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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 UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2024, DECLARATION OF INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

FINANCIAL HIGHLIGHTS

	Six months ended		Change
	2024	2023	
	HK\$'000	HK\$'000	
Revenue	87,000	90,201	-3.5%
Profit before taxation	35,962	59,332	-39.4%
Profit for the period attributable to shareholders	30,535	49,648	-38.5%
Net profit margin	35.1%	55.0%	
Basic earnings per share (in HK cents)	1.6	2.6	
Net interest margin	17.1%	16.3%	
For pawn loan services	40.6%	37.7%	
For mortgage loan services	11.3%	11.4%	
	As at	As at	
	31 August	29 February	
	2024	2024	
	HK\$'000	HK\$'000	
Gross loan receivables – principal	914,370	949,978	-3.7%
– Pawn loan receivables of amortised cost	27,412	42,045	
– Pawn loan receivables of fair value through profit or loss	144,138	138,434	
– Mortgage loan receivables of amortised cost	732,820	769,499	
– Corporate loan	10,000	–	
Total assets	1,182,830	1,188,706	-0.5%
Total equity	1,095,568	1,079,682	1.5%

Note 1: Net interest margin during the period 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 period.

Note 2: Under the accounting standard HKFRS 9, pawn loan receivables under the Pawnbrokers Ordinance will be measured at fair value through profit or loss, and pawn loan and mortgage loan receivables under the Money Lenders Ordinance will be measured at amortised cost.

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Oi Wah Pawnshop Credit Holdings Limited (the “**Company**” or “**our Company**”) is pleased to announce the unaudited interim results of our Company and its subsidiaries (collectively, the “**Group**” or “**our Group**”) for the six months ended 31 August 2024, with the comparative figures for the corresponding period in 2023 as follows:

Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income

for the six months ended 31 August 2024

(Expressed in Hong Kong dollars)

	Notes	Six months ended 31 August	
		2024 \$'000 (unaudited)	2023 \$'000 (unaudited)
Revenue	5	87,000	90,201
Other income	6	4,008	1,774
Operating income		91,008	91,975
Other operating expenses	7(b)	(28,459)	(27,146)
Charge for impairment loss on loan receivables		(24,467)	(2,462)
Profit from operations		38,082	62,367
Finance costs	7(a)	(2,120)	(3,035)
Profit before taxation		35,962	59,332
Income tax	8	(5,427)	(9,684)
Profit and total comprehensive income for the period attributable to shareholders		30,535	49,648
Earnings per share (in HK cents)	9	1.6	2.6

Condensed Consolidated Statement of Financial Position

as at 31 August 2024

(Expressed in Hong Kong dollars)

	<i>Notes</i>	31 August 2024 \$'000 (unaudited)	29 February 2024 \$'000 (audited)
Non-current assets			
Plant and equipment		3,361	3,019
Right-of-use assets	<i>10</i>	9,469	13,210
Interest in an associate		–	–
Financial assets at fair value through profit or loss	<i>14</i>	38,181	–
Loan receivables	<i>11</i>	38,847	36,699
Other receivables	<i>12</i>	1,740	1,740
Deferred tax assets		6,464	2,408
		<u>98,062</u>	<u>57,076</u>
Current assets			
Repossessed assets		11,217	13,875
Loan receivables	<i>11</i>	879,298	937,230
Other receivables	<i>12</i>	6,344	9,925
Cash and cash equivalents	<i>13</i>	187,909	170,600
		<u>1,084,768</u>	<u>1,131,630</u>
Current liabilities			
Accruals and other payables	<i>15</i>	6,560	4,906
Bank loans	<i>16</i>	–	10,000
Lease liabilities	<i>10</i>	5,127	6,772
Loans from the immediate holding company	<i>17</i>	47,500	47,500
Debt securities issued	<i>18</i>	10,995	25,991
Tax payable		11,958	6,642
		<u>82,140</u>	<u>101,811</u>
Net current assets		<u>1,002,628</u>	<u>1,029,819</u>
Total assets less current liabilities		1,100,690	1,086,895

		31 August	29 February
		2024	2024
	<i>Notes</i>	\$'000	\$'000
		(unaudited)	(audited)
Non-current liability			
Lease liabilities	<i>10</i>	<u>5,122</u>	<u>7,213</u>
		<u>5,122</u>	<u>7,213</u>
NET ASSETS		<u>1,095,568</u>	<u>1,079,682</u>
CAPITAL AND RESERVES			
Capital	<i>19</i>	19,272	19,272
Reserves		<u>1,076,296</u>	<u>1,060,410</u>
TOTAL EQUITY		<u>1,095,568</u>	<u>1,079,682</u>

Condensed Consolidated Statement of Changes in Equity

for the six months ended 31 August 2024

(Expressed in Hong Kong dollars)

	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Capital redemption reserve \$'000	Other reserve \$'000	Retained profits \$'000	Total \$'000
At 29 February 2024 and 1 March 2024 (audited)	<u>19,272</u>	<u>14,303</u>	<u>44,963</u>	<u>2,112</u>	<u>12,001</u>	<u>987,031</u>	<u>1,079,682</u>
Profit and total comprehensive income	-	-	-	-	-	30,535	30,535
Final dividend declared and paid in respect of previous year (<i>note 19(b)</i>)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,649)</u>	<u>(14,649)</u>
At 31 August 2024 (unaudited)	<u><u>19,272</u></u>	<u><u>14,303</u></u>	<u><u>44,963</u></u>	<u><u>2,112</u></u>	<u><u>12,001</u></u>	<u><u>1,002,917</u></u>	<u><u>1,095,568</u></u>
At 28 February 2023 and 1 March 2023 (audited)	<u>19,272</u>	<u>14,303</u>	<u>44,963</u>	<u>2,112</u>	<u>12,001</u>	<u>937,394</u>	<u>1,030,045</u>
Profit and total comprehensive income	-	-	-	-	-	49,648	49,648
Final dividend declared and paid in respect of previous year (<i>note 19(b)</i>)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,767)</u>	<u>(16,767)</u>
At 31 August 2023 (unaudited)	<u><u>19,272</u></u>	<u><u>14,303</u></u>	<u><u>44,963</u></u>	<u><u>2,112</u></u>	<u><u>12,001</u></u>	<u><u>970,275</u></u>	<u><u>1,062,926</u></u>

