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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 AND ADVANCE TO ENTITIES

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO ENTITIES

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 Five Customers and Customer L, 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 Five Customers and Customer L for a term of 1 month respectively.

LISTING RULES IMPLICATIONS

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

In addition, as (i) Customer E, Customer F, Customer K and Customer L are associated with Customer A with the same beneficial owners; (ii) one of the ultimate beneficial owners of Customer A, Customer E, Customer F, Customer K and Customer L is an associate of Customer B and Customer C; (iii) Customer B is an associate of Customer C; and (iv) Customer C is the ultimate beneficial owner of Customer G and Customer I, the grant of the Loans and the Existing Loans requires aggregation under Rule 14.22 of the Listing Rules. Given the applicable percentage ratios in respect of the Loans and the Existing Loans granted to the Customers and the Existing Customers under Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the grant of the Loans and Existing Loans still constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the aggregate amount of the Loans together with the Existing Loans granted to the Customers and their associates exceeds 8% under the assets ratio defined under Rule 14.07(1) of the Listing Rules, the grant of the Loans is subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

It is required under Rule 13.15 of the Listing Rules to disclose the identities of the Customers. As the Customers have confirmed to the Group that they will not consent to the disclosure of their identities in this announcement, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 13.15 of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO ENTITIES

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 Five Customers and Customer L, 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 Five Customers and Customer L for a term of 1 month respectively.

LOAN AGREEMENT A

Date of agreement	:	17 February 2017
Lender	:	Oi Wah PL
Borrower	:	Five Customers
Principal	:	Principal A: HK\$85,500,000.00 Principal B: HK\$25,000,000.00
Interest rate for Principal A	:	P + 18.75% 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
Interest rate for Principal B	:	P + 14.75% 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 thirteen commercial properties and eight industrial properties located in Tsim Sha Tsui, Shatin, Kwun Tong, Tai Po, Chai Wan and Kwun Tong with valuation conducted by an independent property valuer on 10 February 2017 with an aggregate amount of approximately HK\$767,100,000.00
Repayment	:	Five Customers shall repay the interests with the principal amount at loan maturity
Interest	:	Interest is calculated on daily basis with the maximum amount of HK\$2,126,666.70
Early redemption	:	Handling fees plus interest in the sum of HK\$1,063,333.30 in total will be charged if Loan A is fully repaid by Five Customers within half a month

LOAN AGREEMENT B

Date of agreement	:	17 February 2017
Lender	:	Oi Wah PL
Borrower	:	Customer L
Principal	:	HK\$25,000,000.00
Interest rate	:	P + 8.75% per annum where P represented the prime rate of 5.25% per annum of 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 a commercial property located in Wan Chai, Hong Kong with valuation conducted by an independent property valuer on 10 February 2017 with an amount of approximately HK\$78,000,000.00
Repayment	:	Customer L shall repay the interests with the principal amount at loan maturity
Interest	:	Interest is calculated on daily basis with the maximum amount of HK\$291,666.70

OTHER TERMS OF LOAN AGREEMENT A AND LOAN AGREEMENT B

Pursuant to Loan Agreement A, Loan A is guaranteed by three individuals who are Independent Third Parties. Pursuant to Loan Agreement B, Loan B is guaranteed by two individuals who are Independent Third Parties. 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 Five Customers for Loan A are sufficient as the aggregate loan-to-value ratio of the twenty-one mortgaged properties is approximately 63% (loan-to-value ratio of first mortgage: approximately 39%, loan-to-value ratio as a subordinated mortgage to another independent mortgagee: approximately 9%, loan-to-value ratio of Loan A as a subordinated mortgage to the Group: approximately 15%) based on the value of the mortgaged properties for Loan A as determined by an independent valuer. The collateral provided by Customer L for Loan B is sufficient as the loan-to-value ratio of the mortgaged property is approximately 64% (loan-to-value ratio as a first mortgage to other independent mortgagee: approximately 32%, loan-to-value ratio of Loan B as a first mortgage to the Group: approximately 32%) 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 owners are Independent Third Parties and not connected with the Group.

INFORMATION ON CUSTOMER B

Customer B 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, Customer B is an Independent Third Party and not connected with the Group.

