靄華押業
Oiwahpawn

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 ANNUAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2018

FINANCIAL HIGHLIGHTS

		2018	2017	Change
		$'000	*$'000*	
Revenue		**217,276**	215,150	+1.0%
Profit before taxation		**120,695**	123,514	-2.3%
Profit for the year attributable to shareholders		**100,908**	103,230	-2.2%
Net profit margin		**46.4%**	48.0%	
Basic earnings per share *(in HK cents)*		**4.8**	4.9	

		As at 28 February 2018	As at 28 February 2017	
		$'000	*$'000*	
Gross loan receivables		**1,382,962**	1,294,193	+6.9%
Total assets		**1,466,134**	1,364,543	+7.4%
Total equity		**788,129**	738,436	+6.7%
Net interest margin	*Note 1*	**13.1%**	14.5%	
For pawn loan services		**40.4%**	40.3%	
For mortgage loan services		**9.8%**	10.8%	

Note 1: Net interest margin during the year refers 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 year.

The board of directors (the "**Board**") of Oi Wah Pawnshop Credit Holdings Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 28 February 2018, together with the comparative figures for the preceding financial year, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 28 February 2018
(Expressed in Hong Kong dollars)

	Note	2018 $'000	2017 $'000
Revenue	3	**217,276**	215,150
Other revenue	5	**4,158**	4,060
Operating income		**221,434**	219,210
Other operating expenses	6	**(62,547)**	(61,063)
Charge for impairment losses on loan receivables	7	**(725)**	(500)
Profit from operations		**158,162**	157,647
Finance costs	6(a)	**(37,467)**	(34,133)
Profit before taxation	6	**120,695**	123,514
Income tax	8	**(19,787)**	(20,284)
Profit and total comprehensive income for the year		**100,908**	103,230
Profit and total comprehensive income for the year attributable to shareholders		**100,908**	103,230
Earnings per share *(in HK cents)*	9	**4.8**	4.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2018

(Expressed in Hong Kong dollars)

	Note	2018 $'000	2017 $'000
Non-current assets			
Property, plant and equipment		**758**	1,268
Loan receivables	*10*	**85,861**	90,709
Trade and other receivables	*11*	**2,402**	2,458
Deferred tax assets		**221**	230
		89,242	94,665
Current assets			
Repossessed assets		**8,108**	8,081
Loan receivables	*10*	**1,296,976**	1,202,165
Trade and other receivables	*11*	**26,975**	32,182
Cash and cash equivalents		**44,833**	27,450
		1,376,892	1,269,878
Current liabilities			
Accruals and other payables	*13*	**6,699**	6,780
Bank loans and overdrafts	*12*	**85,097**	37,667
Obligations under finance leases		**221**	215
Loans from the immediate holding company	*15*	**126,000**	113,500
Current taxation		**5,837**	22,533
Other loans	*14*	**291,623**	308,639
		515,477	489,334
Net current assets		**861,415**	780,544
Total assets less current liabilities		**950,657**	875,209
Non-current liabilities			
Debt securities issued	*16*	**162,452**	136,476
Obligations under finance leases		**76**	297
		162,528	136,773
NET ASSETS		**788,129**	738,436
CAPITAL AND RESERVES			
Capital		**20,874**	21,376
Reserves		**767,255**	717,060
TOTAL EQUITY		**788,129**	738,436

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 February 2018

(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 on 5 June 2012. 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. The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited ("**the Stock Exchange**") since 12 March 2013.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Interest income

Interest income for all interest-bearing financial instruments is recognised in profit or loss on an accruals basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(ii) Fee income

Fee income is recognised when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the costs or risk are incurred or is accounted for as interest income.

(iii) Disposal of repossessed assets

Disposal gain or loss is recognised when the buyer of the repossessed assets has accepted the goods and the related risks and rewards of ownership.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payment receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(c) Financial instruments

(i) Initial recognition

The Group classifies its financial instruments into different categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred. The categories are: loans and receivables and other financial liabilities.

Financial instruments are measured initially at fair value, which normally will be equal to the transaction price plus transaction costs that are directly attributable to the acquisition of the financial asset or issuance of the financial liability.

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised using settlement date accounting.

(ii) Classification

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than (1) those that the Group intends to sell immediately or in the near term, which are classified as held for trading; (2) those that the Group, upon initial recognition, designates as at fair value through profit or loss or as available-for-sale; or (3) those where the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which will be classified as available-for-sale. Loans and receivables mainly comprise pawn loans, mortgages and unsecured loans. Pawn loans are loans provided whereby personal property such as gold, jewellery and diamonds, watches and consumer electronic products are used as collateral for the security of the loans. Mortgages are loans secured by real estates and unsecured loans are loans without collateral.

Loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any (see note 2(d)).

Other financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

(iii) Derecognition

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(d) Impairment of assets

(i) Financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes observable data that comes to the attention of the Group about one or more of the following loss events which has an impact on the future cash flows on the assets that can be estimated reliably:

– significant financial difficulty of the issuer or borrower;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the borrower.

If any such evidence exists, the carrying amount is reduced to the estimated recoverable amount by means of a charge to profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of loans and receivables, which are measured at amortised cost, whose recovery is considered doubtful but not remote. In this case, the impairment losses are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against loans and receivables directly and any amounts held in the allowance account relating to that borrower are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

Loans and receivables

Impairment losses on loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets). Receivables with a short duration are not discounted if the effect of discounting is immaterial.

The total allowance for impairment losses consists of two components: individual impairment allowances, and collective impairment allowances.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. Assets that are not individually significant are collectively assessed for impairment by grouping together financial assets with similar risk characteristics.

The individual impairment allowance is based upon management's best estimate of the present value of cash flows which are expected to be received discounted at the original effective interest rate. In estimating these cash flows, management make judgements about the borrower's financial situation and the net realisable value of any underlying collateral or guarantees in favour of the Group. Each impaired asset is assessed on its merits.

In assessing the need for collective impairment allowances, management uses statistical modelling and considers historical trends of factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

Where there is no reasonable prospect of recovery, the loan and the related interest receivables are written off.

(ii) Other assets

Internal and external sources of information are reviewed at each reporting date to identify indications that other assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount.

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the statement of comprehensive income in the year in which the reversals are recognised.

(e) Repossessed assets

In the recovery of impaired loan receivables granted under the Pawnbrokers Ordinance (Chapter 166 of the laws of Hong Kong), the Group takes possession of the collateral assets from the customers. This possession takes place once a loan becomes overdue, subject to a grace period granted at the discretion of the Group in certain cases.

Repossessed assets are initially recognised at the amortised cost of the related outstanding loans on the date of repossession, which is generally below the net realisable value of the repossessed assets. Upon repossession of the assets, the related loans and advances together with the related impairment allowances, if any, are derecognised from the statement of financial position. Subsequently, repossessed assets are carried at the lower of the amount initially recognised or net realisable value and are therefore written down if and when the net realisable value falls to below the carrying amount of the asset. The excess/shortfall of the net proceeds over the carrying amount of the repossessed assets is recognised as a gain/loss upon the disposal of the assets.

(f) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(g) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(h) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of businesses and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type of class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 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 results on disposal of repossessed assets. The amount of each nature of business of revenue recognised during the year is as follows:

	2018	2017
	$'000	*$'000*
Revenue from pawn loan business		
– Interest earned on loan receivables	**58,754**	61,808
– Disposal of repossessed assets	**6,107**	4,801
Total revenue from pawn loan business	**64,861**	66,609
Revenue from mortgage loan business		
– Interest earned on loan receivables	**152,415**	148,541
Total	**217,276**	215,150

Cost of repossessed assets disposed for the year ended 28 February 2018 amounted to $46.1 million (28 February 2017: $50.9 million).

The Group's customer base is diversified and includes two customers (28 February 2017: one customer) with whom transactions have exceeded 10% of the Group's revenues. During the year ended 28 February 2018, revenues from interest earned on mortgage loan receivables from the two customers (28 February 2017: one customer), including interest earned from entities which are known to the Group to be under common control with these customers, amounted to approximately $36.1 million and $21.8 million respectively (28 February 2017: $37.2 million).

4 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 have been presented.

5 OTHER REVENUE

	2018	2017
	$'000	*$'000*
Other revenue		
Rental income	**1,089**	1,080
Interest earned on unsecured loans	**891**	84
Credit related fee income	**1,699**	2,483
Bank interest income	**1**	1
Others	**478**	412
	4,158	4,060

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2018	2017
	$'000	*$'000*
(a) Finance costs		
Finance charges on obligations under finance leases	**14**	21
Interest on loans from the immediate holding company	**5,268**	5,764
Interest on bank loans and overdrafts	**3,305**	1,214
Interest on other loans	**19,524**	19,219
Interest on debt securities issued	**9,356**	7,915
	37,467	34,133

		2018	2017
		$'000	*$'000*
(b)	**Staff costs**		
	Salaries and other benefits	**18,320**	18,090
	Directors' remuneration	**9,299**	8,425
	Contributions to defined contribution scheme	**550**	575
	(Release)/charge for provision for long service payment	**(121)**	108
		28,048	27,198
(c)	**Other operating expenses**		
	Premises and equipment expenses excluding depreciation:		
	– rental of premises	**12,271**	11,906
	– maintenance, repairs and others	**1,248**	993
		13,519	12,899
	Auditors' remuneration	**1,107**	1,111
	Depreciation	**522**	534
	Advertising expenses	**11,291**	11,603
	Legal and professional fees	**2,900**	2,170
	Others	**5,160**	5,548
		20,980	20,966
		62,547	61,063

