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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2015, DECLARATION OF INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

FINANCIAL HIGHLIGHTS

		Six months ended 31 August		
		2015	2014	Change
		HK$	*HK$*	
Revenue		**88,635,139**	68,824,407	28.8%
Profit before taxation		**54,820,535**	44,103,546	24.3%
Profit for the period attributable to shareholders		**45,760,505**	36,821,622	24.3%
Net profit margin		**51.6%**	53.5%	
Basic earnings per share *(HK cents)*	*Note 1*	**2.2**	1.8	
Net interest margin	*Note 2*	**18.5%**	22.8%	
For pawn loan services		**43.2%**	43.8%	
For mortgage loan services		**13.5%**	16.1%	
Aggregated new loans granted				
For pawn loan services *(HK$ million)*		**304.2**	286.4	6.2%
For mortgage loan services *(HK$ million)*		**456.1**	337.2	35.3%

	As at 31 August 2015	As at 28 February 2015	
	HK$	*HK$*	
Gross loan receivables	**942,250,258**	670,196,734	40.6%
Total assets	**1,049,270,984**	754,660,657	39.0%
Total equity	**634,768,605**	451,890,805	40.5%

Note 1: Amount for the period ended 31 August 2014 adjusted for the bonus shares issued on 18 August 2015.

Note 2: Net interest margin during the period refer to our interest income in respect of our pawn loans and mortgage loans less our finance costs, divided by the average of month-end gross loan receivables balances of the corresponding loans during the period.

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2015

The board (the "**Board**") of directors (the "**Directors**") of Oi Wah Pawnshop Credit Holdings Limited (the "**Company**" or "**our Company**") is pleased to announce the unaudited interim results of our Company and its subsidiaries (collectively referred to as the "**Group**" or "**our Group**") for the six months ended 31 August 2015, with the comparative figures for the corresponding period in 2014 as follows:

Consolidated statement of comprehensive income
for the six months ended 31 August 2015 — unaudited
(Expressed in Hong Kong dollars)

		Six months ended 31 August	
		2015	2014
	Note	**$**	$
Revenue	*4*	**88,635,139**	68,824,407
Other revenue	*6*	**2,178,121**	4,067,240
Other net loss	*6*	**–**	(76,011)
Operating income		**90,813,260**	72,815,636
Operating expenses	*7*	**(25,935,335)**	(24,288,835)
(Charge for)/release of impairment losses on loan receivables	*7*	**(119,427)**	201,382
Profit from operations		**64,758,498**	48,728,183
Finance costs	*7(a)*	**(9,937,963)**	(4,624,637)
Profit before taxation	*7*	**54,820,535**	44,103,546
Income tax	*8*	**(9,060,030)**	(7,281,924)
Profit and total comprehensive income for the period		**45,760,505**	36,821,622
Profit and total comprehensive income for the period attributable to shareholders		**45,760,505**	36,821,622
Earnings per share *(in HK cents)*	*9*	**2.2**	1.8*

* Amount for the period ended 31 August 2014 adjusted for the bonus shares issued on 18 August 2015.

Consolidated statement of financial position

as at 31 August 2015 – unaudited

(Expressed in Hong Kong dollars)

	Note	**31 August 2015** **$**	28 February 2015 $
Non-current assets			
Property, plant and equipment		**1,497,286**	1,679,710
Loan receivables	*10*	**75,875,874**	72,067,706
Trade and other receivables	*11*	**4,937,068**	5,097,488
Deferred tax assets		**323,068**	300,957
		82,633,296	79,145,861
Current assets			
Repossessed assets		**12,772,595**	8,859,436
Loan receivables	*10*	**865,927,684**	597,801,755
Trade and other receivables	*11*	**24,815,487**	21,976,400
Cash and cash equivalents	*12*	**63,121,922**	46,877,205
		966,637,688	675,514,796
Current liabilities			
Accruals and other payables	*14*	**7,576,630**	5,870,839
Bank loans and overdrafts	*13*	**80,097,070**	125,522,021
Obligations under finance leases		**203,340**	199,629
Loans from ultimate holding company	*15*	**86,500,000**	86,900,000
Current taxation		**15,697,918**	8,912,066
Other loans	*16*	**132,224,000**	–
		322,298,958	227,404,555
Net current assets		**644,338,730**	448,110,241
Total assets less current liabilities		**726,972,026**	527,256,102
Non-current liabilities			
Debt securities issued	*17*	**91,586,995**	74,646,273
Obligations under finance leases		**616,426**	719,024
		92,203,421	75,365,297
NET ASSETS		**634,768,605**	451,890,805
CAPITAL AND RESERVES	*18*		
Capital		**21,200,000**	4,500,000
Reserves		**613,568,605**	447,390,805
TOTAL EQUITY		**634,768,605**	451,890,805

Consolidated statement of changes in equity

for the six months ended 31 August 2015 — unaudited
(Expressed in Hong Kong dollars)

	Note	Paid-in capital/share capital $	Share premium $	Capital reserve $	Other reserve $	Retained profits $	Total $
At 1 March 2014		4,000,000	85,625,004	44,962,406	12,001,100	177,836,249	324,424,759
Change in equity for the six months ended 31 August 2014							
Profit and total comprehensive income		–	–	–	–	36,821,622	36,821,622
Share issue under placing, net of issuing expenses	*18(c)*	500,000	69,825,000	–	–	–	70,325,000
Dividends approved in respect of the previous year	*18(b)(ii)*	–	(12,150,000)	–	–	–	(12,150,000)
At 31 August 2014		4,500,000	143,300,004	44,962,406	12,001,100	214,657,871	419,421,381
At 1 September 2014		4,500,000	143,300,004	44,962,406	12,001,100	214,657,871	419,421,381
Change in equity for the six months ended 28 February 2015							
Profit and total comprehensive income		–	–	–	–	43,269,424	43,269,424
Interim dividends approved in respect of the current year	*18(b)(i)*	–	(10,800,000)	–	–	–	(10,800,000)
At 28 February 2015		4,500,000	132,500,004	44,962,406	12,001,100	257,927,295	451,890,805
At 1 March 2015		4,500,000	132,500,004	44,962,406	12,001,100	257,927,295	451,890,805
Change in equity for the six months ended 31 August 2015							
Profit and total comprehensive income		–	–	–	–	45,760,505	45,760,505
Share issue under placing, net of issuing expenses	*18(c)*	800,000	152,217,295	–	–	–	153,017,295
Dividends approved in respect of the previous year	*18(b)(ii)*	–	(15,900,000)	–	–	–	(15,900,000)
Bonus issue	*18(d)*	15,900,000	(15,900,000)	–	–	–	–
At 31 August 2015		21,200,000	252,917,299	44,962,406	12,001,100	303,687,800	634,768,605

