

EASY REPAY FINANCE & INVESTMENT LIMITED
易還財務投資有限公司

(Continued into Bermuda with limited liability)

(Stock code: 8079)

**INTERIM RESULTS ANNOUNCEMENT FOR
THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG
LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors (the “Directors”) of Easy Repay Finance & Investment Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- Revenue of the Group for the six months ended 30 September 2020 was approximately HK\$61.9 million (six months ended 30 September 2019: HK\$51 million).
- Loss attributable to owners of the Company for the six months ended 30 September 2020 was approximately HK\$6.0 million (six months ended 30 September 2019: Loss approximately HK\$4.3 million).
- The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

INTERIM RESULTS

The Board of the Company present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and six months ended 30 September 2020, together with the comparative figures for the corresponding period in 2019 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Revenue	2	33,493	22,856	61,886	51,019
Cost of sales		(11,959)	(5,861)	(24,313)	(18,622)
Gross profit		21,534	16,995	37,573	32,397
Investment and other income	2	67	892	67	1,297
Other (losses) and gains, net	2	(572)	(145)	714	1,042
Servicing, selling and distribution costs		(2,787)	(2,646)	(4,811)	(4,755)
Administrative expenses		(23,349)	(18,588)	(40,118)	(34,051)
Operating loss		(5,107)	(3,492)	(6,575)	(4,070)
Finance costs		(49)	(332)	(49)	(661)
Share of result of a joint venture	10	(85)	(214)	(225)	(261)
Share of results of associates	9	(744)	287	(99)	589
Loss before income tax	4	(5,985)	(3,751)	(6,948)	(4,403)
Income tax	5	-	-	-	-
Loss for the period		(5,985)	(3,751)	(6,948)	(4,403)

	For the three months ended 30 September		For the six months ended 30 September	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Notes</i>				
Other comprehensive income:				
Changes in fair value of financial assets at fair value through other comprehensive income	19	–	19	–
Other comprehensive income for the period	<u>19</u>	<u>–</u>	<u>19</u>	<u>–</u>
Total comprehensive loss for the period	<u>(5,966)</u>	<u>(3,751)</u>	<u>(6,929)</u>	<u>(4,403)</u>
Loss attributable to:				
Owners of the Company	(5,186)	(3,628)	(6,034)	(4,255)
Non-controlling interests	<u>(799)</u>	<u>(123)</u>	<u>(914)</u>	<u>(148)</u>
	<u>(5,985)</u>	<u>(3,751)</u>	<u>(6,948)</u>	<u>(4,403)</u>
Total comprehensive loss attributable to:				
Owners of the Company	(5,167)	(3,628)	(6,015)	(4,255)
Non-controlling interests	<u>(799)</u>	<u>(123)</u>	<u>(914)</u>	<u>(148)</u>
	<u>(5,966)</u>	<u>(3,751)</u>	<u>(6,929)</u>	<u>(4,403)</u>
Loss per share attributable to owners of the Company				
Basic and diluted	<u>(HK2.16 cents)</u>	<u>(HK1.65 cents)</u>	<u>(HK2.51 cents)</u>	<u>(HK1.94 cents)</u>

7

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

		As at 30 September 2020 (Unaudited) <i>HK\$'000</i>	As at 31 March 2020 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	8	11,434	16,415
Interests in associates	9	10,710	20,294
Interests in a joint venture	10	130	355
Financial assets at fair value through other comprehensive income	11	16,019	–
Right-of-use assets		3,995	5,279
Deposits, prepayments and other receivables		1,533	64
Loans and advances to customers	13	<u>47,843</u>	<u>95,326</u>
		<u>91,664</u>	<u>137,733</u>
Current assets			
Inventories		6,225	3,632
Trade receivables	14	15,180	5,665
Deposits, prepayments and other receivables		11,169	2,776
Loans and advances to customers	13	183,430	178,727
Financial assets at fair value through profit or loss	12	3,572	240
Amounts due from associates		–	1,341
Tax Recoverable		146	241
Pledged bank deposits		1,003	1,003
Asset classified as held for sale		–	–
Cash and cash equivalents	15	<u>61,852</u>	<u>47,438</u>
		<u>282,577</u>	<u>241,063</u>

