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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)**

### **VOLUNTARY ANNOUNCEMENT PROVISION OF FINANCIAL ASSISTANCE**

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 27 November 2014, the Loan Agreement was entered into between Oi Wah HK as lender and the Customer as borrower. Pursuant to the Loan Agreement, Oi Wah HK has agreed to grant the Loan to the Customer for a term of 1 month.

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As the applicable percentage ratios under Chapter 14.07 of the Listing Rules in respect of the Loan granted to the Customer under the Loan Agreement is below 5%, the grant of the Loan is not subject to the disclosure requirement under Chapter 14 of the Listing Rules.

Furthermore, as the Customer is the same with or an associate of the customers of the Existing Loans, the grant of the Loan requires aggregation with the Existing Loans (which in aggregate constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and were disclosed under the announcements issued by the Company on 13 November 2014, 18 November 2014 and 25 November 2014) under Rule 14.22 of the Listing Rules. Given the applicable percentage ratios in respect of the Loan and the Existing Loans in aggregate under Rule 14.07 of the Listing Rules exceed 5% but less than 25%, the grant of the Loan and the Existing Loans in aggregate still constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the disclosure in this announcement is made on a voluntary basis since the Existing Loans were disclosed earlier and the aggregation of the Loan and the Existing Loans does not alter the classification of transaction of the Existing Loans.

Summarised below are the principal terms of the Loan Agreement.

## **THE LOAN AGREEMENT**

Date of the Loan Agreement	:	27 November 2014
Lender	:	Oi Wah HK
Borrower	:	The Customer
Principal	:	HK\$10,000,000.00
Interest rate	:	P + 18.75% per annum where P represented the prime rate of 5.25% of Wing Lung Bank Limited as of the date of the Loan Agreement, subject to fluctuation
Term	:	1 month commencing from the Drawdown Date
Security	:	A second legal charge/mortgage in respect of a commercial property located in Kwun Tong, Kowloon, Hong Kong with valuation conducted by an independent property valuer on 24 November 2014 with an aggregate amount of approximately HK\$60,000,000.00
Repayment	:	The Customer shall repay the interests on a monthly basis with the principal amount at loan maturity
Early redemption/ renew	:	Handling charges plus interest in sum of HK\$200,000.00 in total (subject to the terms of the Loan Agreement)

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

Pursuant to the Loan Agreement, the Loan is guaranteed by three individuals who are Independent Third Parties and the mortgaged property under the Loan Agreement is 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 collateral provided by the Customer for the Loan is sufficient as the aggregate loan-to-value ratio of the mortgaged property is approximately 65% (loan-to-value ratio of first mortgage: approximately 31%, loan-to-value ratio as a subordinated mortgage to other independent mortgagee: approximately 17%, loan-to-value ratio of the Loan as a subordinated mortgage to the Group: approximately 17%) based on the value of the mortgaged property 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 Customer's financial strength and repayment ability, the collateral provided which is at a prime site in Kowloon, 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 Customer are relatively low.

## **FUNDING OF THE LOAN**

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

## **INFORMATION ON THE CUSTOMER**

The Customer is a company incorporated in Hong Kong principally engaged in the business of property investment. The Customer is a repeated customer of the Group with no default record. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Customer and its ultimate beneficial owners are Independent Third Parties 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. Oi Wah HK, as the lender of the Loan, 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 Customer 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 Customer. 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 Customer 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 are in the interests of the Company and its shareholders as a whole.

## DEFINITIONS

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

“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”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Director(s)”	the director(s) of the Company
“Drawdown Date”	the date on which the Loan is drawdown
“Existing Loans”	the loans granted to the Customer and its associates by Oi Wah HK as defined in the Company’s announcements dated 13 November 2014, 18 November 2014 and 25 November 2014
“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\$10,000,000.00 provided by Oi Wah HK to the Customer
“Loan Agreement”	the loan agreement dated 27 November 2014 entered into between Oi Wah HK and the Customer 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 November 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.*