Condensed consolidated cash flow statement
for the six months ended 31 August 2015 – unaudited
(Expressed in Hong Kong dollars)

	Note	Six months ended 31 August 2015 $	2014 $
Operating activities			
Operating profit before changes in working capital		**65,117,739**	48,890,650
Increase in loan receivables		**(272,053,524)**	(132,107,070)
Other cash flows used in operations		**(4,886,035)**	(3,298,362)
Cash used in operations		**(211,821,820)**	(86,514,782)
Hong Kong Profits Tax paid		**(2,296,289)**	(2,213,650)
Net cash used in operating activities		**(214,118,109)**	(88,728,432)
Net cash used in investing activities		**(57,390)**	(168,370)
Financing activities			
Proceeds from share issues under placing, net of issuing expenses		**153,017,295**	70,325,000
Proceeds from debt securities issued, net of issuing expenses		**16,150,000**	49,750,000
Dividend paid		**(15,900,000)**	(12,150,000)
Repayments for bank loans		**(51,626,192)**	(8,021,646)
Proceeds from other loans		**132,224,000**	–
Other cash flows used in financing activities		**(9,646,128)**	(8,295,540)
Net cash generated from financing activities		**224,218,975**	91,607,814
Net increase in cash and cash equivalents		**10,043,476**	2,711,012
Cash and cash equivalents at the beginning of period		**38,263,348**	5,299,317
Cash and cash equivalents at the end of period	*12*	**48,306,824**	8,010,329

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION

Oi Wah Pawnshop Credit Holdings Limited (the "**Company**") was incorporated in the Cayman Islands and is listed on the Main Board of the Stock Exchange of Hong Kong Limited ("the **Stock Exchange**"). The Company and its subsidiaries (together referred to as "the **Group**") are principally engaged in secured financing business in Hong Kong, including pawn loans and mortgage loans.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 27 October 2015.

The interim financial report has been prepared in accordance with same accounting policies adopted in the year ended 28 February 2015 annual financial statements, except for the accounting policy change that is expected to be reflected in the year ending 29 February 2016 annual financial statements. Details of this change in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 28 February 2015 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**").

The interim financial report for the period ended 31 August 2015 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA, whose unmodified review report is included in the interim report to be sent to shareholders.

The financial information relating to the financial year ended 28 February 2015 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 28 February 2015 are available from the Company's registered office. The auditor have expressed an unqualified opinion on those financial statements in their report dated 29 May 2015.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company:

– *Annual Improvements to HKFRSs 2010-2012 Cycle*

– *Annual Improvements to HKFRSs 2011-2013 Cycle*

None of these developments have had a material effect on how the group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE

The principal activities of the Group are the granting of pawn loans and mortgage loans in Hong Kong.

Revenue represents interest income earned on pawn loans and mortgage loans and gain on disposal of repossessed assets. The amount of each significant category of revenue recognised during the period is as follows:

	Six months ended 31 August	
	2015	2014
	$	*$*
Interest earned on loan receivables		
– Pawn loans	**30,933,057**	28,743,677
– Mortgage loans	**57,043,239**	37,773,756
	87,976,296	66,517,433
Gain on disposal of repossessed assets	**658,843**	2,306,974
	88,635,139	68,824,407

Cost of repossessed assets disposed for the six months ended 31 August 2015 amounted to $26 million (six months ended 31 August 2014: $28 million).

The Group's customer base is diversified and includes only one customer (six months ended 31 August 2014: one customer) with whom transactions have exceeded 10% of the Group's revenues. During the six months ended 31 August 2015, revenues from interest earned on mortgage loan receivables from this customer, including interest earned from entities which are known to the Group to be under common control with this customer, amounted to approximately $15.7 million (six months ended 31 August 2014: $7.9 million).

5 SEGMENT REPORTING

The Group has one reportable segment, which is the provision of secured financing business in Hong Kong, including pawn loans and mortgage loans. Therefore, no additional reportable segment and geographical information has been presented.

6 OTHER REVENUE AND OTHER NET LOSS

	Six months ended 31 August	
	2015	2014
	$	*$*
Other revenue		
Rental income	**690,000**	575,100
Interest earned on unsecured loans	**110,592**	307,963
Credit related fee income	**893,328**	2,518,857
Bank interest income	**353**	306
Others	**483,848**	665,014
	2,178,121	4,067,240
Other net loss		
Net loss on disposal of property, plant and equipment	**–**	(76,011)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 31 August	
	2015	2014
	$	*$*
(a) Finance costs		
Finance charges on obligations under finance leases	**15,305**	8,202
Interest on loans from ultimate holding company	**2,068,986**	1,555,338
Interest on bank loans and overdrafts	**3,132,737**	2,682,449
Interest on other loans	**2,098,775**	–
Interest on debt securities issued	**2,622,160**	378,648
	9,937,963	4,624,637
(b) Other items		
Depreciation	**240,167**	288,144
Charge for/(release of) impairment losses on loan receivables	**119,427**	(201,382)
Staff costs	**10,164,300**	11,730,542
Premises and equipment expenses excluding depreciation	**5,654,683**	5,081,135
Advertising expenses	**4,476,352**	2,719,640
Auditor's remuneration	**510,000**	440,000
Legal and professional fees	**1,282,154**	1,194,173
Others	**3,607,679**	2,835,201
	26,054,762	24,087,453

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Taxation in the consolidated statements of comprehensive income represents:

	Six months ended 31 August	
	2015	2014
	$	*$*
Current tax – Hong Kong Profits Tax	**9,082,141**	7,256,538
Deferred taxation	**(22,111)**	25,386
	9,060,030	7,281,924

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

The provision for Hong Kong Profits Tax is calculated at 16.5% (six months ended 31 August 2014: 16.5%) to the estimated assessable profits for the six months ended 31 August 2015.

9 EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to the equity shareholders of the Company of $45,760,505 (six months ended 31 August 2014: $36,821,622) and the weighted average of 2,073,478,000 ordinary shares (six months ended 31 August 2014: 2,038,913,000 ordinary shares*) in issue during the interim period.

Weighted average number of ordinary shares

	31 August 2015	31 August 2014
Issued ordinary shares at 1 March	**450,000,000**	400,000,000
Effect of issue of shares under placing (note 18(c))	**33,478,000**	48,913,000
Effect of bonus issue (noted 18(d))	**1,590,000,000**	1,590,000,000
Weighted average number of ordinary shares at 31 August	**2,073,478,000**	2,038,913,000

No dilutive earnings per share is presented as there was no potential dilutive ordinary shares in issue during both periods.

