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Oi Wah Pawnshop Credit Holdings Limited

靚華押業信貸控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1319)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2025

FINANCIAL HIGHLIGHTS

		2025 HK\$'000	2024 HK\$'000	Change
Revenue		164,295	179,307	-8.4%
Profit before taxation		64,715	103,282	-37.3%
Profit for the year attributable to shareholders		55,908	86,447	-35.3%
Net profit margin		34.0%	48.2%	
Basic earnings per share (in HK cents)		2.9	4.5	
Proposed dividend for the year				
– Final dividend (in HK cents)		0.81	0.76	
		As at 28 February 2025 HK\$'000	As at 29 February 2024 HK\$'000	
Gross loan receivables – principal	Note 1	870,645	949,978	-8.3%
– Pawn loan receivables at amortised cost		43,233	42,045	
– Pawn loan receivables at fair value through profit or loss		146,690	138,434	
– Mortgage loan receivables at amortised cost		670,722	769,499	
– Corporate loan		10,000	–	
Total assets		1,183,020	1,188,706	-0.5%
Total equity		1,107,978	1,079,682	2.6%
Net interest margin	Note 2	16.5%	16.4%	
For pawn loan services		40.0%	37.7%	
For mortgage loan services		10.3%	11.5%	

Note 1: Under 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.

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

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 consolidated results of the Company and its subsidiaries (collectively, the “**Group**” or “**our Group**”) for the year ended 28 February 2025, together with the comparative figures for the preceding financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 28 February 2025

(Expressed in Hong Kong dollars)

	<i>Notes</i>	2025 \$'000	2024 \$'000
Revenue	4	164,295	179,307
Other income, gains or losses	6	<u>11,754</u>	<u>4,730</u>
Operating income		176,049	184,037
Other operating expenses	7(c)	(61,106)	(59,499)
Impairment losses recognised on loan receivables		<u>(46,311)</u>	<u>(15,126)</u>
Profit from operations		68,632	109,412
Finance costs	7(a)	<u>(3,917)</u>	<u>(6,130)</u>
Profit before taxation	7	64,715	103,282
Income tax	8	<u>(8,807)</u>	<u>(16,835)</u>
Profit and total comprehensive income for the year attributable to shareholders		<u><u>55,908</u></u>	<u><u>86,447</u></u>
Earnings per share (in HK cents) – basic and diluted	9	<u><u>2.9</u></u>	<u><u>4.5</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2025

(Expressed in Hong Kong dollars)

	<i>Notes</i>	2025 \$'000	2024 \$'000
Non-current assets			
Plant and equipment		2,773	3,019
Right-of-use assets	<i>10</i>	22,163	13,210
Interest in an associate		–	–
Financial assets at fair value through profit or loss		40,356	–
Loan receivables	<i>11</i>	27,636	36,699
Other receivables	<i>12</i>	2,535	1,740
Deferred tax assets		5,305	2,408
		100,768	57,076
Current assets			
Reposessed assets		9,575	13,875
Loan receivables	<i>11</i>	848,448	937,230
Trade and other receivables	<i>12</i>	6,463	9,925
Tax recoverable		2,111	–
Cash and cash equivalents		215,655	170,600
		1,082,252	1,131,630
Current liabilities			
Accruals and other payables	<i>14</i>	4,378	4,906
Bank loans and overdrafts	<i>13</i>	–	10,000
Loans from the immediate holding company	<i>16</i>	47,500	47,500
Lease liabilities	<i>10</i>	7,867	6,772
Debt securities issued	<i>17</i>	–	25,991
Tax payable		–	6,642
		59,745	101,811
Net current assets		1,022,507	1,029,819
Total assets less current liabilities		1,123,275	1,086,895

	<i>Notes</i>	2025 \$'000	2024 \$'000
Non-current liabilities			
Lease liabilities	<i>10</i>	<u>15,297</u>	<u>7,213</u>
NET ASSETS		<u>1,107,978</u>	<u>1,079,682</u>
CAPITAL AND RESERVES			
Capital		19,243	19,272
Reserves		<u>1,088,735</u>	<u>1,060,410</u>
TOTAL EQUITY		<u>1,107,978</u>	<u>1,079,682</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

The directors of the Company (the “**Directors**”) consider the immediate parent and ultimate controlling party of the Group to be Kwan Lik Holding Limited, which is incorporated in the British Virgin Islands (the “**BVI**”), and TMF (Cayman) Ltd. as trustee of a discretionary trust for the benefit of Mr. Chan Kai Ho Edward, Ms. Chan Ying Yu, Ms. Chan Mei Fong, Ms. Chan Nga Yu, Ms. Mui Hang Sin and Mr. Chan Kai Kow Mackson, which is incorporated in the Cayman Islands, respectively. These entities do not produce financial statements available for public use.

The Company’s registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and its head office and principal place of business in Hong Kong is located at Rooms 2302–2303, Kwan Chart Tower, No. 6 Tonnochy Road, Wanchai, Hong Kong.

The consolidated financial statements 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.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

Except as described below, the accounting policies and methods of computation used in the consolidated financial statements for the year ended 28 February 2025 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 29 February 2024.