7 IMPAIRMENT LOSSES ON LOAN RECEIVABLES

	2018	2017
	$'000	*$'000*
Impairment losses on loan receivables		
– Individual impairment losses charged to profit or loss *(note 10(a))*	**925**	996
– Collective impairment losses (released) to profit or loss *(note 10(a))*	**(200)**	(496)
	725	500

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of comprehensive income represents:

	2018	2017
	$'000	*$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**19,613**	20,157
Under-provision in respect of prior years	**165**	6
	19,778	20,163
Deferred tax		
Origination and reversal of temporary differences	**9**	121
Tax expense	**19,787**	20,284

The provision for Hong Kong Profits Tax for 2018 is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year of assessment 2016-17 subject to a maximum reduction of $30,000 for each business (2017: a maximum reduction of $20,000 was granted for the year of assessment 2016-17 and was taken into account in calculating the provision for 2017).

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2018	2017
	$'000	*$'000*
Profit before taxation	**120,695**	123,514
Notional tax on profit before taxation, calculated at Hong Kong profit tax rate of 16.5%	**19,915**	20,380
Tax effect of non-deductible expenses	**45**	28
Tax effect of unused tax losses not recognised	**7**	–
Tax effect of taxable temporary differences not recognised	**(165)**	–
Statutory tax concession	**(180)**	(130)
Under-provision in prior years	**165**	6
Actual tax expense	**19,787**	20,284

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 for the year ended 28 February 2018 of $100,908,000 (28 February 2017: $103,230,000) and the weighted average number of 2,120,477,000 (28 February 2017: 2,128,788,000) ordinary shares of the Company in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2018 ***Number of shares*** ***'000***	2017 *Number of shares* *'000*
Issued ordinary share at 1 March	**2,137,624**	2,120,000
Effect of scrip dividend issued	**–**	8,788
Effect of purchase of own shares	**(17,147)**	–
Weighted average number of ordinary shares at 28 February	**2,120,477**	2,128,788

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

10 LOAN RECEIVABLES

	2018	2017
	$'000	*$'000*
Pawn loans	**130,866**	143,140
Mortgage loans	**1,252,096**	1,151,053
Gross loan receivables	**1,382,962**	1,294,193
Less: Impairment allowance *(note 10(a))*		
– Individually assessed	**(31)**	(1,025)
– Collectively assessed	**(94)**	(294)
	(125)	(1,319)
	1,382,837	1,292,874
Current portion included under current assets	**(1,296,976)**	(1,202,165)
Amounts due after one year included under noncurrent assets	**85,861**	90,709

(a) Movement in impairment losses

	2018			2017		
	Individual	**Collective**	**Total**	Individual	Collective	Total
	$'000	***$'000***	***$'000***	*$'000*	*$'000*	*$'000*
At 1 March	**1,025**	**294**	**1,319**	29	790	819
Impairment losses charged/(released) to profit or loss *(note 7)*	**925**	**(200)**	**725**	996	(496)	500
Uncollectible amounts written off	**(1,919)**	**–**	**(1,919)**	–	–	–
At 28 February	**31**	**94**	**125**	1,025	294	1,319

(b) Ageing analysis

Ageing analysis is prepared based on contractual due date.

	Pawn loans	Mortgages	Total
	$'000	*$'000*	*$'000*
28 February 2018			
Neither past due nor impaired	**127,831**	**1,130,463**	**1,258,294**
Less than 1 month past due	**2,252**	**102,033**	**104,285**
1 to less than 3 months past due	**303**	**11,500**	**11,803**
3 to less than 6 months past due	**–**	**3,100**	**3,100**
6 months to 1 year past due	**480**	**–**	**480**
Over 1 year past due	**–**	**5,000**	**5,000**
	130,866	**1,252,096**	**1,382,962**
28 February 2017			
Neither past due nor impaired	136,378	1,065,246	1,201,624
Less than 1 month past due	6,081	36,873	42,954
1 to less than 3 months past due	601	17,934	18,535
3 to less than 6 months past due	80	–	80
6 months to 1 year past due	–	10,000	10,000
Over 1 year past due	–	21,000	21,000
	143,140	1,151,053	1,294,193

Of these mortgage loans which have been past due for one month or above, the respective valuations of the collaterals can fully cover the remaining outstanding balances and the related interest receivables (see note 11(b)) of these loans as at 28 February 2018. In respect of the mortgage loans which have been past due for less than 1 month, the amounts mainly represent occasional delay in repayment and are not an indication of significant deterioration of credit quality of these mortgage loans.