	<i>Notes</i>	As at 30 September 2020 (Unaudited) <i>HK\$'000</i>	As at 31 March 2020 (Audited) <i>HK\$'000</i>
LIABILITIES			
Current liabilities			
Trade and other payables		14,389	8,441
Contract liabilities		207	1,054
Amount due to an associate		–	1,012
Amount due to a joint venture		100	86
Lease liabilities		3,368	3,858
Income tax payable		95	95
		<u>18,159</u>	<u>14,546</u>
Net current assets		<u>264,418</u>	<u>226,517</u>
Total assets less current liabilities		<u>356,082</u>	<u>364,250</u>
Non-current liabilities			
Lease Liabilities		119	658
Deferred tax liabilities		500	500
		<u>619</u>	<u>1,158</u>
Net assets		<u><u>355,463</u></u>	<u><u>363,092</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	2,404	2,404
Reserves		353,059	358,314
		<u>355,463</u>	<u>360,718</u>
Non-controlling interests		<u>–</u>	<u>2,374</u>
Total equity		<u><u>355,463</u></u>	<u><u>363,092</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2020

	Equity attributable to the owners of the Company									
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Capital reserves <i>HK\$'000</i>	Investment revaluation reserves <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 April 2019	2,189	353,125	(112,597)	28,392	-	-	145,926	417,035	2,868	419,903
Loss for the period	-	-	(4,255)	-	-	-	-	(4,255)	(148)	(4,403)
Balance at 30 September 2019	<u>2,189</u>	<u>353,125</u>	<u>(116,852)</u>	<u>28,392</u>	<u>-</u>	<u>-</u>	<u>145,926</u>	<u>412,780</u>	<u>2,720</u>	<u>415,500</u>
Balance at 1 April 2020	2,404	360,009	(176,038)	28,392	-	25	145,926	360,718	2,374	363,092
Loss for the period	-	-	(6,034)	-	-	-	-	(6,034)	(914)	(6,948)
Other comprehensive income:										
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	19	-	-	19	-	19
Total comprehensive income/(loss)	-	-	(6,034)	-	19	-	-	(6,015)	(914)	(6,929)
Acquisition of non-controlling interest	-	-	-	760	-	-	-	760	(1,460)	(700)
Balance at 30 September 2020	<u>2,404</u>	<u>360,009</u>	<u>(182,072)</u>	<u>29,152</u>	<u>19</u>	<u>25</u>	<u>145,926</u>	<u>355,463</u>	<u>-</u>	<u>355,463</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS**

	For the six months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash generated from operating activities	35,684	7,835
Net cash used in investing activities	(20,240)	(439)
Net cash used in financing activities	<u>(1,030)</u>	<u>(4,438)</u>
Net increase in cash and cash equivalents	14,414	2,958
Cash and cash equivalents at the beginning of period	<u>47,438</u>	<u>34,294</u>
Cash and cash equivalents at the end of period	<u><u>61,852</u></u>	<u><u>37,252</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited interim financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and the applicable disclosure requirements of the GEM Listing Rules. The accounting policies used in the preparation of the unaudited condensed consolidated results are consistent with those used in the audited financial statements and notes thereto for the year ended 31 March 2020.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning on 1 April 2020, the adoption has no material impact on the reported results and the financial position of the Group for the current or prior accounting periods; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group’s results and financial position.

The interim results are unaudited but have been reviewed by the Company’s audit committee.

2. Revenue

Revenue represents the aggregate of the net amounts received and receivable from third parties for the six months ended 30 September 2020. There is no seasonality and cyclicity of the operations of the Group. The performance obligation is part of a contract that has an original expected duration of one year or less. Disaggregation revenue from contracts with the customers are as follow:

	For the three months ended 30 September		For the six months ended 30 September	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Revenue from contracts with customers not within the scope of HKFRS 15				
Revenue from money lending	12,757	13,001	21,441	24,824
Revenue from contracts with customers within the scope of HKFRS 15				
Sales of grocery products, coupons, operating a restaurant and frozen food – retail and wholesale	20,736	9,855	40,445	26,195
	<u>33,493</u>	<u>22,856</u>	<u>61,886</u>	<u>51,019</u>
Other (losses)/gains – net				
Net exchange gains/(losses)	11	(10)	11	(21)
Fair value losses on financial assets at fair value through profit or loss	(734)	(239)	(546)	(43)
(Losses)/gains on disposal of financial assets at fair value through profit or loss	(5)	538	(11)	854
Bank interest income	71	92	71	92
Government grants	2,700	–	3,300	–
Loss on disposal of non-current assets	(1,740)	–	(1,740)	–
Loss on disposal of an associate	(1,291)	–	(1,291)	–
Others	483	366	987	1,457
	<u>(505)</u>	<u>747</u>	<u>781</u>	<u>2,339</u>

3. Segment information

The Group determines its operating segments based on the reports reviewed by the chief executive directors and the management staff that are used to make strategic decisions.

