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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 22 May 2023, the Loan Agreements were entered into between Oi Wah PL as lender and the Customers as borrower, pursuant to which Oi Wah PL has agreed to advance the Loans to the Customers in the aggregate amount of HK\$43,600,000.

LISTING RULES IMPLICATIONS

As the Customers are associated with each other and the Loan Agreements were entered on the same day, the transactions contemplated under 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 amount of the Loans exceeds 5% but is less than 25%, the advance of the Loans 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 LOANS

The Board is pleased to announce that on 22 May 2023, the Loan Agreements were entered into between Oi Wah PL as lender and the Customers as borrower, pursuant to which Oi Wah PL has agreed to advance the Loans to the Customers in the aggregate amount of HK\$43,600,000.

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

LOAN AGREEMENT A

Date: 22 May 2023

Lender: Oi Wah PL

Borrower: Customer A

Mortgagor: Customer A
Mortgagor E
Mortgagor F

Guarantor: Customer C

Loan amount: HK\$21,000,000.00

Interest rate: P + 5.125% 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: 12 months commencing from the drawdown date

Security: A first legal charge/mortgage with rental assignment in respect of certain commercial properties located in To Kwa Wan with valuation conducted by an independent property valuer on 14 April 2023 with the total amount of approximately HK\$33,000,000.00 as at 14 April 2023

LOAN AGREEMENT B

Date: 22 May 2023

Lender: Oi Wah PL

Borrower: Customer B

Mortgagor: Customer B

Guarantor: Customer C
Individual H

Loan amount: HK\$3,400,000.00

Interest rate: P + 5.125% 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: 12 months from drawdown date

Security: A first legal charge/mortgage with rental assignment in respect of certain commercial properties located in Shau Kei Wan with valuation conducted by an independent property valuer on 14 April 2023 with the total amount of approximately HK\$5,300,000.00 as at 14 April 2023

LOAN AGREEMENT C

Date: 22 May 2023

Lender: Oi Wah PL

Borrower: Customer C

Mortgagor: Customer C
Individual G

Loan amount: HK\$15,200,000.00

Interest rate: P + 5.125% 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: 12 months from drawdown date

Security: A first legal charge/mortgage with rental assignment in respect of certain commercial properties located in Causeway Bay, Mongkok and Central with valuation conducted by an independent property valuer on 14 April 2023 with the total amount of approximately HK\$23,400,000.00 as at 14 April 2023

LOAN AGREEMENT D

Date:	22 May 2023
Lender:	Oi Wah PL
Borrower:	Customer D
Mortgagor:	Customer D
Guarantor:	Customer C Individual G
Loan amount:	HK\$4,000,000.00
Interest rate:	P + 5.125% 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:	12 months from drawdown date
Collateral:	A first legal charge/mortgage with rental assignment in respect of an industrial property located in Kwun Tong with valuation conducted by an independent property valuer on 14 April 2023 with the total amount of approximately HK\$6,500,000.00 as at 14 April 2023

Other terms of the Loan Agreements

The mortgaged properties under the Loan Agreements are insured against fire risks with an insurance company approved by Oi Wah PL.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOANS

The making of the Loans are collateralised.

The collaterals provided by Customer A, Mortgagor E and Mortgagor F for Loan A is sufficient as the loan-to-value ratio of the mortgaged properties for Loan A is approximately 63.6% based on the aggregate value of the mortgaged properties for Loan A as determined by independent valuers.

The collaterals provided by Customer B for Loan B is sufficient as the loan-to-value ratio of the mortgaged properties for Loan B is approximately 64.2% based on the aggregate value of the mortgaged properties for Loan B as determined by independent valuers.

The collaterals provided by Customer C and Individual G for Loan C is sufficient as the loan-to-value ratio of the mortgaged properties for Loan C is approximately 65.0% based on the aggregate value of the mortgaged properties for Loan C as determined by independent valuers.

The collaterals provided by Customer D for Loan D is sufficient as the loan-to-value ratio of the mortgaged properties for Loan D is approximately 61.5% based on the aggregate value of the mortgaged properties for Loan D as determined by independent valuers.