* Amount for the period ended 31 August 2014 adjusted for the bonus shares issued on 18 August 2015.

10 LOAN RECEIVABLES

	31 August 2015 **$**	28 February 2015 $
Pawn loans	**141,379,800**	124,239,910
Mortgage loans	**800,620,458**	543,188,423
Unsecured loans	**250,000**	2,768,401
Gross loan receivables	**942,250,258**	670,196,734
Less: Impairment allowance *(note 10(a))*		
– Individually assessed	**(28,165)**	(67,540)
– Collectively assessed	**(418,535)**	(259,733)
	(446,700)	(327,273)
	941,803,558	669,869,461
Current portion included under current assets	**(865,927,684)**	(597,801,755)
Amounts due after one year included under non-current assets	**75,875,874**	72,067,706

(a) Movement in impairment losses

	Six months ended 31 August					
		2015			2014	
	Individual **$**	**Collective** **$**	**Total** **$**	Individual $	Collective $	Total $
At 1 March	**67,540**	**259,733**	**327,273**	55,360	554,261	609,621
Impairment losses (release of)/charged for profit or loss	**(39,375)**	**158,802**	**119,427**	9,515	(210,897)	(201,382)
At 31 August	**28,165**	**418,535**	**446,700**	64,875	343,364	408,239

(b) Ageing analysis

Ageing analysis is prepared based on contractual due date.

	Pawn loans	Mortgage loans	Unsecured loans	Total
	$	$	$	$
31 August 2015				
Neither past due nor impaired	**138,010,450**	**768,024,246**	**250,000**	**906,284,696**
Less than 1 month past due	**2,824,100**	**27,209,906**	**–**	**30,034,006**
1 to less than 3 months past due	**545,250**	**2,736,306**	**–**	**3,281,556**
3 to less than 6 months past due	**–**	**1,600,000**	**–**	**1,600,000**
6 months to less than 1 year past due	**–**	**–**	**–**	**–**
1 to less than 2 years past due	**–**	**1,050,000**	**–**	**1,050,000**
	141,379,800	**800,620,458**	**250,000**	**942,250,258**
28 February 2015				
Neither past due nor impaired	119,624,960	514,874,411	250,000	634,749,371
Less than 1 month past due	3,758,100	21,264,012	1,918,441	26,940,553
1 to less than 3 months past due	856,850	6,000,000	599,960	7,456,810
3 to less than 6 months past due	–	–	–	–
6 months to less than 1 year past due	–	1,050,000	–	1,050,000
1 to less than 2 years past due	–	–	–	–
	124,239,910	543,188,423	2,768,401	670,196,734

Of these mortgage loans which have been past due for one month or above, the respective valuations of the collateral can fully cover the outstanding balances and the related interest receivables (see note 11(b)) of these loans as at 31 August 2015. In respect of the mortgage loans which have been past due for less than one month, the amounts mainly represent occasional delay in repayment and are not an indication of significant deterioration of credit quality of these mortgage loans. As such, no individual impairment allowances were made in respect of the mortgage loans which were past due as at 31 August 2015.

11 TRADE AND OTHER RECEIVABLES

	The Group	
	31 August 2015	28 February 2015
	$	$
Trade receivables	**700,050**	163,035
Interest receivables	**16,119,270**	15,071,006
	16,819,320	15,234,041
Deposits, payments in advance and others	**12,933,235**	11,839,847
	29,752,555	27,073,888
Non-current portion of deposits and payments in advance included under non-current assets	**(4,937,068)**	(5,097,488)
Amounts due after one year included under current assets	**24,815,487**	21,976,400

Trade receivables are due within 60 days from the date of billing. All of the trade and other receivables are not impaired and expected to be recovered within one year, except for prepayment amounting to $4.9 million (28 February 2015: $5.1 million) that is expected to be recovered over one year.

(a) Ageing analysis of trade receivables

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	31 August 2015 *$*	28 February 2015 *$*
Neither past due nor impaired	**700,050**	79,035
Less than 1 month past due	**–**	–
1 to less than 3 months past due	**–**	84,000
	700,050	163,035

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

(b) Ageing analysis of interest receivable

The ageing analysis of interest receivables that are neither individually nor collectively considered to be impaired is as follows:

	Pawn loans *$*	**Mortgage loans** *$*	**Unsecured loans** *$*	**Total** *$*
31 August 2015				
Neither past due nor impaired	**10,625,506**	**3,955,452**	**3,226**	**14,584,184**
Less than 1 month past due	**494,218**	**438,355**	**–**	**932,573**
1 to less than 3 months past due	**114,502**	**217,283**	**–**	**331,785**
3 to less than 6 months past due	**–**	**98,409**	**–**	**98,409**
6 months to less than 1 year past due	**–**	**–**	**–**	**–**
1 to less than 2 years past due	**–**	**172,319**	**–**	**172,319**
	11,234,226	**4,881,818**	**3,226**	**16,119,270**
28 February 2015				
Neither past due nor impaired	9,457,849	3,979,726	3,036	13,440,611
Less than 1 month past due	657,668	520,837	60,120	1,238,625
1 to less than 3 months past due	179,939	73,036	46,451	299,426
3 to less than 6 months past due	–	–	–	–
6 months to less than 1 year past due	–	92,344	–	92,344
1 to less than 2 years past due	–	–	–	–
	10,295,456	4,665,943	109,607	15,071,006

12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	31 August 2015 *$*	28 February 2015 *$*
Cash in hand	**5,128,316**	5,974,014
Cash at banks	**57,993,606**	40,903,191
Cash and cash equivalents in the consolidated statement of financial position	**63,121,922**	46,877,205
Bank overdrafts *(note 13)*	**(14,815,098)**	(8,613,857)
Cash and cash equivalents in the consolidated cash flow statements	**48,306,824**	38,263,348

13 BANK LOANS AND OVERDRAFTS

The details of the bank loans and overdrafts were as follows:

	31 August 2015 *$*	28 February 2015 *$*
Unsecured bank overdrafts *(note 13(a))*	**14,815,098**	8,613,857
Bank loans, secured *(note 13(b))*	**54,896,000**	101,175,000
Bank loans, unsecured *(note 13(c))*	**10,385,972**	15,733,164
	65,281,972	116,908,164
Total bank loans and overdrafts – repayable within 1 year or on demand	**80,097,070**	125,522,021

(a) At 31 August 2015, unsecured bank overdraft facilities of $21,500,000 (28 February 2015: $22,500,000) were provided to the subsidiaries and utilised to the extent as disclosed above.