Mortgage loans of $116.6 million (28 February 2017: $38.4 million) which have been past due as at 28 February 2018 had been subsequently settled.

11 TRADE AND OTHER RECEIVABLES

	2018	2017
	$'000	*$'000*
Trade receivables *(note 11(a))*	**49**	1,055
Interest receivables *(note 11(b))*	**19,452**	21,959
	19,501	23,014
Deposits and payments in advance	**9,774**	11,524
Others	**102**	102
	29,377	34,640
Non-current portion of deposits and payments in advance included under non-current assets	**(2,402)**	(2,458)
Amounts due within one year included under current assets	**26,975**	32,182

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 or recognised as expense within one year, apart from those included under non-current assets.

(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:

	2018	2017
	$'000	*$'000*
Neither past due nor impaired	**16**	1,055
Less than 1 month past due	**33**	–
1 to less than 3 months past due	**–**	–
3 to less than 6 months past due	**–**	–
	49	1,055

Receivables that were neither past due nor impaired related to one customer for whom there was no recent history of default.

Receivables that were past due but not impaired as at 28 February 2018 related to one independent customer that have a good track record with the Group and were fully settled subsequently.

(b) Ageing analysis of interest receivables

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

	Pawn loans	**Mortgages**	**Total**
	$'000	*$'000*	*$'000*
28 February 2018			
Neither past due nor impaired	**8,920**	**5,781**	**14,701**
Less than 1 month past due	**351**	**1,174**	**1,525**
1 to less than 3 months past due	**64**	**337**	**401**
3 to less than 6 months past due	**–**	**227**	**227**
6 months to 1 year past due	**72**	**–**	**72**
Over 1 year past due	**–**	**2,526**	**2,526**
	9,407	**10,045**	**19,452**
28 February 2017			
Neither past due nor impaired	9,415	4,899	14,314
Less than 1 month past due	580	478	1,058
1 to less than 3 months past due	105	359	464
3 to less than 6 months past due	8	–	8
6 months to 1 year past due	–	2,127	2,127
Over 1 year past due	–	3,988	3,988
	10,108	11,851	21,959

12 BANK LOANS AND OVERDRAFTS

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

	2018	2017
	$'000	*$'000*
Unsecured bank overdrafts *(note 12(a))*	**4,997**	5,410
Bank loans, secured *(note 12(b))*	**47,000**	15,200
Bank loans, unsecured *(note 12(c))*	**33,100**	17,057
	80,100	32,257
Total bank loans and overdrafts – repayable within 1 year or on demand	**85,097**	37,667

(a) At 28 February 2018, unsecured bank overdraft facilities of $11.5 million (28 February 2017: $11.5 million) were provided to the subsidiaries and utilised to the extent as disclosed above.

(b) At 28 February 2018, uncommitted secured revolving bank loan facility of the lower of $50.0 million (28 February 2017: $50.0 million) or a certain percentage of the aggregate principal amount of the mortgage loan receivables of a subsidiary which are then charged to the banks were obtained. The tenor for the facility ranged from one month, two months, three months or six months as selected by the subsidiary. As at 28 February 2018, the available uncommitted banking facilities after taking into consideration of the drawdown was approximately $3.0 million (28 February 2017: $12.7 million). These uncommitted secured revolving bank loan facilities were secured by loan receivables with a carrying value of approximately $114.0 million (28 February 2017: $55.7 million).

(c) At 28 February 2018, unsecured bank loan facilities of $53.1 million (28 February 2017: $17.1 million) were provided to the Company and the subsidiaries and utilised to the extent as disclosed above.

During the year, 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.

13 ACCRUALS AND OTHER PAYABLES

	2018	2017
	$'000	*$'000*
Accrued interest expenses	**3,383**	3,096
Accrued expenses	**2,184**	2,109
Provision for long services payment	**559**	680
Other payable and deposit received	**573**	895
	6,699	6,780

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

14 OTHER LOANS

During the year ended 28 February 2018, the Group obtained uncommitted secured revolving loan facilities from an independent third party. The limit of the facilities are the lower of $458.6 million (28 February 2017: $400.0 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 facilities are interest bearing at Prime Rate plus 0.75% or 2.00% (currently 5.75% or 7%) and the tenor for the facilities is one year.

As at 28 February 2018, the available uncommitted loan facilities after taking into consideration of the drawdown was approximately $14.4 million (28 February 2017: $Nil). These loan facilities were secured by mortgage loan receivables for the Group with a carrying value of $384.5 million (28 February 2017: $390.8 million).