In the current year, the Group has applied, for the first time, the following amendments to HKFRS issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning on 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 year has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 21	<i>Lack of Exchangeability</i> ¹
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-Dependent Electricity</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined.

Except as described below, the Directors anticipate that the application of other new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

Impact on application of HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

4. 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 year is as follows:

	2025 \$'000	2024 \$'000
Revenue from pawn loan business		
– Interest income from pawn loan receivables calculated using the effective interest method	8,496	9,477
– Interest income from pawn loan receivables at FVPL	67,686	63,367
– Gain on disposal of repossessed assets	11,141	6,715
	<u>87,323</u>	<u>79,559</u>
Revenue from mortgage loan business		
– Interest income from mortgage loan receivables calculated using the effective interest method	76,972	99,748
	<u>164,295</u>	<u>179,307</u>

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 year ended 28 February 2025 amounted to approximately HK\$56.3 million (2024: approximately HK\$58.3 million).

During the year ended 28 February 2025 and 29 February 2024, the Group's customer base was diversified and no customer with whom transactions have exceeded 10% of the Group's revenue.

5. SEGMENT REPORTING

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

6. OTHER INCOME, GAINS OR LOSSES

	2025 \$'000	2024 \$'000
Rental income	1,217	1,796
Credit related fee income	234	935
Dividend income from financial assets at FVPL	2,329	–
Bank interest income	5,105	1,830
Gain from changes in fair value of financial assets at FVPL	2,175	–
Others	694	169
	<u>11,754</u>	<u>4,730</u>

7. PROFIT BEFORE TAXATION

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

	2025 \$'000	2024 \$'000
(a) Finance costs		
Interest on debt securities issued	544	1,908
Interest on loans from the immediate holding company	2,375	2,382
Interest on bank loans and overdrafts	180	911
Interest on lease liabilities	818	929
	<u>3,917</u>	<u>6,130</u>
(b) Staff costs		
Salaries and other benefits	23,878	21,737
Directors' remuneration	9,543	9,317
Contributions to Mandatory Provident Fund ("MPF")	540	526
(Reversal of) charge for provision for long service payment	(181)	109
	<u>33,780</u>	<u>31,689</u>
(c) Other operating expenses		
Premises and equipment expenses excluding depreciation:		
– rental of premises	4,310	3,417
– maintenance, repairs and others	1,176	1,186
	<u>5,486</u>	<u>4,603</u>
Auditor's remuneration	970	950
Depreciation of plant and equipment	921	802
Depreciation of right-of-use assets	7,578	8,720
Advertising expenses	2,513	2,475
Bank charges	2,116	2,218
Legal and professional fees	2,213	2,865
Net losses (gains) on loan receivables at FVPL	32	(16)
Others	5,497	5,193
	<u>21,840</u>	<u>23,207</u>
	<u>61,106</u>	<u>59,499</u>

8. INCOME TAX

	2025 \$'000	2024 \$'000
Hong Kong Profits Tax		
Provision for the year		
– Current tax	11,691	19,114
Under-provision in respect of prior year	13	20
Deferred tax	<u>(2,897)</u>	<u>(2,299)</u>
	<u>8,807</u>	<u>16,835</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2.0 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2.0 million will be taxed at 16.5%. For both years, 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 BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

The income tax for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 \$'000	2024 \$'000
Profit before taxation	<u>64,715</u>	<u>103,282</u>
Notional tax on profit before taxation, calculated at applicable rates	9,702	16,877
Tax effect of non-taxable income	(842)	(302)
Tax effect of non-deductible expenses	121	261
Utilisation of tax loss not recognised in previous years (<i>Note (i)</i>)	(175)	–
Under-provision in respect of prior year	13	20
Statutory tax concession (<i>Note (ii)</i>)	<u>(12)</u>	<u>(21)</u>
Income tax	<u>8,807</u>	<u>16,835</u>

Note:

- At the end of the reporting period, the Group has unused tax losses of approximately HK\$174,000 (2024: approximately HK\$1,236,000) available for offset against future profits. No deferred tax asset has been recognized in respect of these losses.

- ii. Statutory tax concession represented a reduction of Hong Kong Profits Tax for the year of assessment 2024/2025 and 2023/2024 by 100%, subject to a ceiling of HK\$1,500 and HK\$3,000 respectively.

9. EARNINGS PER SHARE

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

Earnings

	2025 \$'000	2024 \$'000
Profit for the year attributable to shareholders of the Company	<u>55,908</u>	<u>86,447</u>

Weighted average number of ordinary shares

	2025 Number of shares '000	2024 Number of shares '000
Issued ordinary shares at 1 March	1,927,236	1,927,236
Effect of purchase of own shares	<u>(953)</u>	<u>—</u>
Weighted average number of ordinary shares for the proposes of basic earnings per share	<u>1,926,283</u>	<u>1,927,236</u>

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 years.