INFORMATION ON CUSTOMER C

Customer C 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, Customer C is an Independent Third Party 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 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 CUSTOMER F

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

INFORMATION ON CUSTOMER G

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

INFORMATION ON CUSTOMER I

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

INFORMATION ON CUSTOMER K

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

INFORMATION ON CUSTOMER L

Customer L is a company incorporated in Hong Kong principally engaged in the business of property investment. Customer L 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 enquiries, Customer L and its ultimate beneficial owners are Independent Third Parties.

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.

REASONS FOR ENTERING INTO LOAN AGREEMENT A AND LOAN AGREEMENT B

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

The terms of Loan Agreement A and Loan Agreement B were negotiated on an arm's length basis between Oi Wah PL and Five Customers and Customer L, respectively. The Directors consider that the granting of Loans are financial assistance provided by the Company within the meaning of the Listing Rules. The Directors are of the view that the terms of Loan Agreement A and Loan Agreement B 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 Loan Agreement A and Loan Agreement B are fair and reasonable and the entering into of Loan Agreement A and Loan Agreement B 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 Loan A granted to Five Customers under Loan Agreement A exceed 5% but are less than 25%, the grant of Loan A constitutes a discloseable transaction for the Company 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 L 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.

In addition, as (i) Customer E, Customer F, Customer K and Customer L are associated with Customer A with the same beneficial owners; (ii) one of the ultimate beneficial owners of Customer A, Customer E, Customer F, Customer K and Customer L is an associate of Customer B and Customer C; (iii) Customer B is an associate of Customer C; and (iv) Customer C is the ultimate beneficial owner of Customer G and Customer I, the grant of the Loans and the Existing Loans requires aggregation under Rule 14.22 of the Listing Rules. Given the applicable percentage ratios in respect of the Loans and the Existing Loans granted to the Customers and the Existing Customers under Rule 14.07 of the Listing

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It is required under Rule 13.15 of the Listing Rules to disclose the identities of the Customers. As the Customers have confirmed to the Group that they will not consent to the disclosure of their identities in this announcement, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 13.15 of the Listing Rules.

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 A”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer B”	the borrower being an individual and an Independent Third Party
“Customer C”	the borrower being an individual 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 a company incorporated in Hong Kong and an Independent Third Party
“Customer I”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer K”	the borrower being a company incorporated in Hong Kong and an Independent Third Party

“Customer L”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customers”	Five Customers and Customer L
“Director(s)”	the director(s) of the Company
“Drawdown Date”	the date on which the Loans are drawdown
“Existing Customers”	Customer B, Customer C and Customer I
“Existing Loan A”	the mortgage loan of HK\$8,000,000.00 granted by Oi Wah PL to Customer I under Existing Loan Agreement A
“Existing Loan Agreement A”	the loan agreement entered into between Oi Wah PL and Customer I on 4 November 2016 which was announced by the Company on 4 November 2016
“Existing Loan B”	the mortgage loan of HK\$30,000,000.00 granted by Oi Wah PL to Customer B and Customer C under Existing Loan Agreement B
“Existing Loan Agreement B”	the loan agreement entered into between Oi Wah PL and Customer B and Customer C on 9 January 2017 which was announced by the Company on 20 January 2017
“Existing Loan C”	the mortgage loan of HK\$85,000,000.00 granted by Oi Wah PL to Customer I under Existing Loan Agreement C
“Existing Loan Agreement C”	the loan agreement entered into between Oi Wah PL and Customer I on 20 January 2017 which was announced by the Company on 20 January 2017
“Existing Loans”	Existing Loan A, Existing Loan B and Existing Loan C
“Five Customers”	Customer A, Customer E, Customer F, Customer G and Customer K
“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) (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\$110,500,000.00 granted by Oi Wah PL to Five Customers
“Loan B”	a mortgage loan in the amount of HK\$25,000,000.00 granted by Oi Wah PL to Customer L
“Loan Agreement A”	the loan agreement dated 17 February 2017 entered into between Oi Wah PL and Five Customers in respect of Loan A
“Loan Agreement B”	the loan agreement dated 17 February 2017 entered into between Oi Wah PL and Customer L in respect of Loan B
“Loans”	Loan A and Loan B
“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 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

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.