(b) At 31 August 2015, uncommitted secured revolving bank loan facilities of the lower of $125 million (28 February 2015: $180 million) or a certain percentage of the aggregate principal amount of the mortgage loan receivables of a subsidiary which are then sub charged/sub-mortgaged to the bank were obtained. The tenor for the facilities ranged from one month, two months, three months or six months as selected by the subsidiaries. As at 31 August 2015, the available uncommitted banking facilities after taking into consideration of the drawdown was approximately $Nil (28 February 2015: $5.7 million) which was secured by loan receivables of the Group with a carrying value of approximately $70 million (28 February 2015: $138 million).

(c) At 31 August 2015, unsecured bank loan facilities of $10,385,972 (28 February 2015: $15,733,164) were provided to the subsidiaries and utilised to the extent as disclosed above.

During the period, the Group had fulfilled all the financial covenants, if any, under the Group's banking facilities and all banking facilities were guaranteed by the Company.

14 ACCRUALS AND OTHER PAYABLES

	31 August 2015 **$**	28 February 2015 $
Accrued interest expenses	**2,074,867**	1,234,220
Accrued expenses	**3,032,664**	1,921,909
Provision for long services payment	**860,497**	720,053
Other payable and deposit received	**1,608,602**	1,994,657
	7,576,630	5,870,839

All of the accruals and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

15 LOANS FROM ULTIMATE HOLDING COMPANY

The loans from ultimate holding company are unsecured, interest bearing at Prime Rate less 0.25% (currently 5%) per annum and repayable within one year. The Loans have been renewed subsequently in September 2015 and the revised mature date is September 2016 (note 21).

16 OTHER LOANS

During the six months ended 31 August 2015, the Group obtained uncommitted secured revolving loan facilities from an independent third party. The limit of the facilities are the lower of $300 million or a certain percentage of the aggregate principal amount of the mortgage loan receivables of the subsidiaries which are then sub-charged/sub-mortgaged to the independent third party. The tenor for the facilities is one year. As at 31 August 2015, the available uncommitted loan facilities after taking into consideration of the drawdown was approximately $Nil which was secured by loan receivables of the Group with a carrying value of approximately $165.3 million.

17 DEBT SECURITIES ISSUED

The debt securities are unsecured, denominated in HKD, interest bearing at 6% per annum with interest coupon being paid semi-annually and will be mature at 2022. All debt securities issued are measured at amortised cost.

18 CAPITAL, RESERVES AND DIVIDENDS

(a) Share Capital

	Note	*Par value* *$*	*No of shares*	*$*
Authorised:				
At 28 February/31 August 2014 and 28 February/31 August 2015		0.01	100,000,000,000	1,000,000,000
Issued and fully paid:				
At 1 March 2014		0.01	400,000,000	4,000,000
Issue of shares under placing	*18(c)*	0.01	50,000,000	500,000
At 31 August 2014 and 28 February 2015		0.01	450,000,000	4,500,000
At 1 March 2015		0.01	450,000,000	4,500,000
Issue of shares under placing	*18(c)*	0.01	80,000,000	800,000
Bonus issue	*18(d)*	0.01	1,590,000,000	15,900,000
At 31 August 2015			2,120,000,000	21,200,000

(b) Dividends

(i) Dividend payable to equity shareholders of the Company attributable to the six months ended 31 August 2015:

	Six months ended 31 August	
	2015	2014
	$	*$*
Interim dividend declared after the interim period of $0.65 cents per ordinary share (2014: $2.4 cents per ordinary share)	**13,780,000**	10,800,000

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period:

	Six months ended 31 August	
	2015	2014
	$	*$*
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of $3.0 cents per ordinary share (Six months ended 31 August 2014: $2.7 cents per ordinary share)	**15,900,000**	12,150,000

(c) Issue of shares under placing

On 5 March 2014, the Company issued 50,000,000 shares with par value of $0.01 each, at a price of $1.45 per share by way of a placing. Net proceeds from the issue amounted to $70,325,000 (after offsetting expenses directly attributable to the issue of shares of $2,175,000), out of which $500,000 and $69,825,000 were recorded in share capital and share premium respectively.

On 16 June 2015, the Company issued 80,000,000 shares with par value of $0.01 each, at a price of $2.03 per share by way of a placing. Net proceeds from the issue amounted to $153,017,295 (after offsetting expenses directly attributable to the issue of shares of $9,382,705), out of which $800,000 and $152,217,295 were recorded in share capital and share premium respectively.

(d) Bonus issue

By an ordinary resolution passed at the annual general meeting on 31 July 2015, the issued share capital was increased by way of a bonus issue by applying $15,900,000 charged to the share premium account respectively as payment in full for 1,590,000,000 shares at par of $0.01 each, on the basis of three new shares for every one shares held on 18 August 2015. These shares rank pasi passu with the existing ordinary shares in all respects.

19 OPERATING LEASE COMMITMENTS

Operating lease commitments

The Group's total future minimum lease payments under non-cancellable operating leases of properties are payable as follows:

	31 August 2015	28 February 2015
	$	*$*
Within one year	**9,053,623**	10,348,491
After one year but within five years	**9,035,640**	9,724,840
	18,089,263	20,073,331

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to five years. Lease payments are usually increased at the end of the lease term to reflect market rentals. None of the leases includes contingent rentals.

20 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

(a) Key management personnel remuneration

	Six months ended 31 August	
	2015	2014
	$	*$*
Salary and other emoluments	**2,393,901**	2,248,242
Discretionary bonuses	**–**	2,050,000
Contributions to Mandatory Provident Fund	**51,984**	56,100
Others	**7,780**	19,000
	2,453,665	4,373,342

(b) Transactions with other related parties

During the period, the Group entered into transactions with related parties in the ordinary course of its business as follows:

	Six months ended 31 August	
	2015	2014
	$	*$*
Rental expense paid to		
– Kwan Chart (Holding) Company Ltd.	**480,000**	350,667
– Kwan Chart Estate Company Ltd.	**288,000**	259,742
– Mr. Chan Chart Man	**480,000**	350,667

The directors consider that all related party transactions during the period were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.

(c) Personal guarantees provided to landlord in respect of the Group's rental of premises

	31 August 2015	28 February 2015
	$	*$*
Mr. Chan Kai Ho Edward	**808,500**	1,663,500

The rental guarantees are provided to the landlords in respect of the Group's pawnshops lease contracts. The guarantees mature at the end of the related contracts.