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Right-of-use assets

	2025 \$'000	2024 \$'000
Leased properties – buildings	<u>22,163</u>	<u>13,210</u>

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

Additions to the right-of-use assets for the year ended 28 February 2025 amounted to approximately HK\$11.2 million (2024: approximately HK\$7.2 million) due to the entering into new leases agreements and the remaining HK\$5.3 million (2024: nil) due to the modification of existing lease for building.

During the years ended 28 February 2025 and 29 February 2024, the Group has subleased part of the leased properties. The Group has classified the sublease as operating lease. During the year ended 28 February 2025, the Group recognised rental income from subleasing right-of-use assets of approximately HK\$1.2 million (2024: approximately HK\$1.8 million).

(ii) Lease liabilities

	2025 \$'000	2024 \$'000
Current	7,867	6,772
Non-current	15,297	7,213
	<u>23,164</u>	<u>13,985</u>
Amounts payable under lease liabilities	2025 \$'000	2024 \$'000
Within one year	7,867	6,772
After one year but within two years	6,635	4,326
After two years but within five years	6,255	2,887
After five years	2,407	–
	<u>23,164</u>	<u>13,985</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(7,867)</u>	<u>(6,772)</u>
Amount due for settlement after 12 months	<u>15,297</u>	<u>7,213</u>

(iii) Amounts recognised in profit or loss

	2025 \$'000	2024 \$'000
Depreciation of right-of-use assets – leased properties	7,578	8,720
Interest on lease liabilities	818	929
Expense relating to short-term leases	4,310	3,417
Income from subleasing right-of-use assets	<u>(1,217)</u>	<u>(1,796)</u>

(iv) Others

As at 28 February 2025 and 29 February 2024, the Group had no committed lease agreements not yet commenced.

During the year ended 28 February 2025, the total cash outflow for leases amounted to approximately HK\$12.5 million (2024: approximately HK\$13.1 million).

(v) **Restrictions or covenants on leases**

As at 28 February 2025, lease liabilities of approximately HK\$23,164,000 were recognised with related right-of-use assets of approximately HK\$22,163,000 (2024: lease liabilities of approximately HK\$13,985,000 and related right-of-use assets of approximately HK\$13,210,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

11. LOAN RECEIVABLES

	2025 \$'000	2024 \$'000
Loan receivables at amortised cost:		
– Pawn loans	43,233	42,045
– Accrued interests of pawn loans	1,026	1,079
Pawn loan receivables	44,259	43,124
Less: Impairment allowance on pawn loans – Stage 3	(8,328)	(3,701)
Net pawn loan receivables	35,931	39,423
– Mortgage loans	670,722	769,499
– Accrued interests of mortgage loans	22,514	25,095
Less: Impairment allowance on mortgage loans – Stage 3	693,236 (22,970)	794,594 (10,330)
Net mortgage loan receivables	670,266	784,264
– Corporate loan	10,000	–
– Accrued interest of corporate loan	910	–
Net corporate loan receivables	10,910	–
Net loan receivables at amortised cost	717,107	823,687
Loan receivables at FVPL:		
Pawn loans	158,977	150,242
Total net loan receivables	876,084	973,929
Current portion included under current assets	(848,448)	(937,230)
Amounts due after one year included under non-current assets	27,636	36,699

In determining the expected credit losses for loan receivables, the Directors have determined using a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default, discount rate, adjustments for forward-looking information, value of collateral and other adjustment factors.

There has been no material change in the estimation techniques or significant assumptions made during both years in assessing the loss allowance for loan receivables.

Movement in impairment losses

	Expected credit loss	
	2025	2024
	Stage 3	Stage 3
	\$'000	\$'000
At 1 March	14,031	–
Impairment losses recognised on profit or loss		
– Pawn loan	4,627	4,796
– Mortgage loan	41,684	10,330
	<u>60,342</u>	<u>15,126</u>
Written off		
– Pawn loan	–	(1,095)
– Mortgage loan	(29,044)	–
	<u>(29,044)</u>	<u>–</u>
At 28 February/29 February	<u>31,298</u>	<u>14,031</u>

During the year ended 28 February 2025, the Group had provided approximately HK\$46.3 million (2024: HK\$15.1 million) expected credit loss as the borrowers were unlikely to pay their credit obligations to the Group in full. Among that, the Group had written off approximately HK\$29.0 million (2024: HK\$1.1 million) expected credit loss as the respective borrower failed to pay its credit obligations to the Group in full and the management determines that there is no realistic prospect of recovery of such credit obligation.

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 at amortised cost \$'000	Total \$'000
28 February 2025					
Not past due	34,583	155,349	386,577	–	576,509
Less than 1 month past due	578	2,086	69,610	–	72,274
1 to less than 3 months past due	–	948	43,920	–	44,868
3 to less than 6 months past due	–	594	2,615	10,910	14,119
6 months to 1 year past due	–	–	35,698	–	35,698
Over 1 year past due	9,098	–	154,816	–	163,914
	<u>44,259</u>	<u>158,977</u>	<u>693,236</u>	<u>10,910</u>	<u>907,382</u>

	Pawn loans at amortised cost \$'000	Pawn loans at FVPL \$'000	Mortgage loans \$'000	Total \$'000
29 February 2024				
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>987,960</u>

As at 28 February 2025 and 29 February 2024, of these loan receivables at amortised cost which had been past due for one month or above, except for several loan receivables at amortised cost amounted to approximately HK\$148.3 million (2024: HK\$151.9 million) on which an allowance for expected credit loss amounting to approximately HK\$60.3 million (2024: HK\$15.1 million) had been recognised, the respective valuations of the collaterals can fully cover the outstanding balances of these loans at the end of the reporting periods. Among those impaired loan receivables at amortised cost, the Group had written off approximately HK\$29.0 million (2024: HK\$1.1 million) expected credit loss as the borrowers failed to pay their credit obligations to the Group in full. 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 credit deterioration of credit quality of these loan receivables at amortised cost.