Condensed Consolidated Statement of Cash Flows

for the six months ended 31 August 2024

(Expressed in Hong Kong dollars)

	Six months ended 31 August	
	2024	2023
	\$'000	\$'000
	(unaudited)	(unaudited)
Operating activities		
Operating cash flows before changes in working capital	63,617	69,418
Decrease (increase) in loan receivables	31,313	(110,338)
Other cash flows generated from operating activities	8,061	1,914
	<u>102,991</u>	<u>(39,006)</u>
Cash generated from (used in) operations		
Hong Kong Profits Tax paid	(4,167)	(2,901)
	<u>98,824</u>	<u>(41,907)</u>
Net cash generated from (used in) operating activities		
	<u>98,824</u>	<u>(41,907)</u>
Investing activities		
Payment on financial assets at fair value through profit or loss	(38,181)	–
Payment for the purchase of plant and equipment	(821)	(122)
Dividend received from financial assets at fair value through profit or loss	715	–
Other cash flows generated from investing activities	2,441	308
	<u>(35,846)</u>	<u>186</u>
Net cash (used in) generated from investing activities		
	<u>(35,846)</u>	<u>186</u>
Financing activities		
Dividends paid	(14,649)	(16,767)
Repayments of debt securities	(15,000)	(5,000)
Repayments of principal on lease liabilities	(3,736)	(4,610)
Finance costs paid	(1,912)	(2,566)
Repayments of interest on lease liabilities	(372)	(438)
Repayments of bank loans	(10,000)	–
	<u>(45,669)</u>	<u>(29,381)</u>
Net cash used in financing activities		
	<u>(45,669)</u>	<u>(29,381)</u>
Net increase (decrease) in cash and cash equivalents		
	<u>17,309</u>	<u>(71,102)</u>
Cash and cash equivalents at the beginning of period (note 13)		
	<u>170,600</u>	<u>162,387</u>
Cash and cash equivalents at the end of period (note 13)		
	<u>187,909</u>	<u>91,285</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION

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

2 BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 31 August 2024 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The condensed consolidated financial statements of the Group for the six months ended 31 August 2024 are presented in Hong Kong dollars (“**HKD**” or “**HK\$**” or “**\$**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand (\$’000) except when otherwise indicated.

3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for loan receivables at fair value through profit or loss (“**FVPL**”) and financial assets at FVPL that are measured at fair values, at the end of each reporting period.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 29 February 2024, except as described below.

Application of amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA which are effective for the Group’s financial year beginning 1 March 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020)
	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

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 has been presented.

5 REVENUE

The principal activities of the Group are engaged in secured financing business in Hong Kong including pawn loans and mortgage loans.

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 period is as follows:

	Six months ended 31 August	
	2024	2023
	\$'000	\$'000
	(unaudited)	(unaudited)
Revenue from pawn loan business		
– Interest income from pawn loan receivables at FVPL	33,985	31,589
– Interest income from pawn loan receivables calculated using the effective interest method	3,705	4,710
– Gain on disposal of repossessed assets	5,626	3,917
	43,316	40,216
Revenue from mortgage loan business		
– Interest income from mortgage loan receivables calculated using the effective interest method	43,684	49,985
Total	87,000	90,201

Gain on disposal of repossessed assets is the revenue from contracts with customers within the scope of HKFRS 15 and the timing of recognition is at a point in time. The cost of disposal of repossessed assets for the six months ended 31 August 2024 amounted to HK\$31.4 million (six months ended 31 August 2023: HK\$30.2 million).

The Group's customer base is diversified and does not include any customer with whom transactions have exceeded 10% of the Group's revenue during both periods.

6 OTHER INCOME

	Six months ended 31 August	
	2024	2023
	\$'000	\$'000
	(unaudited)	(unaudited)
Credit related fee income	140	623
Rental income	712	801
Dividend income	715	–
Bank interest income	2,441	308
Others	–	42
	<u>4,008</u>	<u>1,774</u>

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 31 August	
	2024	2023
	\$'000	\$'000
	(unaudited)	(unaudited)
(a) Finance costs		
Interest on debt securities issued	372	964
Interest on loans from the immediate holding company	1,197	1,197
Interest on bank loans and overdrafts	179	436
Interest on lease liabilities	372	438
	<u>2,120</u>	<u>3,035</u>

	Six months ended 31 August	
	2024	2023
	\$'000	\$'000
	(unaudited)	(unaudited)
(b) Other operating expenses		
Premises and equipment expenses excluding depreciation		
– rental of premises	2,155	1,453
– maintenance, repairs and others	560	635
	<u>2,715</u>	<u>2,088</u>
Depreciation of plant and equipment	479	365
Depreciation of right-of-use assets	3,741	4,524
Net losses on loan receivables at FVPL	4	8
Staff costs	14,818	13,688
Advertising expenses	1,412	976
Auditor's remuneration	485	475
Bank charges	1,112	1,127
Legal and professional fees	1,124	1,220
Others	2,569	2,675
	<u>25,744</u>	<u>25,058</u>
	<u><u>28,459</u></u>	<u><u>27,146</u></u>

