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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 25 November 2021, the Loan Agreement was entered into between Oi Wah CL as lender and the Customers as borrowers. Pursuant to the Loan Agreement, Oi Wah CL has agreed to grant the Loan to the Customers for a term of 12 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 exceeds 5% but is less than 25%, the grant of the Loan 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 LOANS

The Board is pleased to announce that on 25 November 2021, the Loan Agreement was entered into among Oi Wah CL as lender and the Customers as borrowers. Pursuant to the Loan Agreement, Oi Wah CL has agreed to grant the Loan to the Customers for a term of 12 months.

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

LOAN AGREEMENT

Date of the agreement:	25 November 2021
Lender:	Oi Wah CL
Borrower:	The Customers
Principal:	HK\$35,000,000.00
Interest rate:	12.5% per annum
Term:	12 months commencing from the drawdown date
Security:	A first legal charge/mortgage in respect of a residential property and two car parks located in Pok Fu Lam with valuation conducted by an independent property valuer on 19 November 2021 with an amount of approximately HK\$260,000,000.00 as at 19 November 2021
Repayment:	The Customers shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity
Early redemption:	Administrative fees of a sum of HK\$1,093,697.00 is payable if the Loan is fully repaid within 3 months from the drawdown date

Other terms of the Loan Agreement

The mortgaged properties 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 Customers for the Loan is sufficient as the loan-to-value ratio of the mortgaged properties for the Loan is approximately 63.5% (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 13.5%) based on the value of the mortgaged properties 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 (i) the collateral provided by the Customers, which are at the prime sites in Hong Kong; and (ii) the relatively short term nature of the advance. After having taken into account the factors as disclosed above in assessing the risks of the advance, the Company considers that the risks involved in the advance to the Customers are relatively low.

FUNDING OF THE LOAN

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

INFORMATION OF THE CUSTOMER AND ITS ULTIMATE BENEFICIAL OWNER

Customer A is an individual and a merchant who is principally engaged in the investment of securities.

Customer B is an individual and a homemaker. Customer B is the spouse of Customer A and vice versa.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Customers is an Independent Third Party 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 Customers 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 Customers. 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 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 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 exceeds 5% but is less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 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”	Tam Chung Wai (譚中維) (formerly known as Tam Sze Chun (譚思進))
“Customer B”	Kong Chan (江珍)
“Customers”	Customer A and Customer B
“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\$35,000,000.00 provided by Oi Wah CL to the Customers

“Loan Agreement”	the loan agreement dated 25 November 2021 entered into between Oi Wah CL and the Customers 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
“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, 25 November 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 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.