12. TRADE AND OTHER RECEIVABLES

	2025 \$'000	2024 \$'000
Non-current		
Others	<u>2,535</u>	<u>1,740</u>
Current		
Trade receivables	1,098	1,728
Deposits and payments in advance	5,106	8,095
Others	<u>259</u>	<u>102</u>
	<u>6,463</u>	<u>9,925</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:

	2025 \$'000	2024 \$'000
0-60 days	<u>1,098</u>	<u>1,728</u>

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

13. BANK LOANS AND OVERDRAFTS

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

	2025 \$'000	2024 \$'000
Bank loans, secured (Note a)	<u>–</u>	<u>10,000</u>
Total bank loans and overdrafts	<u>–</u>	<u>10,000</u>

Notes:

- (a) As at 29 February 2024, the total secured bank revolving loan facilities of the lower of 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/submortgaged to the bank, the total available secured bank revolving loan facility after taking into consideration of the drawdown was HK\$24.0 million. As at 29 February 2024, the loan facility was secured by certain mortgage loan receivables for the Group with a carrying value of approximately HK\$261.2 million. As at 29 February 2024, the bank revolving loan carried floating interest rate of three months Hong Kong Interbank Offered Rate (“**HIBOR**”) plus 3.50% per annum and one month HIBOR plus 4% per annum.

During the year ended 28 February 2025, the secured bank loans are fully repaid. One of the secured bank revolving loan facility amounted to HK\$20.0 million expired in May 2024. For the remaining secured bank revolving loan facility amounted to HK\$125.0 million, the Group applied for voluntary cancellation in February 2025 and was agreed by the bank.

As at 28 February 2025, except for the bank facilities mentioned in note (a) above, the subsidiaries of the Group also obtained unsecured bank loan and bank overdraft facilities of HK\$40.5 million (29 February 2024: HK\$60.5 million). As at 28 February 2025, 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 years, 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/or secured by certain loan receivables held by the Group.

14. ACCRUALS AND OTHER PAYABLES

	2025 \$'000	2024 \$'000
Accrued interest expenses	23	284
Accrued expenses	3,035	2,686
Provision for long services payment	539	1,041
Other payable and deposit received	781	895
	<u>4,378</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.

15. OTHER LOANS

During the year ended 29 February 2024, the Group obtained uncommitted secured revolving loan facilities from an independent third party. The limit of the facilities is the lower of HK\$200.0 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 independent third party. The facilities are interest-bearing at The Hongkong and Shanghai Banking Corporation Limited ("HSBC") prime rate plus 3.875% per annum and the tenor for the facilities is one year.

As at 29 February 2024, the available loan facilities after taking into consideration of the drawdown was HK\$52.0 million. These loan facilities were secured by certain mortgage loan receivables for the Group with a carrying value of approximately HK\$65.0 million and there was no outstanding balance of other loans.

During the year ended 28 February 2025, all uncommitted secured revolving loan facilities were expired and no outstanding balance of other loans.

16. LOANS FROM THE IMMEDIATE HOLDING COMPANY

During the year ended 28 February 2025, the Group obtained an unsecured revolving loan facility from the immediate holding company with a facility limit of HK\$200.0 million (2024: HK\$200.0 million). The loans are unsecured, interest-bearing at 5% per annum (2024: 5% per annum) and repayable on demand.

As at 28 February 2025, the available loan facility after taking into consideration of the drawdown was approximately HK\$152.5 million (2024: HK\$152.5 million) and the accrued interest payable as at 28 February 2025 was approximately HK\$23,000 (2024: HK\$26,000).

17. DEBT SECURITIES ISSUED

	2025 \$'000	2024 \$'000
Current	<u>–</u>	<u>25,991</u>

During the year ended 29 February 2024, the debt securities are unsecured, denominated in HKD, interest-bearing ranging from 6% to 7% per annum with interest coupon being paid semi-annually and will be matured between 2024 and 2025. All debt securities issued are measured at amortised cost.

During the year ended 28 February 2025, the Group repaid debt securities on maturity date amounting to approximately HK\$26.0 million (2024: HK\$12.0 million).