8 INCOME TAX

The Group calculates the income tax for the periods using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax in the condensed consolidated statement of profit or loss and other comprehensive income are:

	Six months ended 31 August	
	2024	2023
	\$'000	\$'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax		
Provision for the period		
– Current tax	9,483	10,091
Deferred taxation	<u>(4,056)</u>	<u>(407)</u>
	<u><u>5,427</u></u>	<u><u>9,684</u></u>

Under the two-tiered profits tax rates regime, the first \$2.0 million of profits of qualifying corporation will be taxed at 8.25%, and profits above \$2.0 million will be taxed at 16.5%. For both periods, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

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

9 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the shareholders of the Company is based on the following data:

Earnings

	Six months ended 31 August	
	2024	2023
	\$'000	\$'000
	(unaudited)	(unaudited)
Profit for the period attributable to shareholders of the Company	30,535	49,648

Weighted average number of ordinary shares

	Six months ended 31 August	
	2024	2023
	Number of	Number of
	shares	shares
	'000	'000
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,927,236	1,927,236

The basic earnings per share and the diluted earnings per share are the same as there were no potential dilutive ordinary shares in issue during both periods.

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Right-of-use assets

	31 August 2024 \$'000 (unaudited)	29 February 2024 \$'000 (audited)
Leased properties – buildings	<u>9,469</u>	<u>13,210</u>

The Group has lease arrangements for leased properties. The lease terms are generally ranged from one to four years with fixed lease payments.

Additions to the right-of-use assets for the six months ended 31 August 2023 amounted to HK\$1,721,000 (six months ended 31 August 2024: nil) due to new leases of buildings.

During the six months ended 31 August 2024, the Group has subleased part of the leased properties. The Group has classified the sublease as operating lease. During the six months ended 31 August 2024, the Group recognises rental income from subleasing right-of-use assets of approximately HK\$712,000 (six months ended 31 August 2023: HK\$801,000).

(ii) Lease liabilities

	31 August 2024 \$'000 (unaudited)	29 February 2024 \$'000 (audited)
Current	5,127	6,772
Non-current	<u>5,122</u>	<u>7,213</u>
	<u>10,249</u>	<u>13,985</u>

(iii) Amounts recognised in profit or loss

	Six months ended 31 August	
	2024 \$'000 (unaudited)	2023 \$'000 (unaudited)
Depreciation of right-of-use assets – leased properties	3,741	4,524
Interest on lease liabilities	372	438
Expenses relating to short-term leases	2,155	1,453
Income from subleasing right-of-use assets	<u>(712)</u>	<u>(801)</u>

(iv) Others

During the six months ended 31 August 2024, the total cash outflow for leases amounted to approximately HK\$6,263,000 (six months ended 31 August 2023: HK\$6,501,000).

11 LOAN RECEIVABLES

	31 August 2024 \$'000 (unaudited)	29 February 2024 \$'000 (audited)
Loan receivables at amortised cost:		
– Pawn loans	27,412	42,045
– Accrued interests of pawn loans	<u>505</u>	<u>1,079</u>
	27,917	43,124
Less: Impairment allowance on pawn loans – Stage 3	<u>(6,807)</u>	<u>(3,701)</u>
Net pawn loan receivables	<u>21,110</u>	39,423
– Mortgage loans	732,820	769,499
– Accrued interests of mortgage loans	<u>29,586</u>	<u>25,095</u>
	762,406	794,594
Less: Impairment allowance on mortgage loans – Stage 3	<u>(31,691)</u>	<u>(10,330)</u>
Net mortgage loan receivables	<u>730,715</u>	784,264
– Corporate loan	10,000	–
– Accrued interest of corporate loan	<u>253</u>	–
Net corporate loan receivable	<u>10,253</u>	–
Net loan receivables at amortised cost	<u>762,078</u>	823,687
Loan receivables at FVPL:		
– Pawn loans	<u>156,067</u>	150,242
Total loan receivables	<u>918,145</u>	973,929
Current portion included under current assets	<u>(879,298)</u>	<u>(937,230)</u>
Amounts due after one year included under non-current assets	<u><u>38,847</u></u>	<u><u>36,699</u></u>

During the six months ended 31 August 2024, impairment losses of approximately HK\$24.5 million (six months ended 31 August 2023: HK\$2.5 million) were recognised as expense in accordance with the expected credit loss model.

Ageing analysis

Ageing analysis of the gross amount of loan receivables is prepared based on contractual due date and not net of loss allowance as follows:

	Pawn loans at amortised cost \$'000	Pawn loans at FVPL \$'000	Mortgage loans \$'000	Corporate loan \$'000	Total \$'000
31 August 2024 (unaudited)					
Not past due	15,096	152,327	468,983	10,253	646,659
Less than 1 month past due	319	2,721	21,620	–	24,660
1 to less than 3 months past due	–	634	17,589	–	18,223
3 to less than 6 months past due	–	385	20,870	–	21,255
6 months to 1 year past due	–	–	146,724	–	146,724
Over 1 year past due	12,502	–	86,620	–	99,122
	<u>27,917</u>	<u>156,067</u>	<u>762,406</u>	<u>10,253</u>	<u>956,643</u>
29 February 2024 (audited)					
Not past due	25,797	145,138	411,942	–	582,877
Less than 1 month past due	426	3,608	128,577	–	132,611
1 to less than 3 months past due	3,074	1,168	26,546	–	30,788
3 to less than 6 months past due	–	328	125,784	–	126,112
6 months to 1 year past due	13,827	–	–	–	13,827
Over 1 year past due	–	–	101,745	–	101,745
	<u>43,124</u>	<u>150,242</u>	<u>794,594</u>	<u>–</u>	<u>987,960</u>