15 LOANS FROM THE IMMEDIATE HOLDING COMPANY

The loans from the immediate holding company are revolving, unsecured, interest bearing at Prime Rate less 0.25% (currently 5%) per annum and repayable within one year.

At 28 February 2018, the available loan facility after taking into consideration of the drawdown was approximately $74.0 million (28 February 2017: approximately $86.5 million) and the accrued interest payable as of 28 February 2018 was approximately $252,000 (28 February 2017: approximately $199,000).

16 DEBT SECURITIES ISSUED

The debt securities are unsecured, denominated in HKD, interest bearing ranging from 6% to 7% per annum with interest coupon being paid semi-annually and will mature between 2021 and 2025. All debt securities issued are measured at amortised cost.

17 DIVIDENDS

(i) Dividend paid and payable to equity shareholders of the Company attributable to the year:

	2018	2017
	$'000	*$'000*
Interim dividend declared and paid of $0.78 cents per ordinary share (28 February 2017: $0.76 cents per ordinary share)	**16,401**	16,246
Final dividend proposed after the end of the reporting period of $Nil cent per ordinary share (28 February 2017: $0.69 cents per ordinary share)	**–**	14,750

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

	2018	2017
	$'000	*$'000*
Final dividend in respect of the previous financial year, approved and paid during the following year, of $0.69 cents per ordinary share (2017: $0.65 cents per ordinary share)	**14,750**	13,780

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 mortgage loans and pawn loans.

MORTGAGE LOAN BUSINESS

For the year ended 28 February 2018 ("**FY2018**"), the mortgage loan business remained a major source of income of the Group. During the year, the interest income increased from approximately HK$148.6 million for the year ended 28 February 2017 ("**FY2017**") to HK$152.4 million in FY2018, representing an increase of 2.6%. Revenue generated from the mortgage loan business in FY2018 accounted for approximately 70.1% of the Group's total revenue during the year. The mortgage loan receivables increased from HK$1,151.1 million at 28 February 2017 to HK$1,252.1 million at 28 February 2018, representing an increase of 8.8%. During the year, there were 249 new cases of mortgage loan transactions.

In FY2018, the Group continued to implement a prudent strategy and maintained a healthy mortgage loan portfolio. The loan-to-value ratio for the first mortgage is around 48.6%, while overall loan-to-value ratio for subordinate mortgage is around 51.5%, of which, loan-to-value ratio of subordinate mortgage that the Group participate in is around 18.4%.

PAWN LOAN BUSINESS

During FY2018, the revenue from the pawn loan business slightly decreased from HK$66.6 million to HK$64.9 million, representing a decrease of 2.6%. The aggregate loan amount as at 28 February 2018 decreased by 8.6% to HK$130.9 million (FY2017: HK$143.1 million). During the year, the Group has been actively diversifying its collaterals to other luxurious items, such as automobiles and yachts.

In FY2018, the Group recorded 381 transactions of pawn loan that exceed HK$0.1 million. Average loan amount remained HK$6,200 per transaction. The Group will continue to channel resources to advertising and promotion, especially for online channel, to enhance the Group's brand awareness.

INDUSTRY OVERVIEW

The implementation of more stringent conditions for Money Lenders Ordinance to combat the rise in illegal loans since the end of 2016, which has enhanced the competition of the industry, especially for personal loans. Small and medium-sized finance companies relied heavily on intermediaries' referral in the past which offered lower interest to attract customers in affecting overall interest rate level of the industry. In long term, the Group expects that it will result in industry consolidation and reputable financial institutions will eventually survive. Being one of the few listed financial institutions in Hong Kong, we are confident that the Group will remain competitive in the industry.

FINANCIAL REVIEW

Revenue

Our Group's revenue increased from approximately HK$215.2 million for the FY2017 to approximately HK$217.3 million for the FY2018, representing an increase of approximately HK$2.1 million or 1.0%.

The increase was attributable to an increase in our interest income from mortgage business by approximately HK$3.8 million or 2.6% from approximately HK$148.6 million in FY2017 to approximately HK$152.4 million in FY2018. The increase was mainly due to the continuous expansion of our mortgage loan portfolio in FY2018. The gross mortgage loan receivables increased from approximately HK$1,151.1 million as at 28 February 2017 to approximately HK$1,252.1 million as at 28 February 2018 with total new mortgage loans granted of approximately HK$788.0 million during FY2018.

