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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 August 2018, 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 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 and is subject to the disclosure requirement under Chapter 14 of the Listing Rules.

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Summarised below are the principal terms of the Loan Agreement.

## **THE LOAN AGREEMENT**

Date of the agreement	:	27 August 2018
Lender	:	Oi Wah CL
Borrower	:	The Customer
Principal	:	HK\$40,000,000.00
Interest rate	:	P + 8.05% per annum for 1st month to 5th month and P + 6.25% per annum for 6th to 12th month, where P represented the prime rate of 5.25% per annum offered by Wing Lung Bank Limited as of the date of the Loan Agreement
Term	:	12 months commencing from the Drawdown Date
Security	:	A first legal charge/mortgage in respect of a commercial property located in Sheung Wan with valuation conducted by an independent property valuer on 18 July 2018 with an amount of approximately HK\$655,000,000.00
Repayment	:	The Customer shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity
Early redemption	:	Administration fees of a sum of HK\$2,660,000.00 if the Loan is fully repaid within 6 months from the Drawdown Date

## **OTHER TERMS OF THE LOAN AGREEMENT**

Pursuant to the Loan Agreement, the Loan is guaranteed by an individual and a company, who are Independent Third Parties. The mortgaged property 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 loan-to-value ratio of the mortgaged properties as first mortgage to the Group is approximately 58% (loan-to-value ratio of Loan as a first mortgage to another independent mortgagees: approximately 52% and loan-to-value ratio of the Loan as a first mortgage to the Group: approximately 6%) based on the value of the mortgaged property for the Loan as determined by an independent valuer.

The advance in respect of the Loan was also made on the basis of the Company's credit assessments made on the financial strength and repayment ability of the Customer, the collaterals provided by the Customer, which is at the prime site 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 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 a company incorporated in Hong Kong principally engaged in the business of property holding and property rental. The Customer 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, the Customer and its ultimate beneficial owner are Independent Third Parties and not connected with the Group.

## **INFORMATION ON 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 ENTERING INTO THE LOAN AGREEMENT**

Taking 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 granting of the Loan 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 Agreement 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 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

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## 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 a company incorporated in Hong Kong and an Independent Third Party
“Director(s)”	the director(s) of the Company
“Drawdown Date”	the date on which the Loan is drawdown
“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\$40,000,000.00 provided by Oi Wah CL to the Customer
“Loan Agreement”	the loan agreement dated 27 August 2018 entered into between Oi Wah CL 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 CL”	Oi Wah 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, 27 August 2018

*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 as non-executive Director; and Mr. Lam On Tai, Dr. Leung Shiu Ki Albert and Dr. Yip Ngai as independent non-executive Directors.*