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Oi Wah Pawnshop Credit Holdings Limited
靄華押業信貸控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1319)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 29 FEBRUARY 2016

FINANCIAL HIGHLIGHTS

		2016 $	2015 $	Change
Revenue		**186,657,644**	146,516,719	27.4%
Profit before taxation		**109,367,871**	96,125,260	13.8%
Profit for the year attributable to shareholders		**91,365,939**	80,091,046	14.1%
Net profit margin		**48.9%**	54.7%	
Basic earnings per share *(in HK cents)*	*Note 1*	**4.4**	3.9	
Dividend				
– *Final dividend*	*Note 2*	**HK0.65 cents**	HK3.0 cents	
– *Special dividend*		**HK0.43 cents**	Nil	
		As at 29 February 2016	As at 28 February 2015	
Gross loan receivables		**1,032,784,223**	670,196,734	54.1%
Total assets		**1,125,148,818**	754,660,657	49.1%
Total equity		**666,594,039**	451,890,805	47.5%
Net interest margin	*Note 3*	**17.5%**	18.3%	
For pawn loan services		**40.5%**	43.1%	
For mortgage loan services		**13.1%**	15.9%	

Note 1: Amount for the year ended 28 February 2015 adjusted for the bonus shares issued on 18 August 2015.

Note 2: The final dividend proposed for 2016 is calculated based on 2,120,000,000 ordinary shares (2015: 450,000,000 ordinary shares) in issue as at 29 February 2016.

Note 3: 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 29 February 2016, together with the comparative figures for the preceding financial year, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 29 February 2016
(Expressed in Hong Kong dollars)

	Note	**2016** **$**	2015 $
Revenue	*3*	**186,657,644**	146,516,719
Other revenue	*5*	**4,661,668**	10,342,775
Other net loss	*5*	**(2,264)**	(76,011)
Operating income		**191,317,048**	156,783,483
Operating expenses	*6*	**(58,799,250)**	(49,413,986)
(Charge for)/release of impairment losses on loan receivables	*7*	**(491,384)**	282,348
Profit from operations		**132,026,414**	107,651,845
Finance costs	*6(a)*	**(22,658,543)**	(11,526,585)
Profit before taxation	*6*	**109,367,871**	96,125,260
Income tax	*8*	**(18,001,932)**	(16,034,214)
Profit and total comprehensive income for the year		**91,365,939**	80,091,046
Profit and total comprehensive income for the year attributable to shareholders		**91,365,939**	80,091,046
Earnings per share *(in HK cents)*	*9*	**4.4**	3.9*

* Amount for the year ended 28 February 2015 adjusted for the bonus shares issued on 18 August 2015.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 29 February 2016

(Expressed in Hong Kong dollars)

	Note	**2016** **$**	2015 $
Non-current assets			
Property, plant and equipment		**1,285,577**	1,679,710
Loan receivables	*10*	**74,836,363**	72,067,706
Trade and other receivables	*11*	**5,770,220**	5,097,488
Deferred tax assets		**350,756**	300,957
		82,242,916	79,145,861
Current assets			
Repossessed assets		**9,294,034**	8,859,436
Loan receivables	*10*	**957,129,203**	597,801,755
Trade and other receivables	*11*	**27,285,727**	21,976,400
Cash and cash equivalents		**49,196,938**	46,877,205
		1,042,905,902	675,514,796
Current liabilities			
Accruals and other payables	*13*	**6,585,458**	5,870,839
Bank loans and overdrafts	*12*	**76,390,858**	125,522,021
Obligations under finance leases		**207,050**	199,629
Loans from the ultimate holding company	*15*	**92,500,000**	86,900,000
Current taxation		**6,065,360**	8,912,066
Other loans	*14*	**151,840,000**	—
		333,588,726	227,404,555
Net current assets		**709,317,176**	448,110,241
Total assets less current liabilities		**791,560,092**	527,256,102
Non-current liabilities			
Debt securities issued	*16*	**124,454,079**	74,646,273
Obligations under finance leases		**511,974**	719,024
		124,966,053	75,365,297
NET ASSETS		**666,594,039**	451,890,805
CAPITAL AND RESERVES			
Capital		**21,200,000**	4,500,000
Reserves		**645,394,039**	447,390,805
TOTAL EQUITY		**666,594,039**	451,890,805

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 29 February 2016

(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 Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 12 March 2013 (the "**Listing Date**").

