has agreed to grant the Loan to the Customer for a term of 8 months.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of the Loan granted to the Customer exceeds 5% but is less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

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

The Board is pleased to announce that on 27 November 2020, the Loan Agreement was entered into between Oi Wah CL as lender and the Customer as borrower. Pursuant to the Loan Agreement, Oi Wah CL has agreed to grant the Loan to the Customer for a term of 8 months.

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

### **Loan Agreement**

Date of the agreement:	27 November 2020
Drawdown date:	27 November 2020
Lender:	Oi Wah CL
Borrower:	The Customer
Principal:	HK\$37,000,000.00
Interest rate:	10% per annum
Term:	8 months commencing from the drawdown date
Security:	A first legal charge/mortgage in respect of a residential property with a car park located in Deep Water Bay with valuation conducted by an independent property valuer on 3 November 2020 with an amount of approximately HK\$160,000,000.00 as at 3 November 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 Loan is guaranteed by Merchant A. The mortgaged property under the Loan Agreement is insured against fire risks with an insurance company approved by Oi Wah CL.

### **INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN**

The making of the Loan is collateralised.

The collateral provided by the Customer for the Loan is sufficient as the aggregate loan-to-value ratio of the mortgaged property of the Loan is approximately 69% (the loan-to-value ratio of the Loan as the first mortgage to the Group and as the first mortgage to other independent mortgagee(s) are approximately 23% and 46%, respectively) based on the value of the mortgaged property for the Loan as determined by an independent valuer.

The advances in respect of the Loan were also made on the basis of the Company's credit assessments made on (i) the collateral provided by the Customer, which is at the prime site in Hong Kong; (ii) the fact that the Customer is our existing customer with no default record; and (iii) the relatively short term nature of the advances. After having taken 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 OF THE CUSTOMER AND ITS ULTIMATE BENEFICIAL OWNER**

The Customer is a company incorporated in Hong Kong with limited liability which principally engages in property investment. The Customer is wholly-owned by Merchant A.

Merchant A is an individual and a merchant who principally engages in the business of investment. Merchant A is a director and the ultimate beneficial owner of the Customer.

The Customer is our existing customer 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 Customer and its ultimate beneficial owner 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 CL, as the lender of the Loan, is an indirect wholly-owned subsidiary of the Company.

## **REASONS FOR THE ENTERING INTO OF THE LOAN AGREEMENT**

Having taken into account the principal business activities of the Group, the grant of the Loan to the Customer 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 Oi Wah CL and the Customer. The Directors consider that the grant of the Loan 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 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 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 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.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of the Loan granted to the Customer exceeds 5% but is less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.58(2) of the Listing Rules, the identity of the Customer is required to be disclosed. Since (i) the granting of the Loan 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 it will not consent to the disclosure of its identity in this announcement; (iii) the disclosure of the identity of the Customer does not reflect its financial standing or repayment ability and thus will serve little purpose in assisting the Shareholders to evaluate their creditworthiness and the risks and exposure of the Loan; and (iv) the Company has made alternative disclosures in respect of the Loan 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, which would be much more meaningful for the Shareholders in assessing the risk and exposure of the Loan as well as the repayment ability of the Customer, 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”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Directors”	the director(s) of the Company

“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\$37,000,000.00 provided by Oi Wah CL to the Customer
“Loan Agreement”	the loan agreement dated 27 November 2020 entered into between Oi Wah CL and the Customer B in respect of the Loan
“Merchant A”	the ultimate beneficial owner of the Customer, 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 CL”	Oi Wah Credit Limited (靄華信貸有限公司), 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, 27 November 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 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.*