At 31 August 2024, of these loan receivables at amortised cost which have been past due for one month or above, except for several loan receivables at amortised cost amounted to approximately HK\$183.4 million (29 February 2024: HK\$151.9 million) on which an allowance for expected credit loss amounting of approximately HK\$36.8 million (29 February 2024: HK\$15.1 million) had been recognised, the respective valuations of the collaterals can fully cover the outstanding balances of these loans as at the end of reporting periods. Among those impaired loan receivables at amortised cost, the Group had written off approximately HK\$1.1 million expected credit loss as the borrower is fail to pay its credit obligations to the Group in full as at 29 February 2024 (six months ended 31 August 2024: nil). In respect of the loan receivables at amortised cost 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 loan receivables at amortised cost. In addition, due to the significant credit deterioration of several loan receivables at amortised cost which are not yet past due amounted to approximately HK\$1.7 million, full impairment allowance have been recognised (29 February 2024: nil).

12 OTHER RECEIVABLES

	31 August 2024 \$'000 (unaudited)	29 February 2024 \$'000 (audited)
Non-current		
Others	<u>1,740</u>	<u>1,740</u>
Current		
Trade receivables	763	1,728
Deposits and payments in advance	5,581	8,095
Others	<u>-</u>	<u>102</u>
	<u><u>6,344</u></u>	<u><u>9,925</u></u>

Trade receivables are due within 60 days from the date of billing. All of the trade and other receivables are not impaired as the expected loss rate is close to zero and expected to be recovered within one year.

The ageing analysis of trade receivables presented based on invoice date which approximate to the respective revenue recognition dates at the end of the reporting period is as follows:

	31 August 2024 \$'000 (unaudited)	29 February 2024 \$'000 (audited)
0 – 60 days	<u><u>763</u></u>	<u><u>1,728</u></u>

Trade receivables that were not past due relate to a wide range of customers for whom there was no recent history of default.

All of the other receivables are not impaired as the expected loss rate is close to zero and are expected to be recovered within one year.

13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short-term bank deposits for the purpose of meeting the Group's short term cash commitment, which carry interest at prevailing market rates as at 29 February 2024 and 31 August 2024.

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents included the following:

	31 August 2024 \$'000 (unaudited)	29 February 2024 \$'000 (audited)
Cash on hand	7,590	7,487
Cash at banks	<u>180,319</u>	<u>163,113</u>
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>187,909</u>	<u>170,600</u>

Cash at bank carries interest at prevailing market rates for both reporting periods.

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2024 \$'000 (unaudited)	29 February 2024 \$'000 (audited)
Unlisted fund investment	<u>38,181</u>	<u>–</u>

For the unlisted fund investment, the fair values are determined by their net assets values published by the fund manager.

15 ACCRUALS AND OTHER PAYABLES

	31 August 2024 \$'000 (unaudited)	29 February 2024 \$'000 (audited)
Accrued interest expense	116	284
Accrued expenses	4,728	2,686
Provision for long services payment	932	1,041
Other payable and deposits received	<u>784</u>	<u>895</u>
	<u>6,560</u>	<u>4,906</u>

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

16 BANK LOANS

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

	31 August 2024 \$'000 (unaudited)	29 February 2024 \$'000 (audited)
Secured bank loans (<i>note a</i>)	—	10,000
Total bank loans and overdrafts	<u>—</u>	<u>10,000</u>

Note:

- (a) As at 31 August 2024, the total secured bank revolving loan facilities of the lower of HK\$125.0 million (29 February 2024: HK\$145.0 million) and a certain percentage of the aggregate principal amount of certain mortgage loan receivables of the subsidiaries which are then sub-charged/sub-mortgaged to the bank, the total available secured bank revolving loan facility after taking into consideration of the drawdown was HK\$14.0 million (29 February 2024: HK\$24.0 million). As at 31 August 2024, the loan facility was secured by certain mortgage loan receivables for the Group with a carrying value of approximately HK\$20 million (29 February 2024: HK\$261.2 million). As at 31 August 2024, the bank revolving loan carried floating interest rate of three months Hong Kong Interbank Offered Rate (“**HIBOR**”) plus 3.50% per annum. (29 February 2024: three months HIBOR plus 3.50% per annum and one month HIBOR plus 4% per annum). As at the end of the reporting period, the bank facilities are expiring within one year. During the period ended 31 August 2024, the secured bank loans are fully repaid.

As at 31 August 2024, except for the bank facilities mentioned in note (a) above, the Group also obtained unsecured bank loan and bank overdraft facilities of HK\$40.5 million (29 February 2024: HK\$60.5 million) were provided to the subsidiaries of the Group. As at 31 August 2024, the unsecured bank loans and bank overdrafts facilities carried floating interest rate at prime rate plus 0.25% to prime rate plus 1.5% per annum with repayment on demand clause (29 February 2024: prime rate minus 0.75% to prime rate plus 1.5% per annum with repayment on demand clause). As at the end of the reporting period, the Group has an aggregate amount of approximately HK\$40.5 million (29 February 2024: HK\$60.5 million) undrawn unsecured bank loan and bank overdraft facilities carried floating interest rate and expiring within one year.

During the period ended 31 August 2024 and year ended 29 February 2024, 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 and secured by certain loan receivables held by the Group.

17 LOANS FROM THE IMMEDIATE HOLDING COMPANY

As at 31 August 2024, the Group obtained an unsecured revolving loan facility from the immediate holding company with a facility limit of HK\$200.0 million (29 February 2024: HK\$200.0 million). The loans are interest-bearing at 5% per annum (29 February 2024: 5% per annum).

As at 31 August 2024, the available loan facility after taking into consideration of the drawdown was approximately HK\$152.5 million (29 February 2024: HK\$152.5 million) and the accrued interest payable as at 31 August 2024 was approximately HK\$31,000 (29 February 2024: HK\$26,000).