21 SUBSEQUENT EVENTS

Renewal of the revolving loan facility amounted to $200,000,000 from ultimate holding company

On 12 September 2015, a subsidiary renewed the revolving loan facility with the ultimate holding company amounted to $200,000,000. The loan is unsecured, interest bearing at Prime Rate less 0.25% (currently 5%) per annum and the facility will expire on 11 September 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Oi Wah Pawnshop Credit Holdings Limited (the "**Company**" or "our **Company"**), and its subsidiaries (together with the Company collectively referred to as the "**Group**" or "**our Group**") is a financing service provider in Hong Kong operating under the brand name of "Oi Wah", principally engaged in providing secured financing, including pawn loans and mortgage loans.

Pawn Loan Business

For the six months ended 31 August 2015 ("**FP2016**"), the pawn loan business continued to be one of the major sources of income for the Group. During the reporting period, the interest income remained stable with total loan amount granted of approximately HK$304.2 million, representing an increase of 6.2% as compared to the total loan amount granted for the six months ended 31 August 2014 ("**FP2015**"). During the period, the number of pawn loan transactions with large loan amount maintained a steady growth, with an average loan amount increased to approximately HK$5,600 per transaction (FP2015: approximately HK$4,900 per transaction). As a result of the advertising effect, the demand for one-to-one pawn loan appointment services for pawn loans that exceed HK$0.1 million has increased and the number of pawn loan transactions with such amount granted increased from 145 transactions in FP2015 to 163 transactions in FP2016.

The decrease in our gain on disposal of repossessed assets in the reporting period was mainly attributable to factors such as weak retail market and price reduction of international luxury brands. However, the Group considers that there was still certain demand in the retail industry. In addition, the Group has already established appropriate countermeasures and has cut down the valuation of pawn collaterals, and thus the overall pawn business was not materially affected.

Mortgage Loan Business

In FP2016, the mortgage loan business have continued to show a rapid growth, and its income contribution exceeded that from our pawn loan business. The aggregate loan amount increased from approximately HK$337.2 million in FP2015 to approximately HK$456.1 million in FP2016, representing an increase of approximately 35.3%. The interest income rose from approximately HK$37.8 million in FP2015 to approximately HK$57.0 million in FP2016, representing an increase of 50.8%. During the reporting period, there were 115 new cases of loan transactions while no bad debt was recorded.

Whereas the demand for mortgage loan has been increasing, the Group's credit management remains cautious and prudent. During FP2016, more uncertainties arose in the property market of Hong Kong. The Group has made adjustments accordingly and has been more cautious during property valuation. We are of the view that appropriate adjustments are normal due to the periodicity of economic development. The Group will implement proper risk management and maintain its focus on high net worth customers.

INDUSTRY OVERVIEW

During the reporting period, Hong Kong encountered volatile stock markets in China and Hong Kong, deteriorated retail market, drop in commodity prices and global economic uncertainties. However, as the pawn loan industry in Hong Kong remained stable, the Group was optimistic about the market demand for the pawn loan business and the growth of loan amount.

In the opinion of the Group, considering the immense market space of mortgage loan, the demand for mortgage loan in Hong Kong is expected to increase continuously. Besides, the regulatory bodies are closely monitoring the credit approval procedures of banks which lend money to financial institutions in recent years, which has brought a greater impact on small and medium sized financial institutions. Being one of the few listed financial institutions and having various financing means, the Group will capture the opportunity to expand its market share in the industry.

FINANCIAL REVIEW

Revenue

Our Group's revenue increased from approximately HK$68.8 million in FP2015 to approximately HK$88.6 million in FP2016, representing an increase of approximately HK$19.8 million or 28.8%.

The increase was attributable to the increase in our interest income earned on our loan receivables by approximately HK$21.5 million or 32.3% from approximately HK$66.5 million in FP2015 to approximately HK$88.0 million in FP2016 and was netted off with a decrease in gain on disposal of repossessed assets by approximately HK$1.7 million or 73.9% from approximately HK$2.3 million in FP2015 to approximately HK$0.6 million in FP2016.

The increase in our interest income earned on our loan receivables in FP2016 was attributable to a significant increase in our interest income earned on our mortgage loan business and a slight increase in our interest income earned on our pawn loan business.

Interest income earned on our mortgage loan business increased significantly from approximately HK$37.8 million in FP2015 to approximately HK$57.0 million in FP2016, representing an increase of approximately HK$19.2 million or 50.8%. The increase was mainly due to the continuous expansion of our mortgage loan portfolio in FP2016. The average loan size of new mortgage loans granted increased from HK$3.0 million in FP2015 to HK$6.6 million in FP2016 and the total amount of new mortgage loans granted increased significantly from approximately HK$337.2 million in FP2015 to approximately HK$456.1 million in FP2016.

Interest income earned on our pawn loan business slightly increased from approximately HK$28.7 million in FP2015 to approximately HK$30.9 million in FP2016, representing an increase of approximately HK$2.2 million or 7.7%. The increase was primarily attributable to our increases in the (i) aggregate amount of pawn loans granted from approximately HK$286.4 million in FP2015 to approximately

HK$304.2 million in FP2016; and (ii) average amount of pawn loans granted from approximately HK$4,900 per transaction in FP2015 to approximately HK$5,600 per transaction in FP2016.

Gain on disposal of repossessed assets represents the gain we received as we sold the repossessed assets in the event of default in repayment of our pawn loans. The lower gain on disposal of repossessed assets in FP2016 was mainly due to (i) 10% off of the listed price of most of the branded watches during March and April 2015; and (ii) the fact that gold price per ounce decreased from approximately US$1,200 in March 2015 to US$1,080 in July 2015. Since every pawn loan has a loan term of four lunar months, the revenue was affected by the depreciation of gold and branded watches in FP2016 and thus a poor result in our gain on disposal of repossessed assets was recorded in FP2016.

Other revenue

Other revenue decreased from approximately HK$4.1 million in FP2015 to approximately HK$2.2 million in FP2016, representing a decrease of approximately HK$1.9 million or 46.3%, which was mainly due to the decrease in our credit-related fee income by approximately HK$1.6 million representing early repayment fees and handling charges from our mortgage loan customers.

Operating expenses

Operating expenses slightly increased by approximately HK$1.6 million or 6.6% from approximately HK$24.3 million in FP2015 to approximately HK$25.9 million in FP2016.

Staff costs decreased by approximately HK$1.6 million or 13.7% from approximately HK$11.7 million in FP2015 to approximately HK$10.1 million in FP2016. The decrease was mainly attributable to the decrease in the remuneration of directors of the Company (the "**Directors**") of approximately HK$2.0 million.

