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東方報業集團有限公司

ORIENTAL PRESS GROUP LTD

(Incorporated in Hong Kong with limited liability)

(Stock Code: 18)

DISCLOSEABLE TRANSACTION PROVISION OF LOAN

The Board announces that on 24 August 2020 (after trading hours), the Loan Agreements were entered into between OFA, a wholly-owned subsidiary of the Company as lender, and the Customer as borrower, pursuant to which OFA agreed to grant 3 secured loans in the aggregate amount of HK\$85.54 million to the Customer for a term of 12 months.

As some of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loans exceed 5% but are less than 25%, the grant of the Loans constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

The Board announces that on 24 August 2020 (after trading hours), the Loan Agreements were entered into between OFA, a wholly-owned subsidiary of the Company as lender, and the Customer as borrower, pursuant to which OFA agreed to grant 3 secured loans in the aggregate amount of HK\$85.54 million to the Customer for a term of 12 months.

THE LOAN AGREEMENTS

The principal terms of the Loan Agreements are set out below:

Loan Agreement 1

Date:	24 August 2020
Lender:	OFA
Borrower:	Customer
Principal:	HK\$49 million
Interest rate:	0.75% per month (i.e. 9% per annum)
Term:	12 months commencing from the Drawdown Date
Repayment:	Customer shall pay interest monthly and repay the principal amount of the Loan and interest payable at maturity

Early repayment: Customer shall have an option to make early repayment of the Loan after the Drawdown Date subject to the Customer giving OFA not less than 1 month's advance notice in writing

Security: (1) Property mortgage: an all-money first legal charge in favour of OFA in respect of 3 residential apartments and 5 car parking spaces located in Ma On Shan, New Territories which are valued by an independent property valuer at HK\$75.6 million on 16 July, 2020
(2) Personal guarantee by the Guarantors in favour of OFA

Loan Agreement 2

Date: 24 August 2020

Lender: OFA

Borrower: Customer

Principal: HK\$4.55 million

Interest rate: 0.75% per month (i.e. 9% per annum)

Term: 12 months commencing from the Drawdown Date

Repayment: Customer shall pay interest monthly and repay the principal amount of the Loan and interest payable at maturity

Early repayment: Customer shall have an option to make early repayment of the Loan after the Drawdown Date subject to the Customer giving OFA not less than 1 month's advance notice in writing

Security: (1) Property mortgage: an all-money first legal charge in favour of OFA in respect of 5 car parking spaces located in Ma On Shan, New Territories which are valued by an independent property valuer at HK\$7.8 million on 16 July, 2020
(2) Personal guarantee by the Guarantors in favour of OFA

Loan Agreement 3

Date: 24 August 2020

Lender: OFA

Borrower: Customer

Principal: HK\$31.99 million

Interest rate: 0.75% per month (i.e. 9% per annum)

Term: 12 months commencing from the Drawdown Date

- Repayment: Customer shall pay interest monthly and repay the principal amount of the Loan and interest payable at maturity
- Early repayment: Customer shall have an option to make early repayment of the Loan after the Drawdown Date subject to the Customer giving OFA not less than 1 month's advance notice in writing
- Security: (1) Property mortgage: an all-money first legal charge in favour of OFA in respect of 4 units and 1 loading and unloading bay in an industrial building located in San Po Kong, Kowloon which are valued by an independent property valuer at HK\$45.55 million on 16 July, 2020
(2) Personal guarantee by the Guarantors in favour of OFA

FUNDING OF THE LOANS

OFA will finance the Loans with the Group's internal resources.

INFORMATION OF THE CUSTOMER AND OTHER SECURITY PARTIES

The Customer is a businessman based in Hong Kong, principally engaged in the business of garment manufacturing. The Mortgagors are the Customer's wife and companies wholly owned by the Customer and his wife, either jointly or singly, which are principally engaged in the business of property holding and garment manufacturing. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Customer, the Mortgagors and the Guarantors are Independent Third Parties.