An analysis of the Group's reportable operating segments results before income tax for the period is as follows:

For the six months ended 30 September 2020 (Unaudited)

	Money lending <i>HK\$'000</i>	Retail and wholesale business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Revenue from external customers	21,441	40,445	61,886
Other revenue and other gains – net	<u>1,896</u>	<u>351</u>	<u>2,247</u>
	<u>23,337</u>	<u>40,796</u>	<u>64,133</u>
Segment results	<u>3,311</u>	<u>5,887</u>	<u>9,198</u>
Unallocated income			46
Unallocated expenses			<u>(15,819)</u>
Operating loss			(6,575)
Finance costs			(49)
Share of result of a joint venture			(225)
Share of results of associates			<u>(99)</u>
Loss before income tax			(6,948)
Income tax			<u>–</u>
Loss for the period			<u>(6,948)</u>

3. Segment information (Continued)

For the six months ended 30 September 2019
(Unaudited)

	Money lending <i>HK\$'000</i>	Retail and wholesale business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:			
Revenue from external customers	24,824	26,195	51,019
Other revenue and other gains – net	<u>647</u>	<u>1,692</u>	<u>2,339</u>
	<u>25,471</u>	<u>27,887</u>	<u>53,358</u>
Segment results	<u>6,933</u>	<u>(5,038)</u>	<u>1,895</u>
Unallocated income			1,552
Unallocated expenses			<u>(7,517)</u>
Operating loss			(4,070)
Finance costs			(661)
Share of result of a joint venture			(261)
Share of results of associates			<u>589</u>
Loss before income tax			(4,403)
Income tax			<u>–</u>
Loss for the period			<u>(4,403)</u>

Geographical information

Revenue from external customers by geographical markets:

	For the six months ended 30 September	
	2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>
Hong Kong	<u>61,886</u>	<u>51,019</u>

4. Loss before income tax

Loss before income tax is stated at after charging/(crediting) the following:

	For the three months ended 30 September		For the six months ended 30 September	
	2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>	2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>
Auditors' remuneration	200	200	400	400
Cost of inventories recognised as expenses	11,959	5,861	24,313	18,622
Depreciation	1,354	1,467	2,710	3,064
Minimum lease payments under operating lease	57	311	114	622
Provision for impairment on loans	2,497	(431)	2,735	769
Rental income net of outgoings in respect of office premises	37	40	67	81
	<u>37</u>	<u>40</u>	<u>67</u>	<u>81</u>

5. Income tax

	(Unaudited) six months ended 30 September	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current tax: Hong Kong – Charge for the period	<u>–</u>	<u>–</u>

No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2020 as the Group have no assessable profits for Hong Kong Profits tax purpose (six months ended 30 September 2019: Nil).

6. Interim dividend

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

7. Loss per share

The calculation of basic and diluted earnings per share for the three months ended 30 September 2020 is based on the loss attributable to shareholders of approximately HK\$5,186,000 (three months ended 30 September 2019: approximately loss HK\$3,628,000) and the weighted average number of 240,359,354 ordinary shares in issue during the period (three months ended 30 September 2019: 218,894,354 shares).

The calculation of basic and diluted earnings per share for the six months ended 30 September 2020 is based on the loss attributable to shareholders of approximately HK\$6,034,000 (six months ended 30 September 2019: approximately loss HK\$4,255,000) and the weighted average number of 240,359,354 ordinary shares in issue during the period (six months ended 30 September 2019: 218,894,354 shares).

8. Property, plant and equipment

	As at 30 September 2020 (Unaudited) <i>HK\$'000</i>	As at 31 March 2020 (Audited) <i>HK\$'000</i>
At beginning of the period/year	16,415	19,990
Additions	2,950	3,295
Disposal	(15,442)	(1,741)
Derecognised upon disposal of a subsidiary	–	(258)
Reclassified as held for sale	–	–
Depreciation	(2,710)	(6,464)
Written back on disposals	10,221	1,593
	<u>11,434</u>	<u>16,415</u>

9. Interests in associates

	As at 30 September 2020 (Unaudited) <i>HK\$'000</i>	As at 31 March 2020 (Audited) <i>HK\$'000</i>
Unlisted shares, at cost	12,050	19,588
Share of post-acquisition profits/(losses)	1,068	3,045
Less: impairment loss	(2,408)	(2,339)
	<u>10,710</u>	<u>20,294</u>

The amounts due from associates are unsecured, interest free and repayable on demand.