2 SIGNIFICANT ACCOUNTING POLICIES

The followings are the major accounting policies used by the Group.

(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 accrual 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.

For impaired financial assets, the accrual of interest income based on the original terms of the financial assets is discontinued.

(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) 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 recognised in revenue during the year are as follows:

	2016	2015
	$	$
Revenue from pawn loan business		
- Interest earned on loan receivables	**61,876,603**	57,656,085
- Disposal of repossessed assets	**(814,130)**	3,383,065
Total revenue from pawn loan business	**61,062,473**	61,039,150
Revenue from mortgage loan business		
- Interest earned on loan receivables	**125,595,171**	85,477,569
	186,657,644	146,516,719

Cost of repossessed assets disposed for the year ended 29 February 2016 amounted to $60 million (2015: $56 million).

The Group's customer base is diversified and includes only one customer (2015: one customer) with whom transactions have exceeded 10% of the Group's revenues. During the year ended 29 February 2016, 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 $32.5 million (2015: $21.7 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 AND OTHER NET LOSS

	2016	2015
	$	*$*
Other revenue		
Rental income	**1,292,000**	1,244,150
Interest earned on unsecured loans	**248,358**	685,969
Credit related fee income	**2,845,607**	7,564,330
Bank interest income	**821**	807
Others	**274,882**	847,519
	4,661,668	10,342,775
Other net loss		
Net loss on disposal of property, plant and equipment	**(2,264)**	(76,011)

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2016	2015
	$	*$*
(a) Finance costs		
Finance charges on obligations under finance leases	**28,755**	25,362
Interest on loans from the ultimate holding company	**4,980,083**	3,656,009
Interest on bank loans and overdrafts	**5,344,039**	5,728,873
Interest on other loans	**6,537,332**	—
Interest on debt securities issued	**5,768,334**	2,116,341
	22,658,543	11,526,585
(b) Staff costs		
Salaries and other benefits	**17,295,809**	16,424,715
Directors' remuneration	**7,471,434**	5,071,700
Contributions to defined contribution scheme	**505,021**	546,882
Charge for/(release of) provision for long service payment	**196,487**	(10,893)
	25,468,751	22,032,404

(c) Other operating expenses		
Premises and equipment expenses excluding depreciation:		
– rental of premises	**11,384,541**	10,551,388
– maintenance, repairs and others	**1,369,515**	939,040
	12,754,056	11,490,428
Auditors' remuneration	**1,020,000**	880,000
Depreciation	**488,187**	606,290
Advertising expenses	**9,865,057**	6,235,202
Legal and professional fees	**2,918,428**	2,049,449
Others	**6,284,771**	6,120,213
	20,576,443	15,891,154
	58,799,250	49,413,986

7 IMPAIRMENT LOSSES ON LOAN RECEIVABLES

	2016	2015
	$	$
Impairment losses on loan receivables		
– Individual impairment losses (release)/charged to profit or loss *(note 10(a))*	**(38,255)**	12,180
– Collective impairment losses charged/(release) to profit or loss *(note 10(a))*	**529,639**	(294,528)
	491,384	(282,348)

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Taxation in the consolidated statement of comprehensive income represents:

	2016	2015
	$	*$*
Current tax — Hong Kong Profits Tax		
Provision for the year	**18,016,836**	15,800,931
Under-provision in respect of prior years	**34,895**	198,020
	18,051,731	15,998,951
Deferred tax		
Origination and reversal of temporary differences	**(49,799)**	35,263
Tax expense	**18,001,932**	16,034,214

The provision for Hong Kong Profits Tax for 2016 is calculated at 16.5% (2015: 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 2015-16 subject to a maximum reduction of $20,000 for each business (2015: a maximum reduction of $20,000 was granted for the year of assessment 2014-15 was taken into account in calculating the provision for 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 for the year ended 29 February 2016 of $91,365,939 (2015: $80,091,046) and the weighted average number of 2,096,612,000 (2015: 2,039,452,000*) ordinary shares of the Company in issue during the year calculated as follows:

Weighted average number of ordinary shares

	2016 ***Number of shares ’000***	2015 *Number of shares ’000*
Issued ordinary share at 1 March	**450,000**	400,000
Effect of share issue under placing	**56,612**	49,452
Effect of bonus issue	**1,590,000**	1,590,000
Weighted average number of ordinary shares at 29 February/28 February	**2,096,612**	2,039,452

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

* Amount for the year ended 28 February 2015 adjusted for the bonus shares issued on 18 August 2015.

