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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 27 August 2014, the Loan Agreement was entered into between Oi Wah HK as lender and the Customers as borrowers. Pursuant to the Loan Agreement, Oi Wah HK has agreed to grant the Loan to the Customers for a term of 12 months.

#### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan granted to the Customers under the Loan Agreement exceed 5% but less than 25%, the grant of the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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Summarised below are the principal terms of the Loan Agreement.

#### **THE LOAN AGREEMENT**

Date of agreement : 27 August 2014

Lender : Oi Wah HK

Borrowers	:	The Customers
Principal	:	HK\$40,000,000.00
Interest rate	:	P + 10.75% per annum, where P represented the prime rate of 5.25% offered by Wing Lung Bank Limited as of the date of the Loan Agreement, subject to fluctuation
Term	:	12 months commencing from the Drawdown Date
Security	:	Six second legal charges/mortgages in respect of three commercial properties located in Sheung Wan and Kwai Chung respectively and three residential properties located in Yuen Long and Hung Hom respectively with valuation conducted by an independent property valuer on 22 August 2014 with an aggregate amount of approximately HK\$177,200,000.00
Repayment	:	The Customers shall repay the interests on a monthly basis with the principal amount at loan maturity
Early redemption/ renewal	:	Handling charges in sum of HK\$3,000,000.00 (subject to the terms of the Loan Agreement)

## **OTHER TERMS OF THE LOAN AGREEMENT**

Pursuant to the Loan Agreement, the mortgaged properties are insured against fire risks with an insurance company approved by Oi Wah HK.

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

The making of the Loan is collateralised. The collaterals provided by the Customers for the Loan is sufficient as the aggregate loan-to-value ratio of the mortgaged properties is approximately 64% (loan-to-value ratio of the first mortgage: approximately 35%, loan-to-value ratio of a subordinated mortgage to an independent mortgagee: approximately 6%, loan-to-value ratio of the Loan as a subordinated mortgage to the Group: approximately 23%) based on the aggregate value of the mortgaged properties for the Loan as determined by an independent valuer.

The advance in respect of the Loan was also made on the basis of the Company's credit assessments made on the Customers' financial strength and repayment ability, the collaterals provided which are at prime sites in Hong Kong, and the relatively short term nature of the advance. After taking into account the factors as disclosed above in assessing the risks of the relevant advance, the Company considers that the risks involved in the advance to the Customers are relatively low.

## **FUNDING OF THE LOAN**

The Group will finance the Loan with fund from the Bond Placement and the Company's general working capital.

## **INFORMATION ON CUSTOMER A**

Customer A is a company incorporated in the British Virgin Islands principally engaged in the business of property investment. Customer A, who is our new customer, was approached by the Group through the Group's network. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer A and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

## **INFORMATION ON CUSTOMER B**

Customer B is a company incorporated in Hong Kong principally engaged in the business of property investment. Customer B, who is our new customer, was approached by the Group through the Group's network. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer B and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

## **INFORMATION ON CUSTOMER C**

Customer C is a company incorporated in Hong Kong principally engaged in the business of property investment. Customer C, who is our new customer, was approached by the Group through the Group's network. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer C and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

## **INFORMATION ON CUSTOMER D**

Customer D is a company incorporated in Hong Kong principally engaged in the business of property investment. Customer D, who is our new customer, was approached by the Group through the Group's network. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer D and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

## **INFORMATION ON CUSTOMER E**

Customer E is a company incorporated in Hong Kong principally engaged in the business of property investment. Customer E, who is our new customer, was approached by the Group through the Group's network. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer E and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

## **INFORMATION ON CUSTOMER F**

Customer F is a company incorporated in Hong Kong principally engaged in the business of property investment. Customer F, who is our new customer, was approached by the Group through the Group's network. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer F and its ultimate beneficial owners are Independent Third Parties and not connected with the Group.

## **INFORMATION ON CUSTOMER G**

Customer G, who is a merchant and our new customer, was approached by the Group through the Group's network. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer G is an Independent Third Party and not connected with the Group.

## **INFORMATION ON CUSTOMER H**

Customer H, who is a merchant and our new customer, was approached by the Group through the Group's network. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer H is an Independent Third Party and not connected with the Group.

## **INFORMATION ON 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. The lender is an indirect wholly-owned subsidiary of the Company.

## **REASONS FOR ENTERING INTO THE LOAN AGREEMENT**

Taking into account the principal business activities of the Group, the grant 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 HK and the Customers. The Directors consider that the granting of the Loan is a 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. Taking 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 the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan granted to the Customers under the Loan Agreement exceed 5% but less than 25%, the grant of the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings:

“Bond Placement”	the placement of Company’s bonds announced by the Company on 7 May 2014
“Board”	the board of Directors
“Company”	Oi Wah Pawnshop Credit Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Customer A”	the borrower being a company incorporated in the British Virgin Islands and an Independent Third Party
“Customer B”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer C”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer D”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer E”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer F”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer G”	the borrower being an individual and an Independent Third Party
“Customer H”	the borrower being an individual and an Independent Third Party
“Customers”	Customer A, Customer B, Customer C, Customer D, Customer E, Customer F, Customer G and Customer H
“Director(s)”	the director(s) of the Company

“Drawdown Date”	the date on which the Loan is drawdown
“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)”	party(ies) who is/are independent of the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a mortgage loan in the amount of HK\$40,000,000.00 provided by Oi Wah HK to the Customers
“Loan Agreement”	the loan agreement dated 27 August 2014 entered into between Oi Wah HK 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
“Oi Wah HK”	Oi Wah Pawnshop Credit Limited, a limited liability company incorporated in Hong Kong 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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, 27 August 2014

*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 as non-executive Director; and Mr. Chan Wing Lee, Dr. Leung Shiu Ki Albert and Dr. Yip Ngai as independent non-executive Directors.*