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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 30 September 2022, the Loan Agreements were entered into between Oi Wah CL as lender and Customer C as borrower. Pursuant to the Loan Agreements, Oi Wah CL has agreed to grant the Loans to Customer C for a term of 12 months.

Prior to the entering into of the Loan Agreements, the Group has entered into the Existing Loan Agreements for the grant of the Existing Loans on 25 August 2022 to Customer A and Customer B, respectively.

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 Loans granted to Customer C exceeds 5% but is less than 25%, the grant of the Loans constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Customers are associated with each other and the Existing Loan Agreements and the Loan Agreements were entered into within a 12-month period, the transactions contemplated under the Existing Loan Agreements and the Loan Agreements are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregate amount of the Existing Loans and the Loans exceeds 5% but is less than 25%, the grant of the Existing Loans and the Loans in aggregate still constitutes discloseable transactions 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 30 September 2022, the Loan Agreements were entered into between Oi Wah CL as lender and Customer C as borrower. Pursuant to the Loan Agreements, Oi Wah CL has agreed to grant the Loans to Customer C for a term of 12 months.

The principal terms of the Loan Agreements are set out as follows:

	Loan Agreement A	Loan Agreement B
Date of the agreement:	30 September 2022	
Lender:	Oi Wah CL	
Borrower:	Customer C	
Principal:	HK\$35,000,000.00	HK\$5,000,000.00
Interest rate:	P + 4.75% per annum where P represents the prime rate for Hong Kong dollars as may be quoted by CMB Wing Lung Bank Limited from time to time and subject to inflation	P + 7.75% per annum where P represents the prime rate for Hong Kong dollars as may be quoted by CMB Wing Lung Bank Limited from time to time and subject to inflation
Term:	12 months commencing from the drawdown date	
Security:	A first legal charge in respect of several car parking spaces located in Fortress Hill with valuation conducted by an independent property valuer on 16 September 2022 with an amount of approximately HK\$218,000,000.00 as at 16 September 2022	
Repayment:	Customer C 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\$1,815,625.00 is payable if Loan A is fully repaid within 6 months from the drawdown date.	Interests and administrative fees of a total sum of HK\$259,375.00 is payable if Loan B is fully repaid within 6 months from the drawdown date.

Other terms of the Loan Agreements

Pursuant to the Loan Agreements, the Loans are guaranteed by Individual A, Individual C and Individual E. The mortgaged properties under the Loan Agreements are insured against fire risks with an insurance company approved by Oi Wah CL.

PROVISION OF THE EXISTING LOANS

Prior to the entering into of the Loan Agreements, the Group has entered into the Existing Loan Agreements for the grant of the Existing Loans to Customer A and Customer B, respectively. The principal terms of the Existing Loan Agreements are set out as follows:

EXISTING LOAN AGREEMENT A

Date of the agreement:	25 August 2022
Lender:	Oi Wah PL
Borrower:	Customer A
Principal:	HK\$4,000,000.00
Interest rate:	<p>P + 15.75% per annum for the 1st month where P represents the prime rate for Hong Kong dollars as may be quoted by CMB Wing Lung Bank Limited from time to time and subject to inflation</p> <p>P + 3.75% per annum for the 2nd to 12th month where P represents the prime rate for Hong Kong dollars as may be quoted by CMB Wing Lung Bank Limited from time to time and subject to inflation</p>
Term:	12 months commencing from the drawdown date
Security:	A first legal charge/mortgage in respect of a residential property located in Mong Kok with valuation conducted by an independent property valuer on 25 August 2022 with an amount of approximately HK\$6,000,000.00 as at 25 August 2022
Repayment:	Customer A shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity
Early redemption:	<p>Administrative fees of a sum of HK\$110,000.00 is payable if Existing Loan A is partially repaid within 6 months from the drawdown date with a minimum repayment of HK\$2,000,000.00.</p> <p>Administrative fees of a sum of HK\$220,000.00 is payable if Existing Loan A is fully repaid within 6 months from the drawdown date.</p>

Other terms of Existing Loan Agreement A

Pursuant to Existing Loan Agreement A, Existing Loan A is guaranteed by Individual A. The mortgaged property under Existing Loan Agreement A is insured against fire risks with an insurance company approved by Oi Wah PL.

