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東方報業集團有限公司

ORIENTAL PRESS GROUP LTD

(Incorporated in Hong Kong with limited liability)

(Stock Code: 18)

DISCLOSEABLE TRANSACTION PROVISION OF LOAN

The Board announces that on 9 October 2019 (after trading hours), the Loan Agreement was entered into between OFA, a wholly-owned subsidiary of the Company as lender, and the Customer as borrower, pursuant to which OFA agreed to grant a secured loan in the principal amount of HK\$80 million to the Customer for a term of 12 months.

As some of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan 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 and is therefore subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

The Board announces that on 9 October 2019 (after trading hours), the Loan Agreement was entered into between OFA, a wholly-owned subsidiary of the Company as lender, and the Customer as borrower, pursuant to which OFA agreed to grant a secured loan in the principal amount of HK\$80 million to the Customer for a term of 12 months.

THE LOAN AGREEMENT

The principal terms of the Loan Agreement are set out below:

Date of the Loan Agreement:	9 October 2019
Lender:	OFA
Borrower:	Customer
Principal:	HK\$80 million
Interest rate:	0.75% per month (i.e. 9% per annum)
Term:	12 months commencing from the Drawdown Date
Repayment:	Customer shall repay the principal amount of the Loan at maturity

- Early repayment: Customer shall have an option to make early repayment of the Loan after the Drawdown Date subject to the Customer giving OFA not less than 1 month's advance notice in writing
- Security:
- (1) Property mortgage: an all-money first legal charge in favour of OFA in respect of 7 shop units and 2 car parking spaces located in Prince Edward, Kowloon, which are valued by an independent property valuer at HK\$165 million on 2 July 2019
 - (2) Personal guarantee by the Customer's sole shareholder in favour of OFA

FUNDING OF THE LOAN

OFA will finance the Loan with the Group's internal resources.

INFORMATION OF THE CUSTOMER

The Customer is a property holding company incorporated in Hong Kong with limited liability and was introduced to OFA through its network. 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.

INFORMATION OF THE GROUP AND THE LENDER

The Company is an investment holding company and is the holding company of the Group. The Group is principally engaged in publication of newspapers and money lending business. OFA is a wholly-owned subsidiary of the Company and is a licensed money lender, principally engaged in the business of money lending in Hong Kong.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

Taking into account the principal business of OFA, the grant of the Loan to the Customer pursuant to the Loan Agreement is in the ordinary course of business of OFA.

Given that the terms of the Loan Agreement were negotiated on an arm's length basis between OFA and the Customer with reference to OFA's credit policy and the prevailing market rate, and the Loan can generate a stable revenue and cash flow stream to the Group from interest income, the Directors are of the view that the terms of the Loan Agreement and the entering into the Loan Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan 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 and is therefore subject to the reporting and announcement requirements under 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”	Oriental Press Group Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Customer”	Huge Grand Limited, a company incorporated in Hong Kong with limited liability, being the borrower under the Loan Agreement and an Independent Third Party
“Director(s)”	the director(s) of the Company
“Drawdown Date”	10 October 2019
“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”	third party that is independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the secured loan with a principal amount of HK\$80 million to be granted by OFA to the Customer pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 9 October 2019 entered into between OFA and the Customer in respect of the Loan
“OFA”	Oriental FA Limited, a company incorporated in Hong Kong with limited liability with money lenders licence registered under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), which is a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Oriental Press Group Limited
Ching-fat MA
Chairman

Hong Kong, 9 October 2019

As at the date hereof, the Board comprises seven Directors, of which three are executive Directors, namely Mr. Ching-fat MA (Chairman), Mr. Ching-choi MA (Vice Chairman) and Mr. Shun-chuen LAM (Chief Executive Officer), one non-executive Director, namely Mr. Dominic LAI and three independent non-executive Directors, namely Mr. Yau-nam CHAM, Mr. Ping-wing PAO and Mr. Yat-fai LAM.