10 LOAN RECEIVABLES

	29 February 2016 $	28 February 2015 $
Pawn loans	**141,755,620**	124,239,910
Mortgage loans	**890,778,603**	543,188,423
Unsecured loans	**250,000**	2,768,401
Gross loan receivables	**1,032,784,223**	670,196,734
Less: Impairment allowance *(note 10(a))*		
– Individually assessed	**(29,285)**	(67,540)
– Collectively assessed	**(789,372)**	(259,733)
	(818,657)	(327,273)
	1,031,965,566	669,869,461
Current portion included under current assets	**(957,129,203)**	(597,801,755)
Amounts due after one year included under non-current assets	**74,836,363**	72,067,706

(a) Movement in impairment losses

	2016			2015		
	Individual *$*	**Collective** *$*	**Total** *$*	Individual *$*	Collective *$*	Total *$*
At 1 March	**67,540**	**259,733**	**327,273**	55,360	554,261	609,621
Impairment losses (release)/charged to profit or loss *(note 7)*	**(38,255)**	**529,639**	**491,384**	12,180	(294,528)	(282,348)
At 29 February/28 February	**29,285**	**789,372**	**818,657**	67,540	259,733	327,273

(b) Ageing analysis

Ageing analysis is prepared based on contractual due date.

	Pawn loans $	Mortgages $	Unsecured loans $	Total $
29 February 2016				
Neither past due nor impaired	**138,989,320**	**787,874,540**	**250,000**	**927,113,860**
Less than 1 month past due	**2,244,550**	**97,069,271**	**–**	**99,313,821**
1 to less than 3 months past due	**521,750**	**5,834,792**	**–**	**6,356,542**
	141,755,620	**890,778,603**	**250,000**	**1,032,784,223**

	Pawn loans $	Mortgages $	Unsecured loans $	Total $
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
	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 collaterals can fully cover the outstanding balances and the related interest receivables (see note 11(b)) of these loans as at 29 February 2016. 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 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 have been past due as at 29 February 2016.

11 TRADE AND OTHER RECEIVABLES

	29 February 2016 $	28 February 2015 $
Trade receivables	**942,500**	163,035
Interest receivables	**16,803,555**	15,071,006
	17,746,055	15,234,041
Deposits and payments in advance	**15,208,392**	11,738,347
Others	**101,500**	101,500
	33,055,947	27,073,888
Non-current portion of deposits and payments in advance included under non-current assets	**(5,770,220)**	(5,097,488)
Amounts due within one year included under current assets	**27,285,727**	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 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:

	29 February 2016 $	28 February 2015 $
Neither past due nor impaired	**390,000**	79,035
Less than 1 month past due	**—**	—
1 to less than 3 months past due	**—**	84,000
3 to less than 6 months past due	**552,500**	—
	942,500	163,035

Receivables that were past due but not impaired relate to two independent customers (2015: an independent customer) that has a good track record with the Group and HK$0.87 million (2015: HK$0.16 million) was 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**	**Unsecured loans**	**Total**
	$	*$*	*$*	*$*
29 February 2016				
Neither past due nor impaired	**10,033,067**	**4,815,239**	**3,103**	**14,851,409**
Less than 1 month past due	**392,796**	**1,360,654**	**—**	**1,753,450**
1 to less than 3 months past due	**109,567**	**89,129**	**—**	**198,696**
	10,535,430	**6,265,022**	**3,103**	**16,803,555**