9. Interests in associates (Continued)

Particulars of the material associates as at 30 September 2020 are as follows:

Name of associates	Class of shares held	Particulars of paid up capital	Proportion of ownership interest held by the Group		Principal activities	Place of incorporation and operations
			Directly 2020 %	Indirectly 2020 %		
Big Max Limited	Ordinary	HK\$100	20.00	N/A	Operation of a restaurant	Hong Kong
Diamond Brave Limited	Ordinary	HK\$100	20.00	N/A	Operation of a restaurant	Hong Kong
Wing Way Limited	Ordinary	HK\$100	20.00	N/A	Operation of a restaurant	Hong Kong

The movement of amounts due from associates during the period/year is as follows:

	As at 30 September 2020 (Unaudited) <i>HK\$'000</i>	As at 31 March 2020 (Audited) <i>HK\$'000</i>
Amounts due from associates	—	1,341

The movement in the provision for impairment is as follows:

	As at 30 September 2020 (Unaudited) <i>HK\$'000</i>	As at 31 March 2020 (Audited) <i>HK\$'000</i>
Balance at the beginning and at the end of the period/year	—	—

9. Interests in associates (Continued)

The summarised financial information of the Group's associates extracted from their management accounts is as follows:

	For the six months ended 30 September	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Total revenue	<u>27,960</u>	<u>24,139</u>
Total profit for the period	<u>4,967</u>	<u>2,976</u>
The Group's share of results of associates	<u>993</u>	<u>589</u>

Note: On 15 September 2020, the Group disposed of its entire 22% of equity interests in Topwise Global Holdings Limited to an individual third party at a total consideration of HK\$7,180,000.

10. Interests in a joint venture

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
	Unlisted shares, at cost	1,373
Share of post-acquisition losses	<u>(1,243)</u>	<u>(1,018)</u>
	<u>130</u>	<u>355</u>

11. Financial assets at fair value through other comprehensive income

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
	Investment funds	<u>16,019</u>

12. Financial assets at fair value through profit or loss

	As at 30 September 2020 (Unaudited) HK\$'000	As at 31 March 2020 (Audited) HK\$'000
	Listed shares, at fair value (Note a)	<u>3,572</u>

Note a: The fair values of listed equity securities are determined based on the quoted market bid prices available on the relevant stock exchanges.

13. Loans and advances to customers

	As at 30 September 2020 (Unaudited) <i>HK\$'000</i>	As at 31 March 2020 (Audited) <i>HK\$'000</i>
Loans and advances to customers	314,276	355,467
Less: impairment allowances	<u>(83,003)</u>	<u>(81,414)</u>
Loans and advances to customers – net	<u><u>231,273</u></u>	<u><u>274,053</u></u>

Ageing analysis of loans and advances to customers:

	As at 30 September 2020 (Unaudited) <i>HK\$'000</i>	As at 31 March 2020 (Audited) <i>HK\$'000</i>
Within one year	183,430	178,727
Over one year but within five years	28,695	67,802
Over five years	<u>19,148</u>	<u>27,524</u>
	<u><u>231,273</u></u>	<u><u>274,053</u></u>

14. Trade receivables

The aging analysis of trade receivables is as follows:

	As at 30 September 2020 (Unaudited) <i>HK\$'000</i>	As at 31 March 2020 (Audited) <i>HK\$'000</i>
Neither past due nor impaired	<u>15,180</u>	<u>5,665</u>

15. Cash and cash equivalents

	As at 30 September 2020 (Unaudited) <i>HK\$'000</i>	As at 31 March 2020 (Audited) <i>HK\$'000</i>
Cash and cash equivalents in the cash flow statement	<u><u>61,852</u></u>	<u><u>47,438</u></u>

16. Share capital

	As at 30 September 2020 (Unaudited)		As at 31 March 2020 (Audited)	
	No. of shares	HK\$'000	No. of shares	HK\$'000
Authorized:				
Ordinary shares of HK\$0.01 each	<u>30,000,000,000</u>	<u>300,000</u>	<u>30,000,000,000</u>	<u>300,000</u>
Issued and fully paid:				
Ordinary shares of HK\$0.01 each	<u>240,359,354</u>	<u>2,404</u>	<u>240,359,354</u>	<u>2,404</u>

17. Share option schemes

On 4 January 2011, the shareholders of the Company approved to terminate the old share option scheme and adopted a new share option scheme (the "New Scheme").

The major terms of the New Scheme are summarized as follows:

1. The purpose of the New Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group.
2. The Board of Directors may, at its discretion, offer the options to any full-time or part-time employees and Executive, Non-executive and Independent Non-executive Directors of the Company and/or any of its subsidiaries, suppliers, customers, advisors, shareholder of any member of the Group, consultants to subscribe for shares of the Company.
3. The maximum number of ordinary shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme adopted by the Group shall not exceed 30 per cent of the share capital of the Company in issue from time to time.

The total number of ordinary shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the ordinary shares in issue on the date of approval of the New Scheme (the "Scheme Limit") or as at the date of the Shareholders' approval of the refreshed Scheme Limit.

4. The total number of ordinary shares issued and which may fall to be issued upon exercise of the options and the options granted under any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1 per cent. of the issued share capital of the Company for the time being.
5. The exercise period of any option granted under the New Scheme shall be determined by the Board but such period shall not exceed 10 years from the date of grant.
6. The