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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 29 March 2023, the Loan Agreement was entered into between Oi Wah PL as lender and the Customers as borrower, pursuant to which Oi Wah PL has agreed to advance the Loan to the Customers in the principal amount of HK\$67,000,000 for a repayment term of two 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 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.

PROVISION OF THE LOAN

The Board is pleased to announce that on 29 March 2023, the Loan Agreement was entered into between Oi Wah PL as lender and the Customers as borrower, pursuant to which Oi Wah PL has agreed to advance the Loan to the Customers in the principal amount of HK\$67,000,000 for a repayment term of two months.

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

THE LOAN AGREEMENT

Date of the agreement:	29 March 2023
Lender:	Oi Wah PL
Borrower:	The Customers
Principal:	HK\$67,000,000.00
Interest rate:	P + 6.125% 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:	2 months commencing from the drawdown date
Security:	A first legal charge/mortgage in respect of (i) an industrial property and ten car parking spaces located in Fanling; (ii) four portions of land located in Fanling; and (iii) a commercial property located in Yau Ma Tei with valuation conducted by an independent property valuer on 10 March 2023 with the total amount of approximately HK\$96,250,000.00 as at 10 March 2023
Repayment:	The Customers 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\$1,340,000.00 if the Loan is fully repaid within 2 months from the drawdown date.

Other terms of the Loan Agreement

Pursuant to the Loan Agreement, the Loan is guaranteed by Individual A, Individual B, Individual C and Individual D. 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 Loans are collateralised.

The collateral provided by the Customers and the Mortgagors for the Loan is sufficient as the loan-to-value ratio of the mortgaged properties for the Loan is approximately 69.61% based on the aggregate value of the mortgaged properties for the Loan as determined by an independent valuer.

The advances in respect of the Loan were also made on the basis of the Company's credit assessments made on (i) the collaterals provided by the Customers and the Mortgagors, which are at the prime sites in Hong Kong; (ii) the fact that the Customers were our previous 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 LOAN

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

INFORMATION OF THE CUSTOMERS, THE MORTGAGORS AND THEIR ULTIMATE BENEFICIAL OWNERS

Each of Mortgagor A and Mortgagor B is a company incorporated in Hong Kong with limited liability which is a property investment company and is wholly-owned by Individual C.

Mortgagor C is a company incorporated in Hong Kong with limited liability which is a property investment company and is wholly-owned by Individual D.

Each of Mortgagor D and Mortgagor E is a company incorporated in Hong Kong with limited liability which is a property investment company and is wholly-owned by Individual B.

Each of Mortgagor F and Mortgagor G is a company incorporated in Hong Kong with limited liability which is a property investment company and is wholly-owned by Individual A.

Customer H is a company incorporated in Hong Kong with limited liability which is a property investment company. Customer H is wholly-owned by Mortgagor B which in turn is wholly-owned by Individual C.

Customer I is a company incorporated in Hong Kong with limited liability which is a property investment company and is owned as to 60%, 25% and 15% by Individual A, Individual E and Individual B, respectively

Individual A is an individual, the spouse of Individual C, the brother of both Individual B and Individual E, and a merchant who principally engages in the business of investment. Individual A is a director of Mortgagor F, Mortgagor G, Customer H and Customer I, respectively. Individual A is also the ultimate beneficial owner of Mortgagor F and Mortgagor G, respectively, and one of the ultimate beneficial owners of Customer I.

Individual B is an individual, the spouse of Individual D, the brother of both Individual A and Individual E, and a merchant who principally engages in the business of investment. Individual B is a director of Mortgagor D, Mortgagor E, Customer H and Customer I, respectively. Individual B is also the ultimate beneficial owner of Mortgagor D and Mortgagor E, respectively, and one of the ultimate beneficial owners of Customer I.

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

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

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

The Customers were our previous customers with no default record. Individual A, Individual B, Individual C, Individual D and Individual E are not public figure.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Customers, the Mortgagors and their ultimate beneficial owners 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 advance 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 PL and the Customers. 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 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 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 Customers, the Mortgagors and their ultimate beneficial owners 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 Customers, the Mortgagors and their ultimate beneficial owners 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 Customers, the Mortgagors and their ultimate beneficial owners 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 mortgaged properties and the loan-to-value ratio of the collaterals 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 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)
“Customers”	Customer H and Customer I
“Customer H”	a company incorporated in Hong Kong with limited liability engaged principally in property investment
“Customer I”	a company incorporated in Hong Kong with limited liability engaged principally in property investment
“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
“Individual A”	an individual and a merchant engaged principally in investment
“Individual B”	an individual and a merchant engaged principally in investment
“Individual C”	an individual and a housewife
“Individual D”	an individual and a housewife
“Individual E”	an individual and a merchant engaged principally in investment

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a mortgage loan in the amount of HK\$67,000,000 to be granted to the Customers
“Loan Agreement”	the loan agreement entered into on 29 March 2023 between Oi Wah PL 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
“Mortgagor A”	a company incorporated in Hong Kong with limited liability engaged principally in property investment
“Mortgagor B”	a company incorporated in Hong Kong with limited liability engaged principally in property investment
“Mortgagor C”	a company incorporated in Hong Kong with limited liability engaged principally in property investment
“Mortgagor D”	a company incorporated in Hong Kong with limited liability engaged principally in property investment
“Mortgagor E”	a company incorporated in Hong Kong with limited liability engaged principally in property investment
“Mortgagor F”	a company incorporated in Hong Kong with limited liability engaged principally in property investment
“Mortgagor G”	a company incorporated in Hong Kong with limited liability engaged principally in property investment
“Mortgagors”	Mortgagor A, Mortgagor B, Mortgagor C, Mortgagor D, Mortgagor E, Mortgagor F and Mortgagor G
“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, 29 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 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 non-executive Directors.