INFORMATION OF THE GROUP AND THE LENDER

The Company is an investment holding company and is the holding company of the Group. The Group is principally engaged in publication of newspapers and money lending business. OFA is a wholly-owned subsidiary of the Company and is a licensed money lender, principally engaged in the business of money lending in Hong Kong.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

Taking into account the principal business of OFA, the grant of the Loans to the Customer pursuant to the Loan Agreements is in the ordinary course of business of OFA.

Given that the terms of the Loan Agreements were negotiated on an arm's length basis between OFA and the Customer with reference to OFA's credit policy and the prevailing market rate, and the Loans can generate a stable revenue and cash flow stream to the Group from interest income, the Directors are of the view that the terms of the Loan Agreements and the entering into of the Loan Agreements are fair and reasonable and in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loans exceed 5% but are less than 25%, the grant of the Loans constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of the Directors
“Company”	Oriental Press Group Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Customer”	Mr. Lee Leung Bincent, being the borrower under the Loan Agreements and an Independent Third Party
“Director(s)”	the director(s) of the Company
“Drawdown Date”	25 August 2020
“Group”	the Company and its subsidiaries
“Guarantors”	guarantors of the Loans which include: (a) Madam Tse Suet Yee, wife of the Customer; and (b) Mr. Lee Hon Pong, son of the Customer
“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”	third party that is independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan 1”	the secured loan with a principal amount of HK\$49 million to be granted by OFA to the Customer pursuant to Loan Agreement 1
“Loan 2”	the secured loan with a principal amount of HK\$4.55 million to be granted by OFA to the Customer pursuant to Loan Agreement 2
“Loan 3”	the secured loan with a principal amount of HK\$31.99 million to be granted by OFA to the Customer pursuant to Loan Agreement 3
“Loan Agreement 1”	the loan agreement dated 24 August 2020 entered into between OFA and the Customer in respect of Loan 1
“Loan Agreement 2”	the loan agreement dated 24 August 2020 entered into between OFA and the Customer in respect of Loan 2
“Loan Agreement 3”	the loan agreement dated 24 August 2020 entered into between OFA and the Customer in respect of Loan 3

“Loan Agreements”	collectively, Loan Agreement 1, Loan Agreement 2 and Loan Agreement 3
“Loans”	collectively, Loan 1, Loan 2 and Loan 3
“Mortgagors”	owners of the properties which will be charged in favour of OFA as security for the Loans and include: <ul style="list-style-type: none"> (a) Madam Tse Suet Yee, wife of the Customer; (b) Maypletex Development Company Limited, a company incorporated in Hong Kong with limited liability and wholly owned by the Customer and his wife; (c) Mega Continental Limited, a company incorporated in Hong Kong with limited liability and wholly owned by the Customer’s wife; (d) York Best (HK) Limited, a company incorporated in Hong Kong with limited liability and wholly owned by the Customer and his wife; (e) Tic Tac Limited, a company incorporated in Hong Kong with limited liability and wholly owned by the Customer; (f) Top Power Properties Limited, a company incorporated in Hong Kong with limited liability and wholly owned by the Customer; (g) Maypletex Group Limited, a company incorporated in Hong Kong with limited liability and wholly owned by the Customer and his wife
“OFA”	Oriental FA Limited, a company incorporated in Hong Kong with limited liability with money lenders licence registered under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), which is a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Oriental Press Group Limited
Ching-fat MA
Chairman

Hong Kong, 24 August 2020

As at the date hereof, the Board comprises seven Directors, of which three are executive Directors, namely Mr. Ching-fat MA (Chairman), Mr. Ching-choi MA (Vice Chairman) and Mr. Shun-chuen LAM (Chief Executive Officer), one non-executive Director, namely Mr. Dominic LAI and three independent non-executive Directors, namely Mr. Yau-nam CHAM, Mr. Ping-wing PAO and Mr. Yat-fai LAM.