18. DIVIDENDS

Dividends payment during the year:

	2025 \$'000	2024 \$'000
Dividends recognised as distribution during the year:		
2025 Interim dividend – 0.64 cents (2024: 2024 interim dividend – 1.04 cents) per share	12,334	20,043
2024 Final dividend – 0.76 cents (2024: 2023 final dividend – 0.87 cents) per share	<u>14,647</u>	<u>16,767</u>

Subsequent to the end of reporting periods, a final dividend of 0.81 cents per share (2024: 0.76 cents per share) in respect of the year ended 28 February 2025 per share have been proposed by the Directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

MORTGAGE LOAN BUSINESS

For the year ended 28 February 2025 (“**FY2025**”), the economy has started to recover in a gradual progress, resulting in a moderate increase in demand for loans. The revenue from the mortgage loan business was approximately HK\$77.0 million and accounted for approximately 46.9% of the Group’s total revenue during the year. The amount of gross mortgage loan receivables was approximately HK\$670.7 million as at 28 February 2025. During the year, net interest margin of the mortgage loan business is about 10.3%.

In FY2025, the Group has maintained a prudent approach when granting loans, underpinned by a focus on building a resilient loan portfolio amid the uncertain environment brought about by the pandemic. We are of the view that maintaining a cautious underwriting stance and healthy loan portfolio will position the Group well for the economic recovery and eventual normalization ahead. During the year, the average loan-to-value ratio for first mortgage was approximately 58.2%, while overall average loan-to-value ratio for subordinate mortgage was approximately 52.8%, of which, average loan-to-value ratio of subordinate mortgage that the Group participate in was approximately 15.7%.

PAWN LOAN BUSINESS

During FY2025, the revenue from the pawn loan business increased from HK\$79.6 million to HK\$87.3 million, representing an increase of 9.7% or HK\$7.7 million. The increase was mainly attributed to the robustness of gold prices and an active second-hand luxury market, especially for luxury watches, thereby positioning the pawn loan business as a strategic hedge against economic cycles.

During the year, the Group has continued to channel resources to advertising and promotion to enhance the Group’s brand exposure. Such effort has generated demand for one-to-one pawn loan appointment services for pawn loans exceeding HK\$0.1 million.

INDUSTRY OVERVIEW

The Federal Reserve System of the United States (“**the Fed’s**”) interest rate cuts were more cautious than market expectations and the global monetary policy tightening cycle has remained. Coupled with escalating geopolitical tensions, these excessive external factors have contributed to a stagnation in global economic growth. The risk aversion sentiments among investors have risen, serving as a driving force behind the growing demand for gold.

During the year, gold price remained relatively volatile at high levels, and has reached new historic highs. Given the ongoing geopolitical tensions and inflationary pressures, we believe that gold prices are likely to remain robust. As long as there are no significant declines in the near term, we expect limited impact on our business.

In addition, the market for pre-owned timepieces, especially luxury watches, continued to be buoyant and served as a catalyst for customers to utilize our pawn loans as a funding channel, thereby supporting the growth of our pawn loan business. Moving forward, we are committed to providing the prestigious customer experience and maintaining our leading position as a preferred pawn loan provider, offering a comprehensive range of flexible financing options.

Along with the limited stimulation on the transaction of the local residential property market by the Hong Kong Government’s proposed measures, the residential property prices in Hong Kong have declined by 7.0% in 2024. As the market supply persists in expanding, it is anticipated that the pace of property launches and the level of market competition will remain intense. We will continue to monitor property price movements closely and seek to capitalize on emerging opportunities to optimize returns for investors and shareholders.

FINANCIAL REVIEW

Revenue

Our Group’s revenue decreased from approximately HK\$179.3 million for the year ended 29 February 2024 (“**FY2024**”) to approximately HK\$164.3 million for FY2025, representing a decrease of approximately HK\$15.0 million or 8.4%. The decrease was attributable to the decrease in our interest income from mortgage business by approximately HK\$22.7 million or 22.8% from approximately HK\$99.7 million in FY2024 to approximately HK\$77.0 million in FY2025, netting off with the increase in our revenue from pawn loan business by approximately HK\$7.7 million or 9.7% from approximately HK\$79.6 million in FY2024 to approximately HK\$87.3 million in FY2025.

Mortgage loan business

The decrease in our interest income from mortgage business was mainly due to the average month end balance for the gross mortgage loans receivables for the year decreased from approximately HK\$821.9 million in FY2024 to approximately HK\$714.3 million in FY2025 with total new mortgage loans granted of approximately HK\$270.0 million during FY2025 (FY2024: approximately HK\$341.2 million).

Pawn loan business

The increase in our pawn loan business was due to the increase in our interest income earned on our pawn loan receivables by approximately HK\$3.3 million or 4.5% from approximately HK\$72.9 million in FY2024 to approximately HK\$76.2 million in FY2025, together with the increase in revenue from disposal of repossessed assets by approximately HK\$4.4 million.

The increase in our interest income earned on our pawn loan receivables was mainly attributable to the amount of new pawn loan receivables granted increased from approximately HK\$819.0 million in FY2024 to approximately HK\$872.0 million in FY2025.