18 DEBT SECURITIES ISSUED

The debt securities are unsecured, denominated in HK\$, interest-bearing ranging from 6% to 7% per annum (29 February 2024: 6% to 7% per annum) with interest coupon being paid semi-annually and are matured between 2024 and 2025. All debt securities issued are measured at amortised cost.

During the six months ended 31 August 2024, the Group repaid debt securities on maturity date amounting to HK\$15.0 million (six months ended 31 August 2023: HK\$5.0 million).

19 CAPITAL AND DIVIDENDS

(a) Share Capital

	Par value \$	No of shares '000	Nominal value of ordinary shares \$'000
Authorised:			
At 1 March 2023, 29 February 2024, 1 March 2024 and 31 August 2024	0.01	100,000,000	1,000,000
Issued and fully paid:			
At 1 March 2023, 29 February 2024, 1 March 2024 (audited) and 31 August 2024 (unaudited)	0.01	1,927,236	19,272

(b) Dividends

- (i) Interim dividend payable to equity shareholders of the Company in respect of the financial period ended 31 August 2024:

	Six months ended 31 August	
	2024	2023
	\$'000	\$'000
	(unaudited)	(unaudited)
Interim dividend declared after the interim period of 0.64 cents per ordinary share (2023: 1.04 cents per ordinary share)	12,334	20,043

The interim dividend declared for the period ended 31 August 2024 will be satisfied by way of cash. The interim dividend declared for the period ended 31 August 2023 has been paid by way of cash during the year ended 29 February 2024.

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

	Six months ended 31 August	
	2024	2023
	\$'000	\$'000
	(unaudited)	(unaudited)
Final dividend in respect of the previous financial year, approved and paid during the following interim period of 0.76 cents per ordinary share (2023: 0.87 cents per ordinary share)	14,649	16,767

20 CAPITAL COMMITMENT

The Group has an investment commitment related to a capital contribution obligation for an unlisted fund investment. Total investment commitment which has been contracted but not yet reflected in the condensed consolidated financial statements amounted to approximated HK\$73,819,000 as at 31 August 2024.

21 MATERIAL RELATED PARTY TRANSACTIONS

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

(a) Key management personnel remuneration

	Six months ended 31 August	
	2024	2023
	\$'000	\$'000
	(unaudited)	(unaudited)
Salary and other benefits	4,187	3,942
Contributions to Mandatory Provident Fund	45	45
Others	15	15
	4,247	4,002

(b) Transactions with other related parties

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

	Six months ended 31 August	
	2024	2023
	\$'000	\$'000
	(unaudited)	(unaudited)
Rental payments paid to		
– Kwan Chart (Holding) Company Limited (“ Kwan Chart Holding ”)	480	480
– Kwan Chart Estate Company Limited (“ Kwan Chart Estate ”)	300	321
– Mr. Chan Chart Man	540	540
– Full Honour Corporation Limited (“ Full Honour ”)	420	–
	<u> </u>	<u> </u>
Management fee incurred to		
– Kwan Chart Holding	20	20
	<u> </u>	<u> </u>
	31 August	29 February
	2024	2024
	\$'000	\$'000
	(unaudited)	(audited)
Rental deposits placed with		
– Kwan Chart Holding	160	160
– Kwan Chart Estate	96	104
– Mr. Chan Chart Man	180	180
– Full Honour	140	140
	<u> </u>	<u> </u>
Management fee deposit placed with		
– Kwan Chart Estate	23	23
	<u> </u>	<u> </u>

During the periods ended 31 August 2024 and 2023, the Group entered into short term lease agreements with Kwan Chart Holding, Mr. Chan Chart Man and Kwan Chart Estate, for leasing of premises. On 30 January 2024, the Group entered into short term lease agreement with Full Honour for leasing of premise. The Directors consider that all the above related party transactions during the periods were conducted on normal commercial terms and in the ordinary and usual course of the Group’s business.

Note: The Group entered into agreement in respect of the rental of properties from Kwan Chart Holding and Kwan Chart Estate, companies with common beneficial owners with the Company and Mr. Chan Chart Man, a director of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

Mortgage Loan Business

For the six months ended 31 August 2024 (“**FP2025**” or “**the period**”), the interest income of the mortgage loan business of the Group was approximately HK\$43.7 million, which accounted for approximately 50.2% of the Group’s total revenue. The gross mortgage loan receivable was approximately HK\$732.8 million as at 31 August 2024 with total new mortgage loans granted amounted to approximately HK\$125.5 million in FP2025. During the period, net interest margin of the mortgage loan business is about 11.3% and there were 38 new cases of mortgage loan transactions.

Pawn Loan Business

During the period, the interest income generated from the pawn loan business was approximately HK\$37.7 million in FP2025. The Group recorded gain from disposal on repossessed assets of approximately HK\$5.6 million, representing an increase of 43.6%. It is mainly attributable to the appreciation of gold price during the period.

During the period, the Group continued to channel resources to advertising and promotion, in order to enhance the Group’s brand exposure. The Group recorded average loan amount of approximately HK\$10,000 per transaction.

INDUSTRY OVERVIEW

The global economic growth is stagnating due to the escalating trade tensions and increased policy uncertainty. The instability in U.S. and European banking, along with geopolitical tensions in the Middle East, has heightened risk aversion sentiments among investors which served as a driving force for the demand for gold. Gold prices have been relatively volatile at high levels and hit a record high during the year. Nevertheless, the deflationary pressure in China is likely to exert some selling pressure on gold, with projections suggesting a slight decline in gold price. Collectively, these factors present a stable outlook for the pawn loan industry.