The advances in respect of the Loans were also made on the basis of the Company's credit assessments made on (i) the collaterals provided by the Mortgagors, which are at the prime sites in Hong Kong; and (ii) the financial strength and repayment ability of the Customers. After having taken into account the factors as disclosed above in assessing the risks of the relevant advances, the Company considers that the credit risks involved in the advances to the Customers are relatively low.

FUNDING OF THE LOANS

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

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

Customer B is a company incorporated in Hong Kong with limited liability which is principally engaged in property investment and wholly-owned by Individual H.

Customer D is a company incorporated in Hong Kong with limited liability which is principally engaged in property investment and wholly-owned by Individual G.

Each of Mortgagor E and Mortgagor F is a company incorporated in Hong Kong and wholly-owned by Customer A which is in turn wholly-owned by Customer C. Each of Customer A, Mortgagor E and Mortgagor F is a company incorporated in Hong Kong with limited liability which is principally engaged in property investment.

Customer C is a merchant who principally engages in the business of property investment, she is the spouse of Individual G and the sister of Individual H.

Individual H principally engages in the business of property investment and is the brother of Customer C and the brother-in-law of Individual G.

Individual G principally engages in the business of hotel management and is the spouse of Customer C and the brother-in-law of Individual H.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Customers, the Mortgagors, the Guarantors 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 Loans, is an indirect wholly-owned subsidiary of the Company.

REASONS FOR THE ENTERING INTO OF THE LOAN AGREEMENTS

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

The terms of the Loan Agreements were negotiated on an arm's length basis between Oi Wah PL and the Customers. The Directors consider that the advance of the 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 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 are fair and reasonable and the entering into of the Loan Agreements is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Customers are associated with each other and the Loan Agreements were entered into on the same day, the transactions contemplated under 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 Loans exceeds 5% but is less than 25%, the advance of the Loans 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, the Guarantors and their ultimate beneficial owners are required to be disclosed. Since (i) the advance of the 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, the Mortgagors, the Guarantors 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, the Guarantors 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 Loans; and (iv) the Company has made alternative disclosures in respect of the Loans 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 Loans, 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 (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)
“Customers”	Customer A, Customer B, Customer C and Customer D
“Customer A”	a company incorporated in the Hong Kong with limited liability and an Independent Third Party
“Customer B”	a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Customer C”	a individual principally engaged in the business of property investment, the spouse of Individual G, the sister of Individual H and an Independent Third Party
“Customer D”	a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Directors”	the director(s) of the Company
“Guarantors”	Customer C, Individual G and Individual H
“Independent Third Party(ies)”	a third party(ies) independent of the Company and its connected persons

“Individual G”	an individual principally engaged in the business of hotel management, the spouse of Customer C, the brother-in-law of Individual H and an Independent Third Party
“Individual H”	an individual principally engaged in the business of property investment, the brother of Customer C, the brother-in-law of Individual G and an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	Loan A, Loan B, Loan C and Loan D
“Loan Agreements”	Loan Agreement A, Loan Agreement B, Loan Agreement C and Loan Agreement D
“Loan A”	a mortgage loan in the amount of HK\$21,000,000.00 to be granted to Customer A
“Loan B”	a mortgage loan in the amount of HK\$3,400,000.00 to be granted to Customer B
“Loan C”	a mortgage loan in the amount of HK\$15,200,000.00 to be granted to Customer C
“Loan D”	a mortgage loan in the amount of HK\$4,000,000.00 to be granted to Customer D
“Loan Agreement A”	the loan agreement entered into on 22 May 2023 between Oi Wah PL and Customer A in respect of Loan A
“Loan Agreement B”	the loan agreement entered into on 22 May 2023 between Oi Wah PL and Customer B in respect of Loan B
“Loan Agreement C”	the loan agreement entered into on 22 May 2023 between Oi Wah PL and Customer C in respect of Loan C
“Loan Agreement D”	the loan agreement entered into on 22 May 2023 between Oi Wah PL and Customer D in respect of Loan D
“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 E”	a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Mortgagor F”	a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Mortgagors”	Mortgagor E, Mortgagor F, Customer A, Customer B, Customer C and Customer D
“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, 22 May 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 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.