Revenue from disposal of repossessed assets represents the gain/(loss) of the Group as we sold the repossessed assets in the event of default in repayment of our pawn loans. The increase in our gain on disposal of repossessed assets in FY2025 was mainly due to the increase in the gold price per ounce from around US\$2,200 in March 2024 to around US\$2,900 in February 2025. Since every pawn loan has a loan term of four lunar months, the revenue increased with the appreciation of gold price during FY2025 and thus the increase in gain on disposal of repossessed assets in FY2025 was recorded.

Other income, gains or losses

Other income increased from approximately HK\$4.7 million in FY2024 to approximately HK\$11.7 million in FY2025, representing an increase of approximately HK\$7.0 million or 148.9%, which was mainly due to (i) the increase in dividend income from financial assets at FVPL of approximately HK\$2.3 million while no such income was received in FY2024, (ii) the increase of gain from changes in fair value of financial assets at FVPL of approximately HK\$2.2 million since the Group subscribed an unlisted fund in March 2024 and (iii) the increase in bank interest income by approximately HK\$3.3 million; netting off with the decrease in the rental income of approximately HK\$0.6 million in FY2025.

Operating expenses

Operating expenses increased by approximately HK\$1.6 million or 2.7% from approximately HK\$59.5 million in FY2024 to approximately HK\$61.1 million in FY2025.

During FY2025, staff costs increased by approximately HK\$2.1 million or 6.6% from approximately HK\$31.7 million in FY2024 to approximately HK\$33.8 million in FY2025. The increase was mainly contributed by the increase in the salaries and other benefits to staff of approximately HK\$2.2 million.

According to HKFRS 16, all operating lease with contract terms of more than 1 year should be treated as finance lease. Thus, the contractual liabilities for the rental agreements are discounted and recognised as lease assets. Rental expenses and depreciation for right-to-use assets slightly decreased by approximately HK\$0.2 million or 1.7% from approximately HK\$12.1 million in FY2024 to approximately HK\$11.9 million in FY2025. The decrease was mainly due to the relocation of one of our pawnshops in Shatin in March 2024 in order to lower the rental cost, netting off with leasing a hostel for imported labours in November 2024.

Apart from staff costs, rental expenses and depreciation for right-to-use assets as mention above, other operating expenses decreased by approximately HK\$0.3 million or 1.9% from approximately HK\$15.7 million in FY2024 to approximately HK\$15.4 million in FY2025. This was mainly due to the decrease in legal and professional fees by approximately HK\$0.7 million.

Finance costs

During the year, the finance costs decreased by approximately HK\$2.2 million or 36.1% from approximately HK\$6.1 million in FY2024 to approximately HK\$3.9 million in FY2025. It was mainly due to the decrease in debt securities issued in FY2025.

Impairment losses recognised on loan receivables

During FY2025, the impairment losses recognised on loan receivables of approximately HK\$46.3 million (FY2024: 15.1 million) were measured based on the requirement under HKFRS 9.

The impairment losses recognised on pawn loan receivables by approximately HK\$4.6 million in FY2025 represented a further impairment made on the pawn loan agreements (same pawn loan agreements impaired in FY2024) 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 amount and interest.

The impairment losses recognised on mortgage receivables by approximately HK\$41.7 million in FY2025 represented the impairment made on several first mortgage loans (some of them represented a further impairment on mortgage loans which had been impaired in FY2024) and several 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 FY2025, 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 impairment losses recognised on pawn loan receivables by approximately HK\$4.8 million in FY2024 represented an impairment made on four pawn loan agreements where the management considered there was an increased likelihood of the value of the collaterals of these four loans not being able to fully cover the underlying outstanding loan amount and interest. Among these four pawn loans, one of them had been fully written-off during FY2024.

The impairment losses recognised on mortgage receivables by approximately HK\$10.3 million in FY2024 represented the impairment made on several first mortgage loans and a subordinated mortgage loan. All these mortgage loans are defaulted loans and the management had taken actions on the respective borrowers. Due to a decline in the property prices in FY2024, 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.

Income tax expenses

Our Group's effective tax rate decreased from approximately 16.3% in FY2024 to approximately 13.6% in FY2025.

Profit and total comprehensive income for the year

Our Group's profit for FY2025 decreased to approximately HK\$55.9 million from approximately HK\$86.4 million in FY2024, representing a decrease of approximately HK\$30.5 million or 35.3%.

The decrease was mainly attributable to (i) the decrease in revenue by approximately HK\$15.0 million, and (ii) the increase in impairment losses recognised on loan receivables amounted to approximately HK\$31.2 million, netting off with (i) the increase in other income amounted to approximately HK\$7.0 million and (ii) the decrease in finance costs and income tax expenses amounted to approximately HK\$2.2 million and approximately HK\$8.0 million respectively.

Liquidity and financial resources

The Group adopts a prudent funding and treasury policy and maintained a healthy financial position during FY2025. During FY2025, the Group's operational and capital requirements were financed principally through retained earnings, bank loans and overdrafts, loans from the immediate holding company and debt securities issued. All borrowings of the Group are denominated at HKD.

As at 28 February 2025, all outstanding interest-bearing bank loans and overdrafts were repayable in one year and bore interest at variable rates. The bank loans and overdrafts were secured by a corporate guarantee executed by the Company. During FY2025, the Group had fulfilled all the financial covenants, if any, under the Group's banking facilities.