Despite the Hong Kong Government's easing of the demand-side management measures for the property market in early 2024, the stimulus effect has proved limited and short-lived. Local residential property market and residential property prices have continued on a downward trend, with prices in July 2024 decreased to the levels of the first quarter of 2015. The Board upholds its unwavering commitment to prudent lending practices to ensure the continued stability and integrity of its credit portfolio.

Following the Federal Reserve System of the United States ("the Feds") cutting interest rates for the first time since 2020, the Hong Kong Monetary Authority and local banks have lowered their rates. Although projections suggest an increase in the number of local property transactions, the prices are expected to undergo further downward adjustments until next year. The Group will keep a close eye on local and global economic trends, and will adjust its mortgage loan interest rates in line with these market conditions.

FINANCIAL REVIEW

Revenue

Our Group's revenue decreased from approximately HK\$90.2 million for the six months ended 31 August 2023 ("**FP2024**") to approximately HK\$87.0 million in FP2025, representing a decrease of approximately HK\$3.2 million or 3.5%. Detailed analysis of the decrease in revenue during the period are as follows:

Mortgage loan business

The decrease in our interest income derived from our mortgage loan business of approximately HK\$6.3 million or 12.6% (from approximately HK\$50.0 million in FP2024 to approximately HK\$43.7 million in FP2025). The average month-end balance for the gross mortgage loans receivables decreased from approximately HK\$833.3 million in FP2024 to approximately HK\$741.7 million in FP2025 and the total amount of new mortgage loan granted during FP2025 was approximately HK\$125.5 million (FP2024: approximately HK\$282.7 million).

Pawn loan business

Revenue from our pawn loan business increased from approximately HK\$40.2 million in FP2024 to approximately HK\$43.3 million in FP2025, representing an increase of approximately HK\$3.1 million or 7.7%. This was attributable to the increase in our interest income earned on our loan receivables by approximately HK\$1.4 million or 3.8% from approximately HK\$36.3 million in FP2024 to approximately HK\$37.7 million in FP2025 with the increase in gain on disposal of repossessed assets by approximately HK\$1.7 million or 43.6% from approximately HK\$3.9 million in FP2024 to approximately HK\$5.6 million in FP2025.

The increase in our interest income earned on our pawn loan receivables was primarily attributable to the increase in gold price during FP2025.

Revenue from disposal of repossessed assets represents the gain/(loss) we received 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 FP2025 was mainly due to the increase in the gold price per ounce from around US\$2,200 in March 2024 to around US\$2,450 in August 2024. Since every pawn loan has a loan term of four lunar months, the revenue increased with the appreciation of gold price during FP2025.

Other revenue

Other revenue increased from approximately HK\$1.8 million in FP2024 to approximately HK\$4.0 million in FP2025, representing an increase of approximately HK\$2.2 million or 122.2%, which was mainly due to an increase in our bank interest income by approximately HK\$2.1 million.

Operating expenses

Operating expenses increased by approximately HK\$1.4 million or 5.2% from approximately HK\$27.1 million in FP2024 to approximately HK\$28.5 million in FP2025.

During FP2025, staff costs slightly increased by approximately HK\$1.1 million or 8.0% from approximately HK\$13.7 million in FP2024 to approximately HK\$14.8 million in FP2025. The increase was mainly contributed by the increase in the salaries and bonus of staff of approximately HK\$1.2 million.

According to HKFRS 16, all operating lease should be treated as finance lease. Thus, the contractual liabilities for the rental agreements are discounted and recognised as finance lease assets. Rental expenses and depreciation for right-to-use assets of approximately HK\$6.0 million and HK\$5.9 million in FP2024 and FP2025 respectively, no material fluctuation was noted.

Apart from staff costs, rental expenses and depreciation for right-to-use assets of approximately HK\$19.7 million and HK\$20.7 million in FP2024 and FP2025 respectively as mentioned above, other operating expenses increased by approximately HK\$0.4 million or 5.4% from approximately HK\$7.4 million in FP2024 to approximately HK\$7.8 million in FP2025, which was mainly due to the increase in advertisement by approximately HK\$0.4 million.

Finance costs

The finance costs decreased by approximately HK\$0.9 million or 30.0% from approximately HK\$3.0 million in FP2024 to approximately HK\$2.1 million in FP2025. It was mainly due to the decrease in bank loans and debt securities issued in FP2025.

Charge for impairment losses on loan receivables

The impairment losses recognised on loan receivables of approximately HK\$24.5 million in FP2025 were measured based on the requirement under HKFRS 9.

The impairment losses recognised on pawn loan receivables by approximately HK\$3.1 million in FP2025 represented a further impairment made on three pawn loan agreements (same pawn loans impaired in FP2024) where the management considered there was an increased likelihood of the value of the collaterals of these three loans not being able to fully cover the underlying outstanding loan amounts and interests.

The impairment losses recognised on mortgage receivables by approximately HK\$21.4 million in FP2025 represented the impairment made on several first mortgage loans and four subordinated mortgage loans. All these mortgage loans are defaulted loans and the management had taken actions on the respective borrowers. Due to a noticeable decline in property prices in FP2025, the management considered there was an increased likelihood of the value of the collaterals of these mortgage loans not being able to fully cover the underlying outstanding loan amounts and interests.

The charge for impairment losses on loan receivables of approximately HK\$2.5 million in FP2024 was measured based on the requirement under HKFRS 9. The charge for impairment losses represented an impairment made to four pawn loan agreements and the management considered there is a growing likelihood of the value of the collaterals of these four loans not being able to fully cover the outstanding loan amount.

Income tax expenses

Our Group's effective tax rate decreased from approximately 16.3% in FP2024 to approximately 15.1% in FP2025.