Our performance in pawn loan business remained stable. Revenue from our pawn loan business decreased by approximately HK$1.7 million or 2.6% from approximately HK$66.6 million in FY2017 to approximately HK$64.9 million in FY2018. The decrease was mainly due to the decrease in our interest income earned on our pawn loan receivables from HK$61.8 million in FY2017 to HK$58.8 million in FY2018, offset by the increase in revenue from disposal of repossessed assets by approximately HK$1.3 million.

The decrease in our interest income earned on our pawn loan receivables was primarily attributable to the decrease in aggregated amount of pawn loans granted. The amount decreased from approximately HK$590.4 million in FY2017 to approximately HK$545.4 million in FY2018 with the average amount of pawn loans granted remain stable at approximately HK$6,200 per transaction in FY2017 and FY2018.

Revenue from disposal of repossessed assets represents the gain/(loss) of the Group as we sold the repossessed assets in the event of default in repayment of our pawn loans. The increase in our gain on disposal of repossessed assets in FY2018 was mainly due to (i) bounce back on the second-hand market in branded watches; and (ii) the gold price per ounce increased from approximately US$1,200 in February 2017 to US$1,340 in September 2017 and remain over US$1,300 in February 2018. Since every pawn loan has a loan term of four lunar months, the revenue benefited from the appreciation of gold price and branded watches in FY2018 and thus the increase in gain on disposal of repossessed assets in FY2018 was recorded.

Other revenue

Other revenue slightly increased from approximately HK$4.1 million in FY2017 to HK$4.2 million in FY2018 representing an increase of approximately HK$0.1 million or 2.4%, which was mainly due to the increase in the interest earned on unsecured loans by approximately HK$0.9 million in FY2018, offset by the decrease in our credit-related fee income by approximately HK$0.8 million from approximately HK$2.5 million in FY2017 to approximately HK$1.7 million in FY2018, mainly representing early repayment fees.

Operating expenses

Operating expenses increased by approximately HK1.4 million or 2.3% from approximately HK$61.1 million in FY2017 to approximately HK$62.5 million in FY2018.

Staff costs increased by approximately HK$0.8 million or 2.9% from approximately HK$27.2 million in FY2017 to approximately HK$28.0 million in FY2018. The increase was mainly attributable to the increase in directors' remuneration of approximately HK$0.9 million in FY2018.

Rental expenses increased by approximately HK$0.4 million or 3.4% from approximately HK$11.9 million in FY2017 to HK$12.3 million in FY2018. The increase was mainly due to the increase in the monthly rent for four pawnshops during the year.

Excluding the staff costs and rental expenses of approximately HK$40.3 million and HK$39.1 million in FY2018 and FY2017 respectively as mentioned above, other operating expenses increased by approximately HK$0.2 million or 0.9% from approximately HK$22.0 million in FY2017 to approximately HK$22.2 million in FY2018, which was mainly due to an increase in legal and professional fee by approximately HK$0.7 million; offset by the decrease in advertising expenses by approximately HK$0.3 million.

Finance costs

The finance costs increased by approximately HK$3.4 million or 10.0% from approximately HK$34.1 million in FY2017 to approximately HK$37.5 million in FY2018 after netting off with the decrease in other loans from approximately HK$308.6 million as at 28 February 2017 to approximately HK$291.6 million as at 28 February 2018. The increase was mainly due to the increase in the amount of loans from the immediate holding company, bank loans and overdrafts and debt securities issued in FY2018 for funding our expansion of mortgage loan portfolios.

Charged of impairment losses on loan receivables

The impairment losses on loan receivables charged to profit or loss were approximately HK$500,000 and HK$725,000 in FY2017 and FY2018 respectively.

The impairment losses on loan receivables charged to profit or loss in FY2018 of approximately HK$725,000 were 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$925,000; and (ii) the impairment losses on loan receivables that were collectively assessed being credited to profit or loss of approximately HK$200,000.

In FY2017, the impairment losses on loan receivables charged to profit or loss of approximately HK$500,000 were 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$996,000; and (ii) the impairment losses on loan receivables that were collectively assessed being credited to profit or loss of approximately HK$496,000.

Income tax expenses

Our Group's effective tax rate was approximately 16.5% in FY2017 and FY2018. No material change was noted.

Profit and total comprehensive income for the year

Our Group's profit for FY2018 decreased to approximately HK$100.9 million from approximately HK$103.2 million in FY2017, representing a decrease of approximately HK$2.3 million or 2.2%. The decrease was mainly attributable to the increase in expenses in staff costs, rental expenses and finance costs amounted to HK$0.8 million, HK$0.4 million and HK$3.4 million respectively, netting off with the increase in revenue by approximately HK$2.1 million.

