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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 17 February 2017, Loan Agreement A and Loan Agreement B were entered into between Oi Wah PL as lender and Two Customers and Customer A, each as borrower(s), respectively. Pursuant to Loan Agreement A and Loan Agreement B, Oi Wah PL has agreed to grant Loan A and Loan B to Two Customers and Customer A for a term of 1 month respectively.

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

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

Furthermore, as one of the ultimate beneficial owners of Customer A, Customer B and Customer E are the same with or an associate of the ultimate beneficial owners of the customers of the Existing Loans,

the grant of the Loans 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 8 April 2016, 18 April 2016, 12 July 2016, 25 July 2016, 26 July 2016, 18 August 2016 and 2 December 2016) under Rule 14.22 of the Listing Rules. Given the applicable percentage ratios in respect of the Loans and the Existing Loans in aggregate under Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the grant of the Loans 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 Loans and the Existing Loans does not alter the classification of transaction of the Existing Loans.

Summarised below are the principal terms of Loan Agreement A and Loan Agreement B.

LOAN AGREEMENT A

Date of Loan Agreement A	:	17 February 2017
Lender	:	Oi Wah PL
Borrower	:	Two Customers
Principal	:	HK\$27,000,000.00
Interest rate	:	P + 10.75% per annum where P represented the prime rate of 5.25% per annum offered by Wing Lung Bank Limited as of the date of Loan Agreement A
Term	:	1 month commencing from the Drawdown Date
Security	:	A second legal charge/mortgage in respect of three commercial properties located in Kwai Chung and Aberdeen with valuation conducted by two independent property valuers on 10 February 2017 with the aggregate amount of approximately HK\$125,000,000.00
Repayment	:	Two Customers shall repay the interests with the principal amount at loan maturity
Early redemption	:	Handling charges plus interest in the sum of HK\$360,000.00 in total will be charged if full repayment is made within one month

LOAN AGREEMENT B

Date of Loan Agreement B	:	17 February 2017*
Lender	:	Oi Wah PL and Lender A
Borrower	:	Customer A
Principal	:	Oi Wah PL: HK\$15,000,000.00 Lender A: HK\$10,000,000.00
Interest rate	:	P + 6.75% per annum where P represented the prime rate of 5.25% per annum offered by Wing Lung Bank Limited as of the date of Loan Agreement B
Term	:	1 month commencing from the Drawdown Date
Security	:	A first legal charge/mortgage in respect of an industrial property located in Fanling with valuation conducted by an independent property valuer on 10 February 2017 with an amount of approximately HK\$68,000,000.00
Repayment	:	Customer A shall repay the interests with the principal amount at loan maturity
Early redemption	:	Handling charges plus interest in the sum of HK\$250,000.00 is payable if full repayment is made within 1 month and such amount will be shared between Oi Wah PL and Lender A based on the proportion of the principal

**Note: The date of the MOU was 17 February 2017.*

OTHER TERMS OF LOAN AGREEMENT A AND LOAN AGREEMENT B

Pursuant to Loan Agreement A, Loan A is guaranteed by two individuals who are Independent Third Parties. Pursuant to Loan Agreement B, Loan B is guaranteed by an individual who is an Independent Third Party. All mortgaged properties 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 Two Customers for Loan A is sufficient as the loan-to-value ratio of the three mortgaged properties is approximately 51% (loan-to-value ratio of first mortgage: approximately 29%, loan-to-value ratio of Loan A as a subordinated mortgage to the Group: approximately 22%) based on the value of the mortgaged properties for Loan A as determined by two independent valuers. The collateral provided by Customer A for Loan B is sufficient as the loan-to-value ratio of the mortgaged property is approximately 37% (loan-to-value ratio as first mortgage to Lender A: approximately 15%, loan-to-value ratio of Loan B as a first mortgage to the Group: approximately 22%) based on the value of the mortgaged property for Loan B as determined by an independent valuer.

The advance in respect of the Loans was also made on the basis of the Company's credit assessments made on the financial strength and repayment ability of the Customers, the collaterals provided by the Customers, which are at the 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 LOANS

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

INFORMATION ON CUSTOMER A

Customer A is a company incorporated in Hong Kong principally engaged in the business of property investment. Customer A 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, Customer A and its ultimate beneficial owner 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 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, Customer B and its ultimate beneficial owner are Independent Third Parties and not connected with the Group.

INFORMATION ON CUSTOMER E

Customer E is a company incorporated in the Hong Kong principally engaged in the business of rental investment and operating video game centre. Customer E 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, Customer E 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 PL, as the lender of the Loans, is an indirect wholly-owned subsidiary of the Company.

INFORMATION ON LENDER A

Lender A is a company incorporated in Hong Kong principally engaged in the business of financing service in Hong Kong. Lender A 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, Lender A is an Independent Third Party and not connected with the Group.

REASONS FOR ENTERING INTO THE AGREEMENTS

Taking into account the principal business activities of the Group, the grant of the Loans to the Customers is in the ordinary and usual course of business of the Group.

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

DEFINITIONS

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

“Agreements”	Loan Agreement A, Loan Agreement B and the MOU
“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 Hong Kong and an Independent Third Party

“Customer B”	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
“Customers”	Customer A, Customer B and Customer E
“Director(s)”	the director(s) of the Company
“Drawdown Date”	the date on which the Loans are drawdown
“Existing Loans”	the loans granted to the Customers and its associates by Oi Wah PL as set out in the Company’s announcements dated 8 April 2016, 18 April 2016, 12 July 2016, 25 July 2016, 26 July 2016, 18 August 2016 and 2 December 2016
“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)”	third party(ies) who is/are independent of the Company and its connected person(s) (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan A”	a mortgage loan in the amount of HK\$27,000,000.00 provided by Oi Wah PL to Two Customers
“Loan Agreement A”	the loan agreement dated 17 February 2017 entered into between Oi Wah PL and Two Customers in respect of Loan A
“Loan B”	a mortgage loan in the amount of HK\$15,000,000.00 granted by Oi Wah PL to Customer A
“Loan Agreement B”	the loan agreement dated 17 February 2017 entered into between Oi Wah PL and Customer A in respect of Loan B
“Loans”	Loan A and Loan B

“Lender A”	the lender, being a company incorporated in Hong Kong and an Independent Third Party
“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
“MOU”	the memorandum of understanding dated 17 February 2017 entered into between Oi Wah PL and Lender A
“Oi Wah PL”	Oi Wah Property 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
“Two Customers”	Customer B and Customer E

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, 17 February 2017

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.