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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 28 September 2023, the Loan Agreement was entered into between Oi Wah CL as lender and Customer A as borrower, pursuant to which Oi Wah CL has agreed to advance the Loan to Customer A in the aggregate amount of HK\$27,230,000.00.

Prior to the entering into of the Loan Agreement, the Group has entered into the Existing Loan Agreement for the grant of the Existing Loan on 29 August 2023 to Customer B.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan 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.

As the Customers are associated with each other and the Existing Loan Agreement the Loan Agreement were entered into within a 12-month period, the transactions contemplated under the Existing Loan Agreement and the Loan Agreement 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 Loan Agreement and the Loan Agreement exceeds 5% but is less than 25%, the grant of the Existing Loan and the Loan in aggregate still constitute 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 28 September 2023, the Loan Agreement was entered into between Oi Wah CL as lender and Customer A as borrower, pursuant to which Oi Wah CL has agreed to advance the Loan to Customer A in the aggregate amount of HK\$27,230,000.00.

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

LOAN AGREEMENT

Date:	28 September 2023
Lender:	Oi Wah CL
Borrower:	Customer A
Loan amount:	HK\$27,230,000.00
Interest rate:	12.0% per annum
Term:	6 months from drawdown date
Security:	A first legal charge in respect of 99 car parking spaces located in Fortress Hill, in favour of Oi Wah CL and other independent mortgagees, with valuation conducted by an independent property valuer on 18 September 2023 with an amount of approximately HK\$183,200,000.00 as at 18 September 2023
Repayment:	Customer A shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity

Other terms of the Loan Agreement

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

PROVISION OF THE EXISTING LOAN

Prior to entering into of the Loan Agreement, the Group has entered into the Existing Loan Agreement for the granting of the Existing Loan to Customer B.

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

EXISTING LOAN AGREEMENT

Date:	29 August 2023
Lender:	Oi Wah PL
Borrower:	Customer B
Loan amount:	HK\$8,000,000.00
Interest rate:	P + 6.00% per annum where P represents the prime rate for Hong Kong dollars as may be quoted by CMB Wing Lung Bank Limited
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 26 July 2023 with an amount of approximately HK\$16,000,000.00 as at 26 July 2023
Repayment:	Customer B shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity

Other terms of the Existing Loan Agreement

Pursuant to the Existing Loan Agreement, the Existing Loan is guaranteed by Individual C. The mortgaged property under the Existing 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 AND EXISTING LOAN

The making of the Loan and Existing Loan are collateralised.

The collateral provided by Customer B for the Existing Loan is sufficient as the loan-to-value ratio of the mortgaged property for Existing Loan is approximately 50.0% based on the value of the mortgaged property for Existing Loan as determined by an independent valuer.

The collaterals provided by Customer A for the Loan is sufficient as the loan-to-value ratio of the mortgaged properties for the Loan is approximately 65.0% (loan-to-value ratio as a first legal charge to other independent mortgagees: approximately 50.14%, loan-to-value ratio as a first legal charge to the Group: approximately 14.86%) based on the value of the mortgaged properties for the Loan as determined by an independent valuer. The ranking between the Group and other independent mortgagees are the same.

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

The Group will finance the Loan and Existing Loan 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 principally engages in magnetic tapes manufacturing. 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.

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.

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 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 each 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 each of the Customers and one of the ultimate beneficial owners of Customer B.

The Customers 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 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 CL and Oi Wah PL, as the lender of the Loan and the Existing Loan, respectively, are indirect wholly-owned subsidiaries of the Company.

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

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

The terms of the Loan Agreement and Existing Loan Agreement were negotiated on an arm's length basis between the Group and the Customers. The Directors consider that the advance of the Loan and Existing 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 and Existing 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 and Existing Loan Agreement are fair and reasonable and the entering into of the Loan Agreement and Existing 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 Loan 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.

As the Customers are associated with each other and the Existing Loan Agreement the Loan Agreement were entered into within a 12-month period, the transactions contemplated under the Existing Loan Agreement and the Loan Agreement 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 Loan Agreement and the Loan Agreement exceeds 5% but less than 25%, the grant of the Existing Loan and the Loan in aggregate still constitute 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 identity of the Customers is required to be disclosed. Since (i) the advance of the aggregation of Loan and Existing 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 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 abilities and thus will serve little purpose in assisting the Shareholders to evaluate their creditworthiness and the risks and exposure of the Loan and Existing Loan; and (iv) the Company has made alternative disclosures in respect of the Loan and Existing 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 and Existing Loan, which would be much more meaningful for the Shareholders in assessing the risk and exposure of the Loan and Existing 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)
“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
“Customers”	Customer A and Customer B
“Directors”	the director(s) of the Company
“Existing Loan”	a mortgage loan in the amount of HK\$8,000,000.00 granted to Customer B
“Existing Loan Agreement”	the loan agreement dated 29 August 2023 entered into between Oi Wah PL and Customer B for granting of the Existing Loan
“Holding Company”	an international business company incorporated in the British Virgin Islands and an Independent Third Party
“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 mortgage loan in the amount of HK\$27,230,000.00 granted to Customer A
“Loan Agreement”	the loan agreement dated 28 September 2023 entered into between Oi Wah CL and Customer A 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 (靚華信貸有限公司), 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 (靚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, 28 September 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.