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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 24 March 2023, the Framework Loan Agreement was entered into between Oi Wah PL as lender and the Customer as borrower, pursuant to which Oi Wah PL has agreed to advance the Loan to the Customer subject to Oi Wah PL and the Customer entering into formal loan agreement(s) to set out the specific terms and conditions of such loan.

#### **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 advance 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.

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

## **FRAMEWORK LOAN AGREEMENT**

Date of the agreement: 24 March 2023

Parties: Oi Wah PL (as lender)

The Customer (as borrower)

Subject matter: Oi Wah PL agrees to advance the Loan to the Customer subject to Oi Wah PL and the Customer entering into formal loan agreement to set out the specific terms and conditions of such loans.

## **THE LOAN**

At any time during the Term, Oi Wah PL and the Customer may enter into a loan agreement setting out the terms and conditions for which the Loan may be made available to the Customer. The following terms shall be reflected in the loan agreement(s) for the Loan:

Lender: Oi Wah PL

Borrower: The Customer

Guarantor: The Guarantors

Loan amount: Up to HK\$50,000,000.00

Loan period: First loan agreement: One month  
Second loan agreement: One month  
Third loan agreement: One month

Interest rate: (1) 24.0% per annum for the first loan agreement;  
(2) 24.0% per annum for the second loan agreement; and  
(3) 12% per annum for the third loan agreement.

Security: (i) A personal guarantee and indemnity duly executed by the Guarantors; and

(ii) A first legal charge with rental assignment (if applicable) in respect of the Property with valuation conducted by an independent property valuer on 6 February 2023 with an amount of approximately HK\$98,000,000.00 on 6 February 2023

Upon the first and second maturity date of the Loan, Oi Wah PL and the Customer may enter into subsequent loan agreements to refinance the outstanding principal amount of the Loan (each a “**Loan Rollover**”), provided that (a) the maturity date of any of the Loan Rollover shall not fall behind the expiry date of the Term; and (b) the terms as specified in the paragraph above shall be reflected in the loan agreement for all the Loan Rollovers.

### **INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN**

The making of the Loan is secured. The collateral provided by the Customer are sufficient for the amount of the said loan as the Customer proves its ability of repayment by the loan-to-value ratio of the collaterals in respect of the Loan, where such loan-to-value ratio is approximately 51.02% based on the valuation of the Property conducted by an independent property valuer on 6 February 2023.

The grant of the Loan was made on the basis of the Group’s credit assessments made on (i) the security provided by the Customer; and (ii) the financial strength and repayment ability of the Customer. After having taken into account the factors as disclosed above, the Group considers that the credit risks of granting the Loan 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 GUARANTORS**

The Customer is a limited company incorporated in Hong Kong and is principally engaged in investment holding. The Customer is ultimately owned as to 50% and 50% by Guarantor A and Guarantor B, respectively.

Each of the Guarantors is an individual and a merchant engaged principally in investment and is not a public figure.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Customer and the Guarantors 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 FRAMEWORK LOAN AGREEMENT**

Having taken into account the principal business activities of the Group, the advance of the Loan to the Customer is in the ordinary and usual course of business of the Group.

The terms of the Framework Loan Agreement were negotiated on an arm's length basis between Oi Wah PL and the Customer. The Directors consider that the advance 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 Framework 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 Framework Loan Agreement are fair and reasonable and the entering into of the Framework 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 advance 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.

Pursuant to Rule 14.58(2) of the Listing Rules, the identities of the Customer and the Guarantors are required to be disclosed. Since (i) the advance 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 and the Guarantors have confirmed to the Group that they will not consent to the disclosure of their identities in this announcement; (iii) the disclosure of the identities of the Customer and the Guarantors does not reflect their financial standing or repayment abilities 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 secured Property 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 abilities 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 (靚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, a company incorporated in Hong Kong with limited liability, and an Independent Third Party
“Directors”	the director(s) of the Company
“Framework Loan Agreement”	the framework loan agreement entered into on 24 March 2023 between Oi Wah PL and the Customer in respect of the Loan
“Group”	the Company and its subsidiaries
“Guarantor A”	an individual and a merchant engaged principally in investment
“Guarantor B”	an individual and a merchant engaged principally in investment
“Guarantors”	Guarantor A and Guarantor B
“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 loan facility in the maximum principal amount of HK\$50,000,000.00 to be granted to the Customer pursuant to the Framework Loan Agreement

“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
“Property”	a commercial property situated in Causeway Bay, Hong Kong
“Share(s)”	ordinary share(s) of the Company
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	the period commencing on the date of the Framework Loan Agreement to the date falling 3 months from the date of the Framework Loan Agreement
“%”	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, 24 March 2023

*As at the date of this announcement, the Board comprises Mr. Chan Kai Ho Edward (Chairman and Chief Executive Officer), Mr. Chan Chart Man, Ms. Chan Mei Fong and Ms. Chan Ying Yu as executive Directors; Mr. Chan Kai Kow Mackxion 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.*