Liquidity and financial resources

As at 28 February 2018, cash and cash equivalent (net of bank overdraft) amounted to approximately HK$39.8 million, representing a net increase of approximately HK$17.8 million as compared to the position as at 28 February 2017. The increase was attributable to the following items:

	For the year ended 28 February 2018	For the year ended 28 February 2017
	HK$'000	*HK$'000*
Net cash generated from/(used in) operating activities	**37,114**	(107,439)
Payment for the purchase of property, plant and equipment	**(12)**	(516)
(Repayment of)/proceeds from other loans	**(17,016)**	156,799
Proceeds from debt securities issued, net of issuing expenses	**25,875**	11,940
Proceeds from/(repayment of) bank loans	**47,843**	(43,922)
Increase in loans from the immediate holding company	**12,500**	21,000
Payment for repurchase of shares	**(20,064)**	–
Dividend paid	**(31,151)**	(31,388)
Finance costs paid	**(37,065)**	(33,192)
Other net outflow	**(228)**	(227)
Net increase/(decrease) in cash and cash equivalents	**17,796**	(26,945)

Pledge of assets

As at 28 February 2018, the Group had pledged its mortgage loan receivables with net book value of HK$498.5 million (28 February 2017: HK$446.5 million) for the purpose of obtaining facilities from bank and other independent third party.

Contingent liabilities

There were no significant contingent liabilities for the Group as at 28 February 2018.

Key financial ratio

	As at 28 February 2018	As at 28 February 2017
Current ratio[(1)]	**2.7x**	2.6x
Gearing ratio[(2)]	**84.4%**	80.8%

	For the year ended 28 February 2018	For the year ended 28 February 2017
Return on total assets[(3)]	**6.9%**	7.6%
Return on equity[(4)]	**12.8%**	14.0%
Net profit margin[(5)]	**46.4%**	48.0%
Net interest margin[(6)]	**13.1%**	14.5%
– pawn loan services	**40.4%**	40.3%
– mortgage loan services	**9.8%**	10.8%

Notes:

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

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

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

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

(5) Net profit margin is calculated by dividing profit for the year by the turnover for the respective year.

(6) Net interest margin during the year refers 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 year.

Current ratio

Our Group's current ratio remained stable at approximately 2.6 times as at 28 February 2017 to 2.7 times as at 28 February 2018, which was mainly due to the increase in current loan receivables from approximately HK$1,202.2 million as at 28 February 2017 to approximately HK$1,297.0 million as at 28 February 2018 or by approximately 7.9%, offset by the increase in bank loans and overdrafts amounted to HK$47.4 million.

Gearing ratio

Our Group's gearing ratio increased from approximately 80.8% as at 28 February 2017 to approximately 84.4% as at 28 February 2018, which was mainly due to the increase in bank loans and overdrafts, debt securities issued and loans from immediate holding company in the amount of approximately HK$47.4 million, approximately HK$26.0 million and approximately HK$12.5 million respectively, offset by the decrease in other loans in the amount of approximately HK$17.0 million.

Return on total assets and return on equity

Our return on total assets and return on equity slightly decreased from approximately 7.6% and 14.0% in FY2017 to 6.9% and 12.8% in FY2018 respectively, which was mainly due to the decrease in net interest margin from 14.5% in FY2017 to 13.1% in FY2018.

Net profit margin

There was a decrease in our net profit margin from approximately 48.0% in FY2017 to 46.4% in FY2018. The decrease was mainly due to the decrease in net interest margin in our mortgage loan business as a result of obtaining more first mortgage into our mortgage loan portfolio in FY2018.

Net interest margin

The net interest margin decreased from approximately 14.5% in FY2017 to approximately 13.1% in FY2018. The decrease was due to (i) a greater proportion of our interest income was earned from mortgage loan business in FY2018 and we generally charged our customers a comparatively lower interest rate for our mortgage loans than those for our pawn loans. For FY2017 and FY2018, interest earned on mortgage loans contributed approximately 69.0% and 70.1% to our revenue, respectively, resulted from the expansion of our mortgage loan business during the year; and (ii) an increase in the percentage of first mortgage in our mortgage loan portfolio in FY2018.

PROSPECTS

It is believed that the loan demand in Hong Kong is strong. The Group will continue to seize business opportunities, such as engaging in co-lend business, in order to expand its business and maximize shareholders' return.

Leveraging on extensive experience and knowledge of our professional team, it is expected that the Group's pawn loan business and mortgage loan will maintain a healthy portfolio. The Group will continue to adopt a cautious and prudent approach when granting loans. Diversification will be one of our business strategies in the coming year.

In addition, the Group will continue to raise funds through lower-cost financing channels, in order to maintain sufficient capital reserve to meet the customers' requirements for loans.