	Pawn loans	Mortgages	Unsecured loans	Total
	$	*$*	*$*	*$*
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 part due	—	—	—	—
6 months to less than 1 year past due	—	92,344	—	92,344
	10,295,456	4,665,943	109,607	15,071,006

12 BANK LOANS AND OVERDRAFTS

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

	29 February 2016	28 February 2015
	$	*$*
Unsecured bank overdrafts *(note 12(a))*	**212,354**	8,613,857
Bank loans, secured *(note 12(b))*	**49,076,040**	101,175,000
Bank loans, unsecured *(note 12(c))*	**27,102,504**	15,733,164
	76,178,504	116,908,164
Total bank loans and overdrafts – repayable within 1 year or demand	**76,390,858**	125,522,021

(a) At 29 February 2016, unsecured bank overdraft facilities of $21,500,000 (2015: $22,500,000) was provided to the subsidiaries and utilised to the extent as disclosed above.

(b) At 29 February 2016, uncommitted secured revolving bank loan facilities of the lower of $125.3 million (2015: $180 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 banks 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 29 February 2016, the available uncommitted banking facilities after taking into consideration of the drawdown was approximately $Nil (2015: $5.7 million). These uncommitted secured revolving bank loan facilities were secured by loan receivables with a carrying value of approximately $63.1 million (2015: $138 million).

(c) At 29 February 2016, unsecured bank loan facilities of $27,102,464 (2015: $15,733,164) 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

	29 February 2016 ***$***	28 February 2015 $
Accrued interest expenses	**2,257,665**	1,234,220
Accrued expenses	**2,268,683**	1,921,909
Provision for long services payment	**916,540**	720,053
Other payable and deposit received	**1,142,570**	1,994,657
	6,585,458	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.

14 OTHER LOANS

During the year ended 29 February 2016, 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 29 February 2016, the available uncommitted loan facilities after taking into consideration of the drawdown was approximately $Nil. These loan facilities were secured by mortgage loan receivables for the Group with a carrying value of $189.8 million.

15 LOANS FROM THE ULTIMATE HOLDING COMPANY

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

16 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 matured in 2021, 2022 and 2023. 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:

	2016	2015
	$	$
Interim dividend declared and paid of HK0.65 cents per ordinary share (2015: HK2.4 cents) *(Note 17(i)(a))*	**13,780,000**	10,800,000
Final dividend proposed after the end of the reporting period of HK0.65 cents per ordinary share (2015: HK3.0 cents per ordinary share) *(Note 17(i)(b))*	**13,780,000**	13,500,000
Special dividend proposed after the end of the reporting period of HK0.43 cents per ordinary share (2015: Nil)	**9,116,000**	–

(a) The interim dividend declared and paid for the period ended 31 August 2015 of $13,780,000 (2015: $10,800,000) is calculated based on 2,120,000,000 ordinary shares (2015: 450,000,000 ordinary shares) in issue as at 31 August 2015.

(b) The final dividend proposed for the year ended 29 February 2016 of $13,780,000 (2015: $13,500,000) is calculated based on 2,120,000,000 ordinary shares (2015: 450,000,000 ordinary shares) in issue as at 29 February 2016.

Such special dividend will be satisfied by way of cash or shareholders may elect to receive scrip dividend wholly or partly in lieu of the cash dividend. The scrip dividend will be satisfied by an allotment of new shares of the Company to be credited as fully paid.

The final dividend and special dividend proposed after the end of the reporting period totaling $22,896,000 (2015: $13,500,000) have not been recognised as a liability at the end of the reporting period.

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

	2016	2015
	$	*$*
Final dividend in respect of the previous financial year, approved and paid during the following year, of HK3.0 cents per ordinary share (2015: HK2.7 cents)	**15,900,000**	12,150,000

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.

MORTGAGE LOAN BUSINESS

For the year ended 29 February 2016 ("**FY2016**"), the mortgage loan business has been a major source of income of the Group. During the year, the interest income increased from approximately HK$85.5 million for the year ended 28 February 2015 ("**FY2015**") to HK$125.6 million in FY2016, representing an increase of 46.8%. Revenue generated from the mortgage loan business in FY2016 accounted for approximately 67.3% of the Group's total revenue during the year. The mortgage loan receivables increased from HK$543.2 million at 28 February 2015 to HK$890.8 million at 29 February 2016, representing an increase of 64.0%. During the year, there were 251 new cases of mortgage loan transactions while no bad debt was recorded.

