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Oi Wah Pawnshop Credit Holdings Limited

靚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 28 January 2022, the Loan Agreement was entered into between Oi Wah PL as lender and the Customer as borrower. Pursuant to the Loan Agreement, Oi Wah PL has agreed to grant the Loan to the Customer for a term of one month.

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 28 January 2022, the Loan Agreement was entered into between Oi Wah PL as lender and the Customer as borrower. Pursuant to the Loan Agreement, Oi Wah PL has agreed to grant the Loan to the Customer for a term of one month.

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

LOAN AGREEMENT

Date of the agreement:	28 January 2022
Lender:	Oi Wah PL
Borrower:	The Customer
Principal:	HK\$45,000,000.00
Interest rate:	9.5% per annum
Term:	One month commencing from the drawdown date
Security:	A first legal charge/mortgage in respect of a residential property and a motorcycle parking space located in Sha Tin with valuation conducted by an independent property valuer on 3 December 2021 with an amount of approximately HK\$110,000,000.00 as at 3 December 2021
Repayment:	The Customer shall repay the interests with the principal amount at loan maturity

Other terms of the Loan Agreement

Pursuant to the Loan Agreement, the Loan is guaranteed by the Merchant. The mortgaged properties under the Loan Agreement is insured against fire risks with an insurance company approved by Oi Wah PL.

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 for the Loan is approximately 40.91% based on the aggregate 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 collaterals provided by the Customer, which are at the prime sites in Hong Kong; (ii) the fact that the Merchant was our previous customer with no default record; and (iii) 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 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 THE ULTIMATE BENEFICIAL OWNER

The Customer is a company incorporated in the British Virgin Islands with limited liability which is principally engaged in the business of investment. The ultimate beneficial owner of the Customer is the Merchant.

The Merchant is an individual and an accountant who principally engages in the provision of accounting services.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, 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 PL, 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 PL 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 its 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 the British Virgin Islands with limited liability 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\$45,000,000.00 provided by Oi Wah PL to the Customer
“Loan Agreement”	the loan agreement dated 28 January 2022 entered into between Oi Wah PL 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 PL”	Oi Wah Property Credit Limited (靄華物業信貸有限公司), 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, 28 January 2022

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.