Profit and total comprehensive income for the period

As a result of the foregoing, our Group's profit for FP2025 decreased to approximately HK\$30.5 million from approximately HK\$49.6 million in FP2024, representing a decrease of approximately HK\$19.1 million or 38.5%.

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent funding and treasury policy and maintained a healthy financial position during FP2025. During FP2025, the Group's operational and capital requirements were financed principally through retained earnings, bank loans and overdrafts, loans from the immediate holding company, other loans and debt securities issued.

As at 31 August 2024, all outstanding interest bearing bank loans and overdrafts were denominated in Hong Kong dollars, repayable in one year and bore interest at variable rates. The bank loans and overdrafts were secured by (i) a sub-mortgage charge on certain loans receivable of a subsidiary of the Company; and/or (ii) a corporate guarantee executed by the Company. During FP2025, the Group had fulfilled all the financial covenants, if any, under the Group's banking facilities.

As at 31 August 2024, the loans from immediately holding company were repayable in one year and bore interest at 5% per annum. The loans were secured by a corporate guarantee executed by the Company.

As at 31 August 2024, the debt securities issued bore interest at 6% to 7% and shall be repayable within one year.

Based on the Group's current and anticipated levels of operation, the Group's future operations and capital requirements will be mainly financed through bank loans and overdrafts, loans from the immediate holding company, other loans, retained earnings and share capital. There were no significant commitments for capital expenditure as at 31 August 2024.

As at 31 August 2024, cash and cash equivalents, after netting off against the bank overdraft, amounted to approximately HK\$187.9 million, representing a net increase of approximately HK\$17.3 million as compared to the position as at 29 February 2024. Cash and cash equivalents as at 31 August 2024 were all denominated in Hong Kong dollars.

For FP2025, net cash inflow from operating activities of our Group amounted to approximately HK\$98.8 million which is mainly due to the decrease in our loan receivables by approximately HK\$31.3 million. The net cash outflow from investing activities of our Group amounted to approximately HK\$35.8 million for FP2025 which was mainly due to the increase in financial assets at fair value through profit or loss amounted to approximately HK\$38.2 million. The net cash outflow from financing activities of our Group amounted to approximately HK\$45.7 million for FP2025. It was mainly contributed by the dividend payment, finance costs paid, repayment of bank loans and the repayment for debt securities during FP2025 which were amounted to approximately HK\$14.6 million, HK\$1.9 million, HK\$10.0 million and HK\$15.0 million respectively.

PLEDGE OF ASSETS

As at 31 August 2024 and 29 February 2024, in order to obtain facilities to finance the Group's business, the Group had pledged its mortgage loan receivables with net book value of HK\$79.8 million and HK\$335.7 million respectively.

CONTINGENT LIABILITIES

There were no significant contingent liabilities for the Group as at 31 August 2024.

FOREIGN CURRENCY EXPOSURE

The business activities of the Group were denominated in Hong Kong dollars. The Directors did not consider that the Group was exposed to any significant foreign exchange risks during FP2025. As the impact from foreign exchange exposure was minimal, the Directors were of the view that no hedging against foreign currency exposure was necessary and the Group currently has not used derivative financial instruments to hedge its foreign exchange risk. In view of the operational needs, the Group will continue to monitor the foreign currency exposure from time to time and take necessary actions to minimise the foreign exchange related risks.

KEY FINANCIAL RATIOS

	As at 31 August 2024	As at 29 February 2024
Current ratio ⁽¹⁾	13.2%	11.1%
Gearing ratio ⁽²⁾	5.3%	7.7%
	For the six months ended 31 August 2024	For the six months ended 31 August 2023
Return on total assets ⁽³⁾	5.2%	8.4%
Return on equity ⁽⁴⁾	5.6%	9.3%
Net profit margin ⁽⁵⁾	35.1%	55.0%
Net interest margin ⁽⁶⁾	17.1%	16.3%
– pawn loan services	40.6%	37.7%
– mortgage loan services	11.3%	11.4%

Notes:

- (1) Current ratio is calculated by dividing current assets by current liabilities as at the respective period/year end.
- (2) Gearing ratio is calculated by dividing total borrowings (summation of bank loans, bank overdrafts, loans from immediate holding company, other loans and debt securities issued) by total equity as at the respective period/year end.
- (3) Return on total assets is calculated by dividing annualised profit for the period by the total assets as at the respective period end.
- (4) Return on equity is calculated by dividing annualised profit for the period by the total equity as at the respective period end.

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

Current ratio

Our Group's current ratio increased from 11.1 times as at 29 February 2024 to 13.2 times as at 31 August 2024, which was mainly due to the repayment of bank loans and overdrafts and debt securities issued amounted to approximately HK\$10.0 million and HK\$15.0 million respectively.

Gearing ratio

Our Group's gearing ratio decreased from 7.7% as at 29 February 2024 to 5.3% as at 31 August 2024, which was mainly due to the repayment of bank loans and overdrafts and debt securities issued amounted to approximately HK\$10.0 million and HK\$15.0 million respectively.

Return on total assets, return on equity and net profit margin

Our return on total assets, return on equity and net profit margin decreased from approximately 8.4%, 9.3% and 55.0% in FP2024 to 5.2%, 5.6% and 35.1% in FP2025 respectively, which were mainly due to the increase in our charge for impairment loss or loan receivables by approximately HK\$22.0 million in FP2025.

Net interest margin

There was an increase in our net interest margin from approximately 16.3% in FP2024 to approximately 17.1% in FP2025. The reason for such an increase was mainly due to the decrease in finance cost by approximately HK\$0.9 million during FP2025.