Despite the uncertainties of the local economy and property market, our Group observed that the demand for mortgage loan is still robust. During the year, our mortgage loan business has maintained a steady growth with fair asset quality. The Group will continue to implement a prudent strategy, to maintain its focus on high net worth customers and remain cautious when granting mortgage loans. In order to broaden our income sources and customer base, the Group will continue to partner with other money lenders to grant syndicated mortgage loans of large principal amounts.

PAWN LOAN BUSINESS

During FY2016, the revenue from the pawn loan business slightly increased to HK$61.1 million, with aggregate loan amount increased 3.1% to HK$595.7 million (FY2015: HK$578.0 million). Average loan amount increased to approximately HK$5,700 per transaction (FY2015: HK$5,200 per transaction).

During the year, the Group continued to channel resources to advertising and promotion to enhance the Group's brand awareness. Such effort has generated demand of one-to-one pawn loan appointment services for pawn loans that exceed HK$0.1 million. Number of pawn loan transactions with such amount granted increased from 325 transactions in FY2015 to 354 transactions in FY2016.

INDUSTRY OVERVIEW

The Group is concerned with the increasing number of fraud cases and incidents of overcharging handling fees by a number of illegal financial agents in mortgage loan business. Criminals impersonated staff of banks, financial institutions or the Housing Authority, and deceived victims into paying high handling fees or consultation fees. Such incidents are damaging to the reputation of financial institutions and money lenders. The Group will continue to provide reliable and legal loan services to its customers, and work closely with the government and law-enforcement agencies to fight such crime.

During FY2016, the Group has continued to practise its service mission of "Flexible and timely; professional and reliable; customers come first" to provide mortgage and pawn loan services. Despite the recent decline in retail industry and the uncertainties of the local economy and property market, the Group has still recorded a growth of 27.4% in revenue, which is a proof of its stable growth in business.

FINANCIAL REVIEW

Revenue

Our Group's revenue increased from approximately HK$146.5 million for FY2015 to approximately HK$186.7 million for FY2016, representing an increase of approximately HK$40.2 million or 27.4%.

The increase was attributable to an increase in our interest income from mortgage business by approximately HK$40.1 million or 46.9% from approximately HK$85.5 million in FY2015 to approximately HK$125.6 million in FY2016. The increase was mainly due to the continuous expansion of our mortgage loan portfolio in FY2016. The total amount of new mortgage loans granted increased from approximately HK$600.6 million in FY2015 to approximately HK$889.9 million in FY2016 and the average loan size increased from approximately HK$2.8 million per transaction in FY2015 to approximately HK$3.5 million per transaction in FY2016.

Despite the weak atmosphere in the luxury goods market, our performance in pawn loan business remained at a steady growth. Revenue from our pawn loan business increased by approximately HK$0.1 million or 0.2% from approximately HK$61.0 million in FY2015 to approximately HK$61.1 million in FY2016. The increase was mainly due to the increase in our interest income earned on our pawn loan receivables from HK$57.6 million in FY2015 to HK$61.9 million in FY2016, offset by the decrease in revenue from disposal of repossessed assets by approximately HK$4.2 million.

The increase in our interest income earned on our pawn loan receivables was primarily attributable to an increase in the (i) aggregated amount of pawn loans granted increased from approximately HK$578.0 million in FY2015 to approximately HK$595.7 million in FY2016; (ii) average amount of pawn loans granted increased from approximately HK$5,200 per transaction in FY2015 to approximately HK$5,700 per transaction in FY2016; and offset by the closure of one of our pawnshops in December 2015.

Revenue from disposal of repossessed assets represents the net gain or loss recorded as we sold the repossessed assets in the event of default in repayment of our pawn loans. The decrease in our revenue from disposal of repossessed assets in FY2016 was mainly due to (i) 10% off of the listed price of most of the branded watches during March and April 2015; (ii) decrease in the demand on luxury goods during the second half of 2015; and (iii) the gold price per ounce decreased from approximately US$1,200 in March 2015 to US$1,090 in August 2015 and further decrease to US$1,050 in December 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 FY2016 and thus impacted our revenue from disposal of repossessed assets recorded in FY2016.