Rental expenses increased by approximately HK$0.6 million or 11.8% from approximately HK$5.1 million in FP2015 to approximately HK$5.7 million in FP 2016. The increase was mainly due to the renewal of rental agreements for the head-office and two pawnshops in May 2014.

Excluding the staff costs and rental expenses of approximately HK$16.8 million and HK$15.8 million in FP2015 and FP2016 respectively as mentioned above, other operating expenses increased by approximately HK$2.6 million or 34.7% from approximately HK$7.5 million in FP2015 to approximately HK$10.1 million in FP2016, which was mainly due to the increase in advertising expenses, professional fees and commission fee by approximately HK$1.8 million, HK$0.1 million and HK$0.4 million respectively.

Finance costs

The finance costs increased significantly by approximately HK$5.3 million or 115.2% from approximately HK$4.6 million in FP2015 to approximately HK$9.9 million after netting off with the decrease in bank loans and overdrafts by approximately HK$45.4 million in FP2016. The increase was mostly due to (i) the increase in the amount of loans from other independent third party for funding our expansion of mortgage loan portfolios; and (ii) the increase in the amount of debt securities issued by approximately HK$17.0 million in FP2016 for funding our expansion of mortgage loan portfolios.

Charged for impairment losses on loan receivables

The impairment losses on loan receivables charged to profit or loss in FP2016 of approximately HK$119,000 was attributable to the net effect of (i) the subsequent reassessment on the recoverability of previously impaired loan receivables that were individually assessed being released to profit or loss of approximately HK$39,000; and (ii) the impairment losses on loan receivables that were collectively assessed being charged to profit or loss of approximately HK$158,000.

In FP2015, the impairment losses on loan receivables released to profit or loss of approximately HK$201,000 was attributable to the net effect of (i) the subsequent reassessment on the recoverability of previously impaired loan receivables that were individually assessed being charged to profit or loss of approximately HK$10,000; and (ii) the impairment losses on loan receivables that were collectively assessed being released to profit or loss of approximately HK$211,000.

Income tax expenses

Our Group's effective tax rate was approximately 16.5% in FP2015 and FP2016. No material change was noted.

Profit and total comprehensive income for the period

Our Group's profit for FP2016 increased to approximately HK$45.8 million from approximately HK$36.8 million in FP2015, representing an increase of approximately HK$9.0 million or 24.5%. The increase was mainly attributable to the increase in revenue by approximately HK$19.8 million, netting off with the increase in expenses in rental expenses, advertising expenses, finance costs and commission fees amounted to HK$0.6 million, HK$1.8 million, HK$5.3 million and HK$0.4 million respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 August 2015, cash and cash equivalents, after netting off with the bank overdraft, amounted to approximately HK$48.3 million, representing a net increase of approximately HK$10.0 million as compared to the position as at 28 February 2015.

For FP2016, the net cash outflow from operating activities of our Group amounted to approximately HK$214.1 million. It is mainly due to the increase in loan receivables by approximately HK$272.1 million during FP2016. The net cash inflow from financing activities of our Group amounted to approximately HK$224.2 million for FP2016 which was mainly due to the net proceeds from the placing of the shares of our Company, proceeds from other loans and proceeds from debt securities, which amounted to approximately HK$153.0 million, HK$132.2 million and HK$16.2 million respectively, offset by the dividend paid and repayments for bank loans during FP2016 of approximately HK$15.9 million and HK$51.6 million respectively.

Pledge of assets

At 31 August 2015, the Group had pledged its mortgage loan receivables with net book value of HK$235.3 million (28 February 2015: HK$138.0 million) for the purpose of obtaining facilities from banks and other independent third party.

Contingent liabilities

There were no significant contingent liabilities for the Group as at 31 August 2015.

KEY FINANCIAL RATIOS

	As at 31 August 2015 $	As at 28 February 2015 $
Current ratio [(1)]	**3x**	3x
Gearing ratio [(2)]	**61.6%**	63.7%

	For the six months ended 31 August 2015 $	For the six months ended 31 August 2014 $
Return on total assets [(3)]	**8.7%**	11.1%
Return on equity [(4)]	**14.4%**	17.6%
Net profit margin [(5)]	**51.6%**	53.5%
Net interest margin [(6)]	**18.5%**	22.8%
– pawn loan services	**43.2%**	43.8%
– mortgage loan services	**13.5%**	16.1%

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities as at the respective period/year end.

(2) Gearing ratio is calculated by dividing total borrowings (summation of bank loans, bank overdrafts, loans from ultimate holding company, obligations under finance leases, other loans and debt securities issued) by total equity as at the respective period/year end.

(3) Return on total assets is calculated by dividing annualised profit for the period by the total assets as at the respective period end.

(4) Return on equity is calculated by dividing annualised profit for the period by the total equity as at the respective period end.

(5) Net profit margin is calculated by dividing profit for the period by the revenue for the respective period.

(6) Net interest margin during the period refers to our interest income in respect of our pawn loans and mortgage loan less our finance costs, divided by the average of month-end gross loan receivables balances of the corresponding loans during the period.

Current ratio

Our Group's current ratio remained stable at approximately 3 times as at 28 February 2015 and 31 August 2015, which was mainly due to the increase in current loan receivables from approximately HK$597.8 million as at 28 February 2015 to approximately HK$865.9 million as at 31 August 2015 or by approximately 44.8%, offset by the increase in other loans amounted to HK$132.2 million.

Gearing ratio

Our Group's gearing ratio slightly decreased from approximately 63.7% as at 28 February 2015 to approximately 61.6% as at 31 August 2015, which was mainly due to the increase in equity due to the net proceeds from the placing of shares of the Company amounted to approximately HK$153.0 million and the decrease in bank loans and overdrafts amounted to approximately HK$45.4 million, offset with the increase in other loans and debt securities issued in the amount of HK$132.2 million and HK$17.0 million respectively.

Return on total assets and return on equity

Our return on total assets and return on equity slightly decreased from approximately 11.1% and 17.6% respectively in FP2015 to approximately 8.7% and 14.4% respectively in FP2016. The reason for the decrease was mainly due to the placing of shares of the Company in June 2015, in which the Company obtained approximately HK$153.0 million from the placement.

Net profit margin

There was a slight decrease in our net profit margin from approximately 53.5% in FP2015 to 51.6% in FP2016. The reason for the decrease was mainly due to (i) the increase in finance cost as a result of the debt securities which were firstly issued in June 2014, and (ii) the decrease in the one-off credit related fee income from approximately HK$2.5 million in FP2015 to approximately HK$0.9 million in FP2016.