EXISTING LOAN AGREEMENT B

Date of the agreement:	25 August 2022
Lender:	Oi Wah PL
Borrower:	Customer B
Principal:	HK\$8,000,000.00
Interest rate:	<p>P + 15.75% per annum for the 1st month where P represents the prime rate for Hong Kong dollars as may be quoted by CMB Wing Lung Bank Limited from time to time and subject to inflation</p> <p>P + 3.75% per annum for the 2nd to 12th month where P represents the prime rate for Hong Kong dollars as may be quoted by CMB Wing Lung Bank Limited from time to time and subject to inflation</p>
Term:	12 months commencing from the drawdown date
Security:	A first legal charge/mortgage in respect of a residential property located in Sheung Wan with valuation conducted by an independent property valuer on 19 August 2022 with an amount of approximately HK\$16,500,000.00 as at 19 August 2022
Repayment:	Customer B shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity
Early redemption:	<p>Administrative fees of a sum of HK\$220,000.00 is payable if Existing Loan B is partially repaid within 6 months from the drawdown date with a minimum repayment of HK\$4,000,000.00.</p> <p>Administrative fees of a sum of HK\$440,000.00 is payable if Existing Loan B is fully repaid within 6 months from the drawdown date.</p>

Other terms of Existing Loan Agreement B

Pursuant to Existing Loan Agreement B, Existing Loan B is guaranteed by Individual A. The mortgaged property under Existing Loan Agreement B is insured against fire risks with an insurance company approved by Oi Wah PL.

INFORMATION ON THE CREDIT RISK RELATING TO THE EXISTING LOANS AND THE LOANS

The making of the Existing Loans and the Loans are collateralised.

The collateral provided by Customer A for Existing Loan A is sufficient as the loan-to-value ratio of the mortgaged property for Existing Loan A is approximately 66.7% based on the value of the mortgaged property for Existing Loan A as determined by an independent valuer.

The collateral provided by Customer B for Existing Loan B is sufficient as the loan-to-value ratio of the mortgaged property for Existing Loan B is approximately 48.5% based on the value of the mortgaged property for Existing Loan B as determined by an independent valuer.

The collaterals provided by Customer C for the Loans is sufficient as the loan-to-value ratio of the mortgaged properties for the Loans is approximately 80% (loan-to-value ratio as a first legal charge to other independent mortgagees: approximately 61.7%, loan-to-value ratio as a first legal charge to the Group: approximately 18.3%) based on the value of the mortgaged properties for the Loans as determined by an independent valuer.

The advances in respect of the Existing Loans and the Loans were 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; (ii) the fact that Customer A and Customer B are our existing customers with no default record; and (iii) the relatively short-term nature of the advances. After having taken into account the factors as disclosed above in assessing the risks of the relevant advances, the Company considers that the risks involved in the advances to the Customers are relatively low.

FUNDING OF THE LOANS AND THE EXISTING LOANS

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

INFORMATION OF THE CUSTOMERS AND THEIR ULTIMATE BENEFICIAL OWNERS

Customer A is a company incorporated in Hong Kong with limited liability which is a real estate investment company. Customer A is wholly-owned by the Holding Company which in turn is wholly-owned by Individual A.

Customer B is a company incorporated in Hong Kong with limited liability which principally engages in the trading of electronics and video cassettes. Customer B is owned as to 97.5%, 0.75%, 0.75% and 1% by Individual B, Individual C, Individual E and Individual D, respectively.

Customer C is a company incorporated in Hong Kong with limited liability which principally engages in magnetic tapes manufacturing. Customer C is wholly-owned by the Holding Company which in turn is wholly-owned by Individual A.

The Holding Company is an international business company incorporated in the British Virgin Islands which is an investment holding company and is wholly-owned by Individual A.

Individual A is an individual, the spouse of Individual B, the brother of both Individual C and Individual E, and a merchant who principally engages in the business of property investment. Individual A is a director and the ultimate beneficial owner of Customer A and Customer C, respectively.

Individual B is an individual, the spouse of Individual A, the sister-in-law of both Individual C and Individual E, and a housewife. Individual B is a director and one of the ultimate beneficial owners of Customer B.