As at 28 February 2025, 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.

During FY2025, all the debt securities issued were fully repaid.

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, retained earnings and share capital.

As at 28 February 2025, cash and cash equivalents (net of bank overdraft) amounted to approximately HK\$215.7 million, representing a net increase of approximately HK\$45.1 million as compared to the position as at 29 February 2024. The increase was attributable to the following items:

	For the year ended 28 February 2025 HK\$'000	For the year ended 29 February 2024 HK\$'000
Net cash generated from operating activities	151,767	72,079
Purchase of financial assets at FVPL	(38,181)	–
Payments for the purchase of plant and equipment	(675)	(1,785)
Repayments of debt securities	(26,000)	(12,000)
Net repayments of bank loans	(10,000)	–
Payments for repurchase of shares	(631)	–
Dividend paid	(26,981)	(36,810)
Finance costs paid	(3,351)	(5,406)
Dividend received from financial assets at FVPL	2,172	–
Other net outflow	(3,065)	(7,865)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	45,055	8,213

Pledge of assets

As at 29 February 2024, the Group had pledged its mortgage loan receivables with net book value of approximately HK\$335.7 million for the purpose of obtaining facilities from banks and other independent third parties. No assets had pledged as at 28 February 2025.

Contingent liabilities

There were no significant contingent liabilities for the Group as at 28 February 2025.

Capital commitments

During FY2025, the Group has an investment commitment related to a capital contribution obligation for an unlisted fund. Total investment commitment which has been contracted but not yet reflected in the consolidated financial statements amounted to approximated HK\$73.8 million as at 28 February 2025. There were no significant commitments for capital expenditure as at 29 February 2024.

Key financial ratios

	As at 28 February 2025	As at 29 February 2024
Current ratio ⁽¹⁾	18.1x	11.1x
Gearing ratio ⁽²⁾	4.3%	7.7%
	For the year ended 28 February 2025	For the year ended 29 February 2024
Return on total assets ⁽³⁾	4.7%	7.3%
Return on equity ⁽⁴⁾	5.0%	8.0%
Net profit margin ⁽⁵⁾	34.0%	48.2%
Net interest margin ⁽⁶⁾	16.5%	16.4%
– pawn loan services	40.0%	37.7%
– mortgage loan services	10.3%	11.5%

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 and overdrafts, loans from the immediate holding company, other loans and debt securities issued) by total equity as at the respective year end.
- (3) Return on total assets is calculated by dividing profit for the year by the total assets as at the respective year end.
- (4) Return on equity is calculated by dividing profit for the year by the total equity as at the respective year end.
- (5) Net profit margin is calculated by dividing profit for the year by the turnover for the respective year.
- (6) Net interest margin during the year refers to our interest income in respect of our pawn loans and mortgage loans less the respective 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 increased from approximately 11.1 times as at 29 February 2024 to approximately 18.1 times as at 28 February 2025. The increase is mainly due to the repayment of bank loans and overdrafts and debt securities issued which were amounted to approximately HK\$10.0 million and approximately HK\$26.0 million respectively.

Gearing ratio

Our Group's gearing ratio decreased from approximately 7.7% as at 29 February 2024 to approximately 4.3% as at 28 February 2025, which was mainly triggered by the repayment of bank loans and overdrafts and debt securities issued which were amounted to approximately HK\$10.0 million and approximately HK\$26.0 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 7.3%, 8.0% and 48.2% in FY2024 to 4.7%, 5.0% and 34.0% in FY2025 respectively, which was mainly due to the impairment losses recognised on loan receivables by approximately HK\$46.3 million in FY2025.

Net interest margin

There was a slightly increase in our net interest margin from approximately 16.4% in FY2024 to approximately 16.5% in FY2025.

PROSPECTS

Looking ahead, the global economy is anticipated to continue its moderate recovery, while macroeconomic policy uncertainties are expected to persist. The Directors believe that the Hong Kong property market will experience cautious trajectory. To inject impetus into the profit growth, the Group strategically partnered with PACM Group to establish a fund which marked our entry into the real estate private credit institutional investment management sector. We will proactively explore expansion opportunities in developed markets and maintain prudent investment oversight to mitigate market risks and maximize returns for investors and shareholders.

In order to further enhance customer experience and maintain robust operational profitability, the Group will continue to review strategic shop locations and explore potential acquisition opportunities within the established pawn businesses. These initiatives aim to strengthen our market-leading position and ensure sustainable long-term growth amid evolving industry dynamics.

HUMAN RESOURCES

As at 28 February 2025, our Group had a total of 50 staff (29 February 2024: 50). Total staff costs (including Directors' emoluments) were approximately HK\$33.8 million for FY2025 (FY2024: approximately HK\$31.7 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 mainly include contributions to statutory mandatory provident fund scheme to our Group's employees in Hong Kong.

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

During FY2025, the Company repurchased a total of 2,928,000 shares of the Company on the Stock Exchange at the aggregate consideration of approximately HK\$0.6 million (before expenses). All the repurchased shares were cancelled during FY2025.