Net interest margin

The net interest margin decreased from approximately 22.8% in FP2015 to approximately 18.5% in FP2016 since a greater proportion of our interest income was earned on mortgage loan business in FP2016, from which we generally charged comparatively lower interest rate than that charged for our pawn loans. For FP2015 and FP2016, interest earned on mortgage loan business contributed approximately 56.8% and 64.8% to our total interest income respectively, resulted from the expansion of our mortgage loan business during FP2016.

PROSPECTS

Looking forward, our Group will continue to actively expand our business. In regard to our pawn loan business, the Group will gradually update the webpage of the Company and consummate the mobile version of the webpage, as well as introduce the online valuation service so as to provide customers with a more convenient channel to increase our market share.

In regard to our mortgage loan business, the Group announced that on 24 September 2015, it had entered into a memorandum of understanding with CITIC Capital Finance (Cayman) Limited ("CITIC Capital"). Both parties intended to: (i) jointly develop mortgage loan businesses, in the form of any business model as appropriate; (ii) provide syndicated mortgage loans jointly by a subsidiary under the group or related parties of CITIC Capital that holds a qualified money lender's license pursuant to Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and the Company; and (iii) develop a mutual customers referral plan. The Group believes that such cooperation will help both parties diversify the risk on money lending, broaden the income sources and customer base.

The mortgage loan business will remain as the growth momentum for the Group. The Group will actively expand diversified financing channels in the future. Currently, we are actively expanding the plan on loan to banks in the Southeast Asia regions. It is expected that agreements will be reached in the financial year of 2016.

PLACING AND SUBSCRIPTION OF SHARES

References are made to the 2015 annual report (the "**Annual Report**") published by the Company on 29 June 2015 and the announcement issued by the Company on 24 February 2014 in relation to the placing of existing shares and subscription for new shares under general mandate.

On 24 February 2014, the Company entered into a placing and subscription agreement with Kwan Lik Holding Limited as vendor and Great Roc Capital Securities Limited as placing agent for the placing and subscription of up to 50,000,000 ordinary shares of HK$0.01 each in the share capital (the "**Shares**") of the Company at the placing price of HK$1.45 per Share (the "**First Top-up Placing**'). The closing price per Share as quoted on the Stock Exchange on 24 February 2014 was HK$1.58.

The First Top-up Placing was conducted in order to optimise the Group's capital structure.

On 5 March 2014, the First Top-up Placing was completed and 50,000,000 Shares were allotted and issued to not less than six professional, institutional and other individual investors. The net proceeds of the First Top-up Placing were approximately HK$70.3 million and the net price per Share was approximately HK$1.406 per Share.

As at 29 May 2015, being the date of the Annual Report, the net proceeds from the First Top-up Placing of approximately HK$70.3 million had been used as follows:

i) approximately HK$56.2 million was used for expanding the loan portfolio of the Group; and

ii) approximately HK$14.1 million was used for general working capital of the Group.

Besides, reference is made to the announcement issued by the Company on 5 June 2015 in relation to the placing of existing shares and subscription for new shares under general mandate.

On 5 June 2015, the Company entered into another placing and subscription agreement with Kwan Lik Holding Limited as vendor and Great Roc Capital Securities Limited as placing agent for the placing and subscription of up to 80,000,000 Shares at the placing price of HK$2.03 per Share (the "**Second Top-up Placing**"). The closing price per Share as quoted on the Stock Exchange on 5 June 2015 was HK$2.25.

The Second Top-up Placing was conducted in order to optimise the Group's capital structure.

On 16 June 2015, the Second Top-up Placing was completed and 80,000,000 Shares were allotted and issued to not less than six professional, institutional and other individual investors. The net proceeds of the Second Top-up Placing were approximately HK$153.0 million and the net price per Share was approximately HK$1.9125 per Share.

As at 31 August 2015, the net proceeds from the Second Top-up Placing of approximately HK$153.0 million had been used as follows:

i) approximately HK$122.4 million was used for expanding the loan portfolio of the Group;

ii) approximately HK$28.1 million was used for general working capital of the Group; and

iii) the remaining net proceeds in the sum of approximately HK$2.5 million was remained as cash kept in the Group's bank accounts and is intended to be used for the Group's general linking capital

SHARE OPTION SCHEME

A share option scheme (the "**Share Option Scheme**") was adopted by the Company on 19 February 2013.

As at 29 May 2015 and 31 August 2015, being the date of the Annual Report and the end of FP2016 for the Group respectively:

i) a total of 40,000,000 options to subscribe for Shares were available for issue under the Share Option Scheme, representing approximately 8.89% and 1.89% of the total issued Shares of the Company as at 29 May 2015 and 31 August 2015 respectively;

ii) an option granted under the Share Option Scheme may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof; and

iii) the Share Option Scheme will remain in force until 18 February 2023.

HUMAN RESOURCES

As at 31 August 2015, our Group had a total of 50 staff (28 February 2015: 54). Total staff costs (including Directors' emoluments) were approximately HK$10.2 million for FP2016 (FP2015: approximately HK$11.7 million). Remuneration is determined with reference to market conditions and the performance, qualifications and experience of an individual employee. Bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include a share option scheme and contributions to statutory mandatory provident fund scheme to our Group's employees in Hong Kong.

INTERNAL CONTROL

The Board considers that our Group's internal control system was effective and adequate for FP2016. The Board, through the audit committee of our Company, has conducted a review on the internal control system and identified no significant areas of concern which could affect the operation of our Company.

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

Neither our Company nor any of its subsidiaries has purchased, sold or redeemed any of our Company's listed securities during FP2016.

MATERIAL ACQUISITIONS AND DISPOSALS

Our Group did not engage in any material acquisitions or disposals during FP2016.