Other revenue

Other revenue decreased from approximately HK$10.3 million in FY2015 to HK$4.7 million in FY2016 representing a decrease of approximately HK$5.6 million or 54.4%, which was mainly due to (i) the decrease in our credit-related fee income by approximately HK$4.8 million from approximately HK$7.6 million in FY2015 to approximately HK$2.8 million in FY2016, mainly representing early repayment fees; and (ii) the decrease in interest earned on unsecured loans of approximately HK$0.4 million during FY2016.

Operating expenses

Operating expenses increased by approximately HK$9.4 million or 19.0% from approximately HK$49.4 million in FY2015 to approximately HK$58.8 million in FY2016.

Staff costs increased by approximately HK$3.5 million or 15.9% from approximately HK$22.0 million in FY2015 to approximately HK$25.5 million in FY2016. The increase was mainly attributable to (i) an increase in salaries and other benefits of approximately HK$0.9 million which is due to the increase in salaries in September 2015; and (ii) the increase in directors' remuneration of approximately HK$2.4 million in FY2016.

Rental expenses increased by approximately HK$0.8 million or 7.5% from approximately HK$10.6 million in FY2015 to HK$11.4 million in FY2016. The increase was mainly due to the increase of monthly rent after the renewal of rental agreements of 2 pawnshops in December 2015 and the full year effect of the renewal of rental agreements for the head-office and 2 pawnshops in May 2014.

Excluding the staff costs and rental expenses of approximately HK$36.9 million and HK$32.6 million in FY2016 and FY2015 respectively as mentioned above, other operating expenses increased by approximately HK$5.1 million or 30.4% from approximately HK$16.8 million in FY2015 to approximately HK$21.9 million in FY2016, which was mainly due to an increase in advertising expenses and legal and professional fees by approximately HK$3.7 million and HK$0.9 million, respectively.

Finance costs

The finance costs increased significantly by approximately HK$11.2 million or 97.4% from approximately HK$11.5 million in FY2015 to approximately HK$22.7 million in FY2016 after netting off with the decrease in bank loans and overdrafts by approximately HK$49.1 million in FY2016. The increase was mainly due to the increase in the amount of loans from the ultimate holding company, other loans and debt securities issued in FY2016 for funding our expansion of mortgage loan portfolios.

Charged for impairment losses on loan receivables

Approximately HK$282,000 was credited to profit or loss for impairment losses on loan receivables in FY2015 while approximately HK$491,000 was charged to profit or loss in FY2016. The impairment losses on loan receivables charged to profit or loss in FY2016 of approximately HK$491,000 was attributable to the net effect of (i) the subsequent reassessment on the recoverability of previously impaired loan receivables that were individually assessed being credited to profit or loss of approximately HK$38,000; and (ii) the impairment losses on loan receivables that were collectively assessed being charged to profit or loss of approximately HK$529,000. In FY2015, the impairment losses on loan receivables credited to profit or loss of approximately HK$282,000 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$12,000; and (ii) the impairment losses on loan receivables that were collectively assessed being credited to profit or loss of approximately HK$294,000.

Income tax expenses

Our Group's effective tax rate was approximately 16.5% in FY2015 and FY2016. No material change was noted.

Profit and total comprehensive income for the year

Our Group's profit for FY2016 increased to approximately HK$91.4 million from approximately HK$80.1 million in FY2015, representing an increase of approximately HK$11.3 million or 14.1%. The increase was mainly attributable to the increase in revenue by approximately HK$40.2 million, netting off with the increase in expenses in staff costs, rental expenses, advertising expenses and finance costs amounted to HK$3.5 million, HK$0.8 million, HK$3.7 million and HK$11.2 million respectively.

