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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 26 July 2022, the Loan Agreement was entered into among Oi Wah CL, GICL, Co-Lender A, Legend Credit and Co-Lender B as lenders, the Customers as borrowers and the Guarantor. Pursuant to the Loan Agreement, the Lenders have 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 granted to the Customers 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 26 July 2022, the Loan Agreement was entered into among Oi Wah CL, GICL, Co-Lender A, Legend Credit and Co-Lender B as lenders, the Customers as borrowers and the Guarantor. Pursuant to the Loan Agreement, the Lenders have 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: 26 July 2022

Lender:

- (1) Oi Wah CL;
- (2) GICL;
- (3) Co-Lender A;
- (4) Legend Credit; and
- (5) Co-Lender B

Borrowers: The Customers

Principal: HK\$140,000,000.00, as severally committed by Oi Wah CL, GICL, Co-Lender A, Legend Credit and Co-Lender B:

- (1) Oi Wah CL – HK\$31,250,000.00
- (2) GICL – HK\$31,250,000.00
- (3) Co-Lender A – HK\$31,250,000.00
- (4) Legend Credit – HK\$31,250,000.00
- (5) Co-Lender B – HK\$15,000,000.00

Interest rate: 10% per annum

Pursuant to the Co-Lend Deed, it is agreed that (i) the interest rate to be charged by the Group, GICL, Co-Lender A and Legend Credit on the respective loan amounts contributed by them under the Loan shall be 9.04% per annum; and (ii) the interest rate to be charged by Co-Lender B on the loan amount contributed by it under the Loan shall be 18% per annum.

Term: 12 months commencing from the drawdown date

Security:	A first legal charge in respect of five commercial properties in Sha Tin with valuation conducted by an independent property valuer on 4 July 2022 with an amount of approximately HK\$201,904,000.00 as at 4 July 2022
Repayment:	The Customer shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity
Early redemption:	Interests and administrative fees of a total sum of HK\$7,000,000.00 is payable if the Loan is fully or partially repaid within 6 months from the drawdown date and the fees will be paid to each lender on the proportion of the loan amount.

Other terms of the Loan Agreement

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

Co-Lend Deed

Pursuant to the Co-Lend Deed, the Lenders agree that in the event of default by the Customers, the net proceeds received from the realisation of the collaterals provided by the Customers shall firstly be applied for repayment of the outstanding principal and interest due to the Group, GICL, Co-Lender A and Legend Credit, in equal proportion. The remainder of the net proceeds, if any, shall then be applied for settlement of the outstanding principal and interest due to Co-Lender B.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

The making of the Loan is collateralised.

The collaterals provided by the Customers for the Loan is sufficient as the loan-to-value ratio of the mortgaged property for the Loan is approximately 69.34% (loan-to-value ratio as a first legal charge to the Group: approximately 15.48%, loan-to-value ratio as a first legal charge to GICL, Co-lender A and Legend Credit: approximately 46.43%, loan-to-value ratio as a first legal charge to Co-lender B: approximately 7.43%) 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 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 Loan with the Company's general working capital.

INFORMATION OF THE CUSTOMERS AND THE ULTIMATE BENEFICIAL OWNER

Each of the Customers is a company incorporated in Hong Kong with limited liability and principally engages in the business of property investment. Each of the Customers is wholly-owned by the Holding Company, which in turn is directly wholly-owned by the Guarantor.

The Guarantor is an individual, an executive director and controlling shareholder of a company incorporated in Hong Kong with limited liability, the share of which are listed on the Stock Exchange and principally engages in jewellery manufacturing and trading.

INFORMATION OF GICL

GICL is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Global International Credit Group Limited, which is 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: 1669). GICL principally engages in money lending business of providing property mortgage loans and personal loans in Hong Kong under the Money Lenders Ordinance.

INFORMATION OF CO-LENDER A

Co-Lender A is a company incorporated in Hong Kong with limited liability and a licensed money lender under the Money Lenders Ordinance with its principal business being money lending. Co-Lender A is ultimately owned as to 60% and 40% by Individual A and two other individuals, respectively.

INFORMATION OF LEGEND CREDIT

Legend Credit is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Legend Upstar Holdings Limited, which is 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: 459). Legend Credit principally engages in money lending business under the Money Lenders Ordinance.

INFORMATION OF CO-LENDER B

Co-Lender B is a company incorporated in Hong Kong with limited liability and a licensed money lender under the Money Lenders Ordinance with its principal business being money lending. Co-Lender B is directly wholly-owned by Individual B.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of (i) the Customers and their ultimate beneficial owner; (ii) GICL and its ultimate beneficial owners; (iii) Co-Lender A and its ultimate beneficial owners; (iv) Legend Credit and its ultimate beneficial owners; and (v) Co-Lender B and its ultimate beneficial owner is an Independent Third Party and not connected with the Group.

INFORMATION OF THE GROUP

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 among the Co-Lenders 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 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 Customers and the Guarantor 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 Customers and the Guarantor have confirmed to the Group that they will not consent to the disclosure of their identity in this announcement; (iii) the disclosure of the identity of the Customers and the Guarantor does not reflect their 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 Customers, 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
“Co-Lend Deed”	the co-lend deed dated 26 July 2022 entered into among the Lenders in relation to the Proposed Loan
“Co-Lender A”	Asia Pacific Finance & Fund Management Co Limited, a company incorporated in Hong Kong with limited liability
“Co-Lender B”	Easy Lender Limited, a company incorporated in Hong Kong with limited liability
“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”	a borrower being a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Customer B”	a borrower being a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Customer C”	a borrower being a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Customer D”	a borrower being a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Customer E”	a borrower being a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Customers”	Customer A, Customer B, Customer C, Customer D and Customer E
“Director(s)”	the director(s) of the Company

“GICL”	Global International Credit Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Global International Credit Group Limited, which is 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: 1669)
“Guarantor”	an individual and an Independent Third Party
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holding Company”	a company incorporated in Hong Kong with limited liability and an Independent Third Party
“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
“Individual A”	Kwok Ping Sun (郭炳燊)
“Individual B”	Yu Che Tor, Stephen (於子多)
“Legend Credit”	Legend Credit Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Legend Upstar Holdings Limited, which is 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: 459)
“Lenders”	Oi Wah CL, GICL, Co-Lender A, Legend Credit and Co-Lender B
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a mortgage loan in the amount of HK\$140,000,000.00 granted to the Customers
“Loan Agreement”	the loan agreement dated 26 July 2022 and entered into among the Co-Lenders, the Customers and the Guarantor 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 (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, 26 July 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 non-executive Directors.