Particulars of the repurchases are as follows:

Month	Number of shares repurchased	Purchase price per share		Aggregate Consideration (before expenses) (HK\$'000)
		Highest (HK\$)	Lowest (HK\$)	
October 2024	1,984,000	\$0.221	\$0.215	427
November 2024	944,000	\$0.217	\$0.215	204
Total	2,928,000			631

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

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during FY2025.

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 agreed to subscribe for limited partnership interests in PACM OW Global Special Situation Fund II L.P. ("**the Fund**") at the amount of HK\$112,000,000. For details of the subscription, please refer to the Company's announcements dated 12 March 2024 and 17 April 2024.

The investment objective of the Fund is to achieve long-term capital appreciation through investment strategies including asset-backed direct lending, non-performing debt acquisition, acquisition financing, stretch senior financing, project financing, bridge financing, and other debt related strategies. The geographic focus is Hong Kong and overseas (especially in developed markets of common law jurisdictions).

As at 28 February 2025, the Group has contributed approximately HK\$38.2 million to the Fund. The fair value of the Group's investment in the Fund amounted to approximately HK\$40.4 million as at 28 February 2025, representing approximately 3.4% of the Group's total assets. For FY2025, the Group had, through the Fund, received dividend of approximately HK\$2.3 million.

Save as disclosed above, our Group did not hold any significant investments and did not engage in any material acquisitions or disposals during FY2025.

FOREIGN CURRENCY EXPOSURE

The business activities of the Group were denominated in HKD. The Directors did not consider the Group was exposed to any significant foreign exchange risks during FY2025. As the impact from foreign exchange exposure was minimal, the Directors were of the view that no hedging against foreign currency exposure was necessary. 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 exchange related risks.

EVENTS AFTER THE REPORTING PERIOD

There was no important or significant event that affects the business of the Group subsequent to 28 February 2025.

CORPORATE GOVERNANCE CODE

Our Company has adopted the code provisions set out in the Corporate Governance Code (the “**Code Provisions**”) contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Throughout FY2025, our Company complied with the Code Provisions, save for the deviation from Code Provision C.2.1 which is explained below.

Code Provision C.2.1 requires that the roles of the chairman and the chief executive to 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.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the standard set out in Appendix 10 (Model Code for Securities Transactions by Directors of Listed Issuers) (the “**Model Code**”) to the Listing Rules, in relation to the dealings in securities of the Company by the Directors.

Having made specific enquiries with all Directors, each Director has confirmed that he/she has complied with the standard set out in the Model Code throughout FY2025 and up to the date of this announcement.

CHANGE IN INFORMATION OF DIRECTORS

Mr. Chan Chart Man, a former Director, passed away and ceased to be an executive Director on 16 July 2024. Please refer to the announcement of the Company dated 18 July 2024 for further details.

REVIEW OF FINAL RESULTS BY THE AUDIT COMMITTEE

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

The Audit Committee has discussed with the management of the Company about the internal control and financial reporting matters including the accounting principles and practices related to the preparation of the consolidated financial statements for FY2025, and it has not identified any significant deficiency or material weakness. The Audit Committee has also reviewed the consolidated financial statements for FY2025 with the management and the auditor of the Company and recommended them to the Board for approval.

SCOPE OF WORK PERFORMED BY AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 28 February 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an 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 SHINEWING (HK) CPA Limited on the preliminary announcement.

ANNUAL GENERAL MEETING

The annual general meeting of our Company for FY2025 is scheduled to be held on Thursday, 31 July 2025 (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 Tuesday, 27 May 2025 (the “**Board Meeting**”), our Directors recommended the payment of a final dividend (the “**Final Dividend**”) of 0.81 cents per ordinary share, together with the interim dividend of 0.64 cents per share declared and paid during FY2025, represent 49.94% of the profit attributable to the Shareholders for FY2025.

The Final Dividend is subject to approval by the Shareholders at the AGM and will be paid on Wednesday, 21 August 2025 to the Shareholders whose names appear on the register of members of our Company at the close of business on Friday, 8 August 2025.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the identity of our Shareholders who are entitled to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with our Company’s Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, no later than 4:30 p.m. on Friday, 25 July 2025. The register of members of our Company will be closed from Monday, 28 July 2025 to Thursday, 31 July 2025, both days inclusive, during which period no transfer of shares will be registered.

In order to establish the identity of the Shareholders of our Company who are entitled to the Final 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 Tuesday, 5 August 2025. The register of members of our Company will be closed from Wednesday, 6 August 2025 to Friday, 8 August 2025, both days inclusive, during which no transfer of shares will be registered.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is also published on our Company's website (www.pawnshop.com.hk) and the designated website of the Stock Exchange (www.hkexnews.hk). The annual report for the year ended 28 February 2025 containing all relevant information required by the Listing Rules will be disseminated to our Shareholders and will be 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, 27 May 2025

As at the date of this announcement, the Board comprises Mr. Chan Kai Ho Edward (Chief Executive Officer and Chairman), Ms. Chan Mei Fong and Ms. Chan Ying Yu as executive Directors; Mr. Chan Kai Kow Mackston 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.