SHARE OPTION SCHEME

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

As at 28 February 2018, being the end of FY2018 for the Group:

i) a total of 40,000,000 options to subscribe for Shares were available for issue under the Share Option Scheme, representing approximately 1.91% of the total issued Shares of the Company as at 28 February 2018;

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 28 February 2018, our Group had a total of 52 staff (28 February 2017: 53). Total staff costs (including Directors' emoluments) were approximately HK$28.0 million for FY2018 (FY2017: approximately HK$27.2 million). Remuneration is determined with reference to market conditions and the performance, qualifications and experience of each 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.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During FY2018, the Company repurchased a total of 50,264,000 shares of the Company on the Stock Exchange at the aggregate consideration of HK$20,063,760 (before expenses). A total of 47,176,000 repurchased shares were cancelled during FY2018 and the remaining 3,088,000 repurchased shares were subsequently cancelled on 13 March 2018.

Particulars of the repurchases are as follows:

Month	Number of shares repurchased	Purchase price per share Highest	Purchase price per share Lowest	Aggregate Consideration (before expenses)
		(HK$)	*(HK$)*	*(HK$)*
August 2017	9,784,000	0.430	0.395	4,050,160
September 2017	12,328,000	0.425	0.405	5,128,280
November 2017	12,704,000	0.415	0.385	5,168,800
December 2017	12,360,000	0.390	0.365	4,743,000
February 2018	3,088,000	0.325	0.300	973,520
Total	50,264,000			20,063,760

The above share repurchases were made with a view to stabilizing the price per share of the Company, as the management of the Company considered that the market price of the share might not be able to truly reflect the value of the Company's shares and the Company's prospects.

Saved as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during FY2018.

MATERIAL ACQUISITIONS AND DISPOSALS

Our Group did not engage in any material acquisitions or disposals during FY2018.

CORPORATE GOVERNANCE CODE

Our Company has adopted the code provisions set out in the Corporate Governance Code (the "**Code Provisions**") and Corporate Governance Report contained in Appendix 14 to the Listing Rules.

Throughout FY2018, our Company complied with the Code Provisions, 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 ("**Mr. Chan**"), an executive Director, currently holds both positions. Mr. Chan has been the key leadership figure of our Group and 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, our Directors (including the independent non-executive Directors) consider that Mr. Chan is the best candidate for both positions and the present arrangements are beneficial and in the best interests of our Company and its shareholders (the "**Shareholders**" or "**our Shareholders**") as a whole.

The Directors will review our Company's corporate governance policies and compliance with the Code Provisions from time to time.

COMPLIANCE WITH THE MODEL CODE FOR 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 securities transactions by our Directors. Our Company confirms that, having made specific enquiry of all the Directors, our Directors complied with the required standards as set out in the Model Code during FY2018.

REVIEW OF FINAL RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three independent non-executive Directors, namely, Mr. Lam On Tai, Dr. Leung Shiu Ki Albert and Dr. Yip Ngai ("**Dr. Yip**"), and is chaired by Dr. Yip.

The Audit Committee has discussed with the management of the Company about the internal control and financial reporting matters including the accounting principles and practices related to the preparation of the consolidated financial statements for FY2018, and it has not identified any significant deficiency or material weakness. The Audit Committee has also reviewed the consolidated financial statements for FY2018 with the management and the auditor of the Company and recommended them to the Board for approval.

SCOPE OF WORK PERFORMED BY AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 28 February 2018 as set out in the preliminary announcement have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

ANNUAL GENERAL MEETING

The annual general meeting of our Company for FY2018 is scheduled to be held on 31 July 2018 (the "**AGM**"). A notice convening the AGM will be issued and disseminated to our Shareholders in due course.

DIVIDEND

At our Board meeting held on 28 May 2018, our Directors decided not to recommend the payment of final dividend for FY2018. Taking into account the interim dividend of HK$0.78 cents per share declared and paid during FY2018, the Company has paid 16.3% of the profit attributable to the Shareholders of FY2018 as dividend to the Shareholders.

CLOSURE OF REGISTER OF MEMBERS

In order to establish the identity of our Shareholders who are entitled to attend and vote at the AGM, 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 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, no later than 4:30 p.m. on 25 July 2018. The register of members of our Company will be closed from 26 July 2018 to 31 July 2018, both days inclusive, during which period no transfer of shares will be registered.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is also published on our Company's website (www.pawnshop.com.hk) and the designated website of the Stock Exchange (www.hkexnews.hk). The annual report for the year ended 28 February 2018 containing all relevant information required by Appendix 16 to the Listing Rules will be disseminated to our Shareholders and available on the above websites 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, 28 May 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 Macksion as non-executive Director; and Mr. Lam On Tai, Dr. Leung Shiu Ki Albert and Dr. Yip Ngai as independent non-executive Directors.