Individual C is an individual, the brother of both Individual A and Individual E, the brother-in-law of Individual B, and a merchant who principally engages in the business of property investment. Individual C is a director of the Customers and one of the ultimate beneficial owners of Customer B.

Individual E is an individual, the brother of both Individual A and Individual C, the brother-in-law of Individual B, and a merchant who principally engages in the business of property investment. Individual E is a director of the Customers and one of the ultimate beneficial owners of Customer B.

Customer A and Customer B are our existing customers with no default record.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Customers and their ultimate beneficial owners are Independent Third Parties 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 and Oi Wah PL, as the lender of the Loans and the Existing Loans, respectively, are indirect wholly-owned subsidiaries of the Company.

REASONS FOR THE ENTERING INTO OF THE LOAN AGREEMENTS AND THE EXISTING LOAN AGREEMENTS

Having taken into account the principal business activities of the Group, the grant of the Loans and the Existing Loans to the Customers is in the ordinary and usual course of business of the Group.

The terms of the Loan Agreements and the Existing Loan Agreements were negotiated on an arm's length basis between the Group and the Customers. The Directors consider that the grant of the Loans and the Existing Loans 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 Agreements and the Existing Loan Agreements 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 Agreements and the Existing Loan Agreements are fair and reasonable and the entering into of the Loan Agreements and the Existing Loan Agreements 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 Loans granted to Customer C exceeds 5% but is less than 25%, the grant of the Loans constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Customers are associated with each other and the Existing Loan Agreements and the Loan Agreements were entered into within a 12-month period, the transactions contemplated under the Existing Loan Agreements and the Loan Agreements are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregate amount of the Existing Loans and the Loans exceeds 5% but is less than 25%, the grant of the Existing Loans and the Loans in aggregate still constitutes discloseable transactions of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.58(2) of the Listing Rules, the identity of the Customers is required to be disclosed. Since (i) the granting of the Loans and the Existing Loans 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 have confirmed to the Group that they will not consent to the disclosure of their identities in this announcement; (iii) the disclosure of the identity of the Customers 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 Loans and the Existing Loans; and (iv) the Company has made alternative disclosures in respect of the Loans and the Existing Loans 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 Loans and the Existing Loans, which would be much more meaningful for the Shareholders in assessing the risk and exposure of the Loans and

the Existing Loans 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
“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
“Customers”	Customer A, Customer B and Customer C
“Director(s)”	the director(s) of the Company
“Existing Loan A”	a mortgage loan in the amount of HK\$4,000,000.00 granted to Customer A
“Existing Loan B”	a mortgage loan in the amount of HK\$8,000,000.00 granted to Customer B
“Existing Loans”	Existing Loan A and Existing Loan B
“Existing Loan Agreement A”	the loan agreement dated 25 August 2022 and entered into between Oi Wah PL and Customer A for granting of Existing Loan A
“Existing Loan Agreement B”	the loan agreement dated 25 August 2022 and entered into between Oi Wah PL and Customer B for granting of Existing Loan B
“Existing Loan Agreements”	Existing Loan Agreement A and Existing Loan Agreement B
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holding Company”	an international business company incorporated in the British Virgin Islands 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”	an individual and an Independent Third Party
“Individual B”	an individual and an Independent Third Party
“Individual C”	an individual and an Independent Third Party
“Individual D”	an individual who is (i) an Independent Third Party; and (ii) a third party independent of each of the Customers, Individual A, Individual B, Individual C and Individual E
“Individual E”	an individual and an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan A”	a mortgage loan in the amount of HK\$35,000,000 granted to Customer C
“Loan B”	a mortgage loan in the amount of HK\$5,000,000 granted to Customer C
“Loans”	Loan A and Loan B
“Loan Agreement A”	the loan agreement dated 30 September 2022 and entered into between Oi Wah CL and Customer C in respect of the Loan A
“Loan Agreement B”	the loan agreement dated 30 September 2022 and entered into between Oi Wah CL and Customer C in respect of the Loan B
“Loan Agreements”	Loan Agreement A and Loan Agreement B
“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
“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, 30 September 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 Macksion 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.