ADVANCE TO ENTITY

As disclosed in the announcements of our Company dated 23 March 2015, 10 April 2015, 19 August 2015 and 24 August 2015 (the "**Announcements**"), Oi Wah Property Credit Limited ("**Oi Wah PL**"), being an indirectly wholly-owned subsidiary of our Company, as lender entered into six loan agreements (the "**Loan Agreements**") with nine customers which are associate or connected to each other (the "**Customers**") as borrower on 23 March 2015, 10 April 2015, 19 August 2015 and 24 August 2015 respectively. Pursuant to the Loan Agreements, Oi Wah PL has agreed to grant mortgage loans in the aggregate amount of HK$85.0 million (the "**Loan A**"), HK$15.0 million (the "**Loan B**"), HK$6.0 million (the "**Loan C**") and HK$75.5 million (the "**Grouped Loans**", collectively referred as the "**Loans**") to the Customer B and Customer C ("**Group Customers A**"), Customer I ("**Group Customers B**"), Customer C ("**Group Customers C**") and Customer A, Customer D, Customer E, Customer F, Customer G and Customer H ("**Group Customers D**") for a term of nine months, nine months, one month and one month respectively. Out of the nine Customers, six of them are companies incorporated in Hong Kong and principally engaged in the business of property investment. One customer is a company incorporated in Hong Kong and is principally engaged in the business of food catering and bakery. The remaining two customers are merchants who carry on business in Hong Kong. The Customers are 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 enquiries, the Customers are independent third parties and are not connected with our Group. The principal terms of Loan Agreements are set out below:

Loan amount:

HK$181.5 million representing approximately 17.3% of the total assets of our Group of approximately HK$1,049.3 million as at 31 August 2015, approximately 28.6% to the net assets of our Group of approximately HK$634.8 million and approximately 22.7% to the total mortgage loan portfolio of our Group of approximately HK$800.6 million as at 31 August 2015 (all based on the unaudited consolidated financial statements of our Group for FP2016).

Interest:

Interest rates on the amount of the Loan A, Loan B, Loan C and Grouped Loans are P+6.75% per annum, P+5.55% per annum, P + 8.75% per annum and P + 18.75% per annum, respectively, where P represented the prime rate of 5.25% of Wing Lung Bank Limited as of the date of the Loan Agreements, subject to fluctuation.

Terms of the Loan:

Nine months from the drawdown date of the Loan Agreement with Group Customer A on 23 March 2015, nine months from the drawdown date of the Loan Agreement with Group Customer B on 10 April 2015, one month from the drawdown date of the Loan Agreement with Group Customer C on 19 August 2015 and one month from the drawdown date of the Loan Agreements with Group Customer D and 24 August 2015 respectively.

Security:

A first legal charge/mortgage in respect of commercial property located in Yuen Long, with a valuation conducted by independent property valuer in March 2015, with an aggregate amount of approximately HK$140.0 million for Loan A;

A first legal charge/mortgage in respect of commercial property located in Tsuen Wan, with a valuation conducted by independent property valuer in April 2015, with an aggregate amount of approximately HK$46.0 million for Loan B;

A first legal charge/mortgage in respect of residential property located in Mei Foo with a valuation conducted by independent property valuer in August 2015 with an aggregate amount of approximately HK$9.7 million for Loan C; and

A second legal charge/mortgage in respect of commercial properties located in prime sites in Hong Kong with valuation conducted by independent property valuers in August 2015 with an aggregate amount of approximately HK$802.2 million for Grouped Loans.

Repayment:

Grouped Customer A and Grouped Customer B shall repay the interests on a monthly basis with the principal amount at loan maturity.
Grouped Customer C and Grouped Customer D shall repay the interests on a daily basis with the principal amount at loan maturity.

Other terms of the Loan Agreements:

Pursuant to the Loan Agreement for the Loan A, the loan is guaranteed by an individual who are independent third parties not connected with our Group.
Pursuant to the Loan Agreements for the Grouped Loans, the loans are guaranteed by three individuals who are independent third parties not connected with our Group.
All mortgaged properties are insured against fire risks with an insurance company approved by Oi Wah PL.

Credit risk:

The making of the Loans are collateralised. The collaterals provided by the Customers for the Loans are sufficient as the aggregate loan-to-value ratios of the mortgaged properties are approximately 61% (loan-to-value ratio of first mortgage: 37%, loan-to-value ratio as subordinated mortgages to other independent mortgagees: approximately 6%, loan-to-value ratio of the Loans as a first/subordinated mortgage: 18%) based on the value of the mortgaged properties determined by an independent valuer.

The advance was also made on the basis of our Company's credit assessments on the Customers' financial strength and repayment ability, the collaterals 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, our Company considers that the risks involved in the advance to the Customer are relatively low.

For further details, please refer to the Announcements.

CORPORATE GOVERNANCE PRACTICES

For the six months ended 31 August 2015, our Company has complied with the code provisions in the Corporate Governance Code (the "**Code Provisions**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), except Code Provision A.2.1 which requires that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Mr. Chan Kai Ho Edward, an executive Director, currently holds both positions. Mr. Chan Kai Ho Edward has been the key leadership figure of our Group, who has been primarily involved in the formulation of business strategies and determination of the overall direction of our Group. He has also been chiefly responsible for our Group's operations as he directly supervises other executive Directors and senior management of our Group. Taking into account the continuation of the implementation of our Group's business plans, the Directors (including the independent non-executive Directors) consider that Mr. Chan Kai Ho Edward is the best candidate for both positions and the present arrangements are beneficial and in the interests of our Company and the shareholders of the Company as a whole.

MODEL CODE FOR DIRECTORS SECURITIES TRANSACTIONS

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions. The Board has made specific enquiry to all Directors and the Directors confirmed that they have complied with the required standards as set out in the Model Code for the six months ended 31 August 2015.

REVIEW OF INTERIM RESULTS

The audit committee together with the management of our Company have reviewed our Group's unaudited interim consolidated financial statements for the six months ended 31 August 2015. The audit committee is of the opinion that such financial statements have complied with the applicable accounting standards, and the requirements of the Stock Exchange and the applicable legal requirements, and that adequate disclosure has been made. The audit committee has also reviewed this announcement and confirmed that it is complete and accurate and complies with the Listing Rules.

INTERIM DIVIDEND

On 27 October 2015, our Board declared an interim dividend of HK0.65 cents per ordinary share, representing approximately 30.1% of the profit attributable to the shareholders of our Company for FP2016. The total payout for the interim dividend will be amounted to approximately HK$13.8 million. The aforesaid interim dividend will be paid on 22 December 2015 to the shareholders of our Company whose names appear on the register of members of our Company at the close of business on 4 December 2015.

CLOSURE OF REGISTER OF MEMBERS

In order to establish the identity of the shareholders of our Company who are entitled to the interim dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with our Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong, no later than 4:30 p.m. on 1 December 2015. The register of members of our Company will be closed from 2 December 2015 to 4 December 2015, both days inclusive, during which no transfer of shares will be registered.

PUBLICATION

The interim results announcement of our Company for the six months ended 31 August 2015 is published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.pawnshop.com.hk) respectively. The 2015 interim report will be dispatched to the shareholders of our Company and published on the respective websites of the Stock Exchange and our Company in due course.

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, 27 October 2015

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.