



## **Oi Wah announces its 2014 - 2015 Interim Results**

*Profit attributable to shareholders surges 143.8%*

*Interest income from mortgage business increases 190%*

### **Financial Highlights**

HK\$'000	Six months ended 31 August		
	2014	2013	Change
Revenue	68,824	42,010	+63.8%
Profit before taxation	44,104	18,797	+134.6%
Profit for the year attributable to shareholders of the Company	36,822	15,102	+143.8%
Net profit margin	53.5%	35.9%	--
Earnings per share (HK cents)	8.2	3.8	+115.8%
Dividend per share (HK cents)	2.4	--	--

(23 October 2014 – Hong Kong) The board of directors of **Oi Wah Pawnshop Credit Holdings Limited** (HKEx stock code: 1319, the “Group” or “Oi Wah”) announced its interim results and financial position for the six months ended 31 August 2014. Profit for the year attributable to shareholders of the Company has surged by 143.8% and reached approximately HK\$36.82M (six months ended 31 August 2013: approximately HK\$15.10M). The Board of Directors recommends an interim dividend of HK\$2.4 cents (six months ended 31 August 2013: Nil).

During the reporting period, the Group recorded turnover of approximately HK\$68.82M (six months ended 31 August 2013: approximately HK\$42.01M), representing an increase of approximately HK\$26.81M or 63.8%. The increase was mainly attributable to an increase in the Group’s interest income earned on its mortgage loan receivables amounted to approximately HK\$24.76M or 190.2%. The profit attributable to shareholders was HK8.2 cents per share (six months ended 31 August 2013: HK3.8 cents per share).

## **Business Review**

### ***Pawn Loan Business***

During the reporting period, the pawn loan business remained one of the major sources of income for the Group. The interest income from the pawn loan business maintained stable and has slightly increased to approximately HK\$28.7 million (six months ended 31 August 2013: HK\$28.1 million), representing an increase of approximately 2.1%. The aggregated amount of new pawn loans granted was HK\$286.4 million (six months ended 31 August 2013: HK\$254.1 million). The number of pawn loan transactions with large loan amount recorded a steady growth, with the average loan amount of transaction increased to HK\$4,900 (six months ended 31 August 2013: HK\$3,900). As a result of advertising effect, the demand for one-to-one pawn loan appointment services for pawn loan amount that exceed HK\$0.1 million has increased and the number of pawn loan transactions with such amount granted increased from 92 transactions in FP2014 to 145 transactions in FP2015, representing an increase of 53 pawn loan transactions.

### ***Mortgage loan business***

The mortgage loan business has continued to show a rapid growth within the reporting period due to the Group's continued expansion of loan portfolio. During the reporting period, the turnover contribution from the Group's mortgage loan business has exceeded that from its pawn loan business. During the reporting period, the interest income rose significantly to HK\$37.8 million (six months ended 31 August 2013: approximately HK\$13.0 million), representing an increase of 190.8%. The number of transaction of new mortgage loan granted increased to 113 (six months ended 31 August 2013: 99) and the total amount of new mortgage loans granted increased significantly to approximately HK\$337.2 million (six months ended 31 August 2013: approximately HK\$196.2 million). There was no bad debt recorded during the period.

## **Prospects**

Looking forward, our Group will continue to actively expand our business. In regards of our pawn loan business, we will enhance our advertising effort of our hotline and one-on-one pawn loan service by appointment, which usually involves transactions of larger loan amounts.

Mortgage loan business will remain the driving force for growth, and the Group will channel more resources to develop this business. The Group will position itself to capture the high-end secured loan market and target on high net worth customer. We will also continuously engage in co-lender loan business with the aim of diversifying the risk.

Considering the uncertainties of the property market caused by the stringent government policy, our Group will continue to adopt a more conservative approach to valuation and maintain a lower loan-to value ratio based on the value of the mortgaged properties determined by independent valuers.

Mr. Edward Chan, Chairman and CEO of the Company, said, "We are optimistic and positive about our future prospects. Our pawn loan business and mortgage loan business are complementary to each other. With the "Oi Wah" brand's market recognition, we believe that our Group is well positioned to capture more market share. Looking forward, we will strive to increase our interest margin to secure a larger source of income."

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### **About Oi Wah Pawnshop Credit Holdings Limited**

Oi Wah is a financing service provider in Hong Kong, mainly providing secured financing, including pawn loans and mortgage loans. According to the Ipsos Report, Oi Wah is the largest pawn loan service provider in Hong Kong in 2011 in terms of loan amount granted and number of pawnshops, and has been constantly growing since. The Group established its first pawnshop in 1975 and currently owns 12 pawnshops in various locations in Hong Kong. Oi Wah diversified into mortgage loan business in 2009.