PROSPECTS

Looking ahead, the global economy is expected to recover at a slow and steady pace. Along with the launch of a premium service center at East Tsim Sha Tsui MTR Station and groundbreaking mobile app, the Group continuously integrate new technologies into the pawnbroking sector to modernize the industry in the face of excessive external uncertainties, thereby solidifying a strong foothold in the Hong Kong pawnbroking industry. We are dedicated to enhancing customer experience and broadening our potential customer base by providing an efficient and streamlined loan solution in one single motion, in order to satisfy the ever-changing needs of our customers.

The market is expecting the Fed has entered the interest-reducing cycle, the Board believes that there will be a shift of focus toward China's upcoming financial stimulus plans, which will impact the Hong Kong property market. Despite projections indicating that property prices are expected to hit rock bottom, the Board anticipates an increase in the number of property transactions, rather than in prices in the near term. With improvement of business sentiment, the Group will actively explore investment opportunities by leveraging its strategic partnership with PACM Group. We will adopt a cautiously optimistic stance on the property market while prudently managing investment strategy to mitigate the impact of market volatility and enhance returns for our investors and shareholders.

HUMAN RESOURCES

As at 31 August 2024, our Group had a total of 49 staff (29 February 2024: 50). The total staff costs (including directors' emoluments) were approximately HK\$14.8 million for FP2025 (FP2024: approximately HK\$13.7 million). Remuneration is determined with reference to the market conditions and the performance, qualifications and experience of an individual employee. Bonus based on individual performance will be paid to employees as a recognition of and reward for their contributions. Other benefits include trainings and contributions to statutory mandatory provident fund scheme to our Group's employees in Hong Kong.

INTERNAL CONTROL

The Board considers that our Group's internal control system was effective and adequate for FP2025.

The Board, through the audit committee of our Company (the "**Audit Committee**"), has conducted a review on the internal control system and identified no significant areas of concern which could affect the operations of our Company.

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

During FP2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

On 12 March 2024, Oi Wah Mortgage Limited ("**Oi Wah Mortgage**"), an indirect wholly-owned subsidiary of the Company, entered into the agreement with the PACM OW GP II Limited, pursuant to which Oi Wah Mortgage irrevocably agreed to subscribe for limited partnership interests in the Fund at the amount of HK\$112,000,000. For details of the subscription, please refer to the Company's announcements dated on 12 March 2024 and 17 April 2024.

Save as disclosure above, our Group did not hold any significant investments and did not engage in any material acquisitions or disposals during FP2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any future plans for material investments or capital assets as at 31 August 2024.

CORPORATE GOVERNANCE PRACTICES

During FP2025, the Company has adopted and complied all the code provisions (the “**Code Provisions**”) as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules, except Code Provisions C.2.1 which requires that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Mr. Chan Kai Ho Edward, an executive Director, currently holds both positions. Mr. Chan Kai Ho Edward has been the key leadership figure of our Group, who has been primarily involved in the formulation of business strategies and determination of the overall direction of our Group. He has also been chiefly responsible for our Group’s operations as he directly supervises other executive Directors and senior management of our Group. Taking into account the continuation of the implementation of our Group’s business plans, the Directors (including the independent non-executive Directors) consider that Mr. Chan Kai Ho Edward is the best candidate for both positions and the present arrangements are beneficial and in the interests of our Company and the shareholders of the Company (the “**Shareholders**”) as a whole.

MODEL CODE FOR DIRECTORS SECURITIES TRANSACTIONS

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding Directors’ securities transactions. The Board made specific enquiry to all Directors and the Directors confirmed that they had complied with the required standards as set out in the Model Code during FP2025.

REVIEW OF INTERIM RESULTS

The Group’s condensed consolidated financial statements for the six months ended 31 August 2024 have not been audited, but have been reviewed by SHINEWING (HK) CPA Limited, the Company’s external auditor, under Hong Kong Standard on Review Engagements 2410 whose review report is included in the interim report to be sent to shareholders.

The Audit Committee together with the management of our Company have reviewed our Group’s unaudited interim consolidated financial statements for the six months ended 31 August 2024. The Audit Committee is of the opinion that such financial statements have complied with the applicable accounting standards, and the requirements of the Stock Exchange and the applicable legal requirements, and that adequate disclosure has been made. The Audit Committee has also reviewed this announcement and confirmed that it is complete and accurate and complies with the Listing Rules.

INTERIM DIVIDEND

On 28 October 2024, the Board declared an interim dividend of HK0.64 cents per ordinary share, representing approximately 40.4% of the profit attributable to the Shareholders for FP2025. The total payout for the interim dividend will amount to approximately HK\$12.3 million. The aforesaid interim dividend will be paid on 27 November 2024 to the Shareholders whose names appear on the register of members of our Company at the close of business on 13 November 2024.

CLOSURE OF REGISTER OF MEMBERS

In order to establish the identity of the Shareholders who are entitled to the interim dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with our Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, no later than 4:30 p.m. on 8 November 2024. The register of members of our Company will be closed from 11 November 2024 to 13 November 2024, both days inclusive, during which no transfer of shares will be registered.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There was no important or significant event that affects the business of the Group subsequent to 31 August 2024.

PUBLICATION

The interim results announcement of our Company for FP2025 is published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.pawnshop.com.hk) respectively. The interim report will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and our Company in due course.

By order of the Board of
Oi Wah Pawnshop Credit Holdings Limited
Chan Kai Ho Edward
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 28 October 2024

As at the date of this announcement, the Board comprises Mr. Chan Kai Ho Edward (Chairman and Chief Executive Officer), Mr. Chan Chart Man, Ms. Chan Mei Fong and Ms. Chan Ying Yu as executive Directors; Mr. Chan Kai Kow Macksion and Mr. Ng Siu Hong as non-executive Directors; and Mr. Lam On Tai, Dr. Leung Shiu Ki Albert and Dr. Yip Ngai as independent non-executive Directors.