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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)

VOLUNTARY ANNOUNCEMENT PROVISION OF FINANCIAL ASSISTANCE

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 12 October 2018, the Loan Agreement was entered into between Oi Wah PL as lender and Customer B as borrower. Pursuant to the Loan Agreement, Oi Wah PL has agreed to grant the Loan to Customer B for a term of 1 month.

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

Furthermore, as Customer B is an associate of the Existing Customers, 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 25 June 2018 and 12 September 2018 respectively 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 are 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	:	12 October 2018
Lender	:	Oi Wah PL
Borrower	:	Customer B
Principal	:	HK\$22,500,000.00
Interest rate	:	P + 18.625% per annum where P represented the prime rate of 5.375% per annum offered by Wing Lung Bank Limited as of the date of the Loan Agreement
Term	:	1 month commencing from the Drawdown Date
Security	:	A second legal charge/mortgage in respect of three residential properties located in Sai Kung with valuation conducted by an independent property valuer on 11 October 2018 with an aggregate amount of approximately HK\$300,000,000.00
Repayment	:	Customer B shall repay the interest with the principal amount at loan maturity
Early redemption	:	Handling charges plus interest in the sum of HK\$450,000 will be charged if the Loan is fully repaid by Customer B within 1 month

OTHER TERMS OF THE LOAN AGREEMENT

Pursuant to the Loan Agreement, the Loan 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 LOAN

The making of the Loan is collateralised. The collateral provided by Customer B for the Loan is sufficient as the loan-to-value ratio of the mortgaged properties is approximately 32% (loan-to value ratio as a first mortgage: approximately 20%, loan-to-value ratio as a second mortgage to another independent mortgagee: approximately 4% and loan-to-value ratio of the Loan as a second mortgage to the Group: approximately 8%) based on the 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 financial strength and repayment ability of Customer B, the collaterals provided by Customer B, 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 Customer B are relatively low.

FUNDING OF THE LOAN

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

INFORMATION ON CUSTOMER B

Customer B, which is a company incorporated in Hong Kong principally engaged in the business of trading, project management services and property management, is our repeated customer. 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 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 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 Customer B 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 PL and Customer B. 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 Customer B 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.

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”	Customer A as defined in the announcement issued by the Company on 25 June 2018
“Customer B”	the borrower being a company incorporated in Hong Kong and an Independent Third Party
“Customer C”	Customer C as defined in the announcement issued by the Company on 12 September 2018
“Director(s)”	the director(s) of the Company
“Drawdown Date”	the date on which the Loan is drawdown
“Existing Customers”	Customer A and Customer C
“Existing Loan A”	the loan granted to Customer A by Oi Wah PL as set out in the Company's announcement dated 25 June 2018
“Existing Loan B”	the loan granted to Customer C by Oi Wah PL as set out in the Company's announcement dated 12 September 2018
“Existing Loans”	Existing Loan A and Existing Loan B
“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 mortgage loan in the amount of HK\$22,500,000.00 provided by Oi Wah PL to Customer B
“Loan Agreement”	the loan agreement dated 12 October 2018 entered into between Oi Wah PL and Customer B 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 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, 12 October 2018

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 Mackision as non-executive Director; and Mr. Lam On Tai, Dr. Leung Shiu Ki Albert and Dr. Yip Ngai as independent non-executive Directors.