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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 19 December 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.

This is a voluntary announcement made by the Company.

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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 27 November 2014 and 9 December 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	:	19 December 2014
Lender	:	Oi Wah HK
Borrower	:	The Customer
Principal	:	HK\$5,000,000.00
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 Wan Chai, Hong Kong with valuation conducted by an independent property valuer on 16 December 2014 with an aggregate amount of approximately HK\$13,500,000.00
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\$100,000.00 in total (subject to the terms of the Loan Agreement)

OTHER TERMS OF THE LOAN AGREEMENT

Pursuant to the Loan Agreement, 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 70% (loan-to-value ratio of first mortgage: approximately 33%, loan-to-value ratio of the Loan as a subordinated mortgage to the Group: approximately 37%) 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 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 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 merchant and our repeated customer with no default record in our Group. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Customer 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. 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 an individual 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 associate by Oi Wah HK as defined in the Company’s announcements dated 27 November 2014 and 9 December 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\$5,000,000.00 provided by Oi Wah HK to the Customer
“Loan Agreement”	the loan agreement dated 19 December 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, 19 December 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.