Liquidity and financial resources

As at 29 February 2016, cash and cash equivalent (net of bank overdraft) amounted to approximately HK$49.0 million, representing a net increase of approximately HK$10.7 million as compared to the position as at 28 February 2015. The increase was attributable to the following items:

	For the year ended 29 February 2016 ***HK$***	For the year ended 28 February 2015 HK$
Net cash used in operating activities	**(256,180,536)**	(93,914,789)
Payment for the purchase of property, plant and equipment	**(100,118)**	(237,400)
Proceeds from share issue under placing	**153,017,295**	70,325,000
Proceeds from other loans	**151,840,000**	—
Proceeds from debt securities issued, net of issuing expenses	**49,750,000**	74,625,000
(Repayment for)/proceeds from bank loans	**(40,729,660)**	10,323,584
Increase in loans from the ultimate holding company	**5,600,000**	6,400,000
Dividend paid	**(29,680,000)**	(22,950,000)
Finance costs paid	**(22,571,982)**	(11,479,950)
Other net outflow	**(223,763)**	(127,414)
Net increase in cash and cash equivalents	**10,721,236**	32,964,031

During FY2016, net cash outflow from operating activities of our Group amounted to approximately HK$256.2 million. It was mainly due to the increase in loan receivables amounted to approximately HK$362.6 million during the year.

Pledge of assets

At 29 February 2016, the Group had pledged its mortgage loan receivables with net book value of HK$252.9 million (28 February 2015: HK$138.0 million) for the purpose of obtaining facilities from banks and an independent third party.

Contingent liabilities

There were no significant contingent liabilities for the Group as at 29 February 2016.

Key financial ratio

	As at 29 February 2016	**As at 28 February 2015**
Current ratio(1)	**3x**	**3x**
Gearing ratio(2)	**66.9%**	**63.7%**

	For the year ended 29 February 2016	For the year ended 28 February 2015
Return on total assets(3)	**8.1%**	10.6%
Return on equity(4)	**13.7%**	17.7%
Net profit margin(5)	**48.9%**	54.7%
Net interest margin(6)	**17.5%**	18.3%
— pawn loan services	**40.5%**	43.1%
— mortgage loan services	**13.1%**	15.9%

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 ultimate 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 3 times as at 28 February 2015 and 29 February 2016, 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$957.1 million as at 29 February 2016 or by approximately 60.1%, offset by the increase in other loans amounted to HK$151.8 million.

Gearing ratio

Our Group's gearing ratio slightly increased from approximately 63.7% as at 28 February 2015 to approximately 66.9% as at 29 February 2016, which was mainly due to the increase in other loans and debt securities issued in the amount of approximately HK$151.8 million and approximately HK$49.9 million respectively, offset by 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$49.1 million.

Return on total assets and return on equity

Our return on total assets and return on equity slightly decreased from approximately 10.6% and 17.7% respectively in FY2015 to approximately 8.1% and 13.7% respectively in FY2016. The reason for the decrease was mainly due to (i) the placing of shares of the Company in June 2015, in which the Company obtained approximately HK$153.0 million from the placement; and (ii) decrease in the net interest margin from our mortgage interest income as the result of obtaining more first mortgage into our mortgage loan portfolio in FY2016.

Net profit margin

There was a slight decrease in our net profit margin from approximately 54.7% in FY2015 to 48.9% in FY2016. The reason for the decrease was mainly due to (i) the increase in finance cost as a result of the increase in other loans during FY2016, and (ii) 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 FY2016.

Net interest margin

The net interest margin decreased from approximately 18.3% in FY2015 to approximately 17.5% in FY2016. The decrease was due to (i) an increase in our interest income generated by mortgage loans in FY2016 and we generally charged our customers a relatively lower interest rate for our mortgage loans than those for our pawn loans. For FY2015 and FY2016, interest earned on mortgage loans contributed approximately 59.7% and 67.0% to our total interest income, 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 FY2016, offset by the increase in equity funding from the placing of shares of the Company in June 2015.

PROSPECTS

Looking forward, the Group expects the demand for mortgage loan in Hong Kong to remain robust. The Group will continue to expand its business in a cautious and prudent manner, with measures such as increasing the proportion of first mortgage of mortgage loan receivables. The Group will actively seek diversified financing channels (such as issuing bonds, obtaining loans from overseas banks, etc) to maintain abundant capital reserve, in order to fulfill customers' needs and expand the Group's market share.

Regarding to the pawn loan business, the Group is of the view that luxurious goods market has bottomed and that its pawn loan business will remain stable. To provide more convenient services to customers, the Group has enhanced its website in October 2015 to provide mortgage loan application and pawn loan valuation services to customers via mobile devices at anywhere and anytime.

PLACING AND SUBSCRIPTION OF SHARES

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 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 80,000,000 ordinary shares of HK$0.01 each in the share capital (the "**Shares**") of the Company at the placing price of HK$2.03 per Share (the "**Top-up Placing**"). The closing price per Share as quoted on the Stock Exchange on 5 June 2015 was HK$2.25.

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

On 16 June 2015, the 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 Top-up Placing were approximately HK$153.0 million and the net price per Share was approximately HK$1.9125 per Share.

As at 29 February 2016, the net proceeds from the 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; and

ii) approximately HK$30.6 million was used for general working capital of the Group;

SHARE OPTION SCHEME

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

As at 29 February 2016, being the end of FY2016 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 1.89% of the total issued Shares of the Company as at 29 February 2016;

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 29 February 2016, our Group had a total of 52 staff (28 February 2015: 54). Total staff costs (including Directors' emoluments) were approximately HK$25.5 million for FY2016 (FY2015: approximately HK$22.0 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

Neither our Company nor any of its subsidiaries purchased, sold or redeemed any of our Company's securities during FY2016.

MATERIAL ACQUISITIONS AND DISPOSALS

Our Group did not engage in any material acquisitions or disposals during FY2016.

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 FY2016, 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 FY2016.

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. Chan Wing Lee, 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 FY2016, and it has not identified any significant deficiency or material weakness. The Audit Committee has also reviewed the consolidated financial statements for FY2016 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 preliminary announcement of the Group's results for the year ended 29 February 2016 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 FY2016 is scheduled to be held on 25 July 2016 (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 25 May 2016, our Directors proposed to recommend the payment of a final dividend of HK0.65 cents per ordinary share, together with the interim dividend of HK0.65 cents, representing 30.2% of the profit attributable to our Shareholders of our Company for FY2016. The total payout for the final dividend will be amounted to approximately HK$13.8 million. The aforesaid final dividend is subject to approval by our Shareholders at the AGM and will be paid on Wednesday, 31 August 2016 to our Shareholders whose names appear on the register of members of our Company at the close of business on Monday, 1 August 2016.

SPECIAL DIVIDEND

The Board recommended the payment of a special dividend of HK0.43 cents (2015: Nil) per ordinary share, representing 10.0% of the profit attributable to our Shareholders of our Company for FY2016. The total payout for the special dividend will be amounted to approximately HK$9.1 million. The special dividend will be paid in cash, with an option where our Shareholders may elect to receive in the form of new shares of the Company or partly in shares and partly in cash. The aforesaid special dividend is subject to approval by our Shareholders at the AGM and will be paid on Wednesday, 31 August 2016 to our Shareholders whose names appear on the register of members of our Company at the close of business on Monday, 1 August 2016.

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 31/F., 148 Electric Road North Point Hong Kong, no later than 4:30 p.m. on Wednesday, 20 July 2016. The register of members of our Company will be closed from Thursday, 21 July 2016 to Monday, 25 July 2016, both days inclusive, during which period no transfer of shares will be registered.

In order to establish the identity of our Shareholders who are entitled to the proposed final dividend and special 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 Thursday, 28 July 2016. The register of members of our Company will be closed from Friday, 29 July 2016 to Monday, 1 August 2016, both days inclusive, during which period no transfer of shares will be registered. Subject to Shareholders' approval of the proposed final dividend and special dividend at the AGM, the final dividend and special dividend will be paid on Wednesday, 31 August 2016 to Shareholders whose names appear on the register of members of our Company at the close of business on Monday, 1 August 2016.

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 29 February 2016 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, 25 May 2016

As at the date of this announcement, the Board comprises Mr. Chan Kai Ho Edward, Mr. Chan Chart Man, Ms. Chan Ying Yu and Ms. Chan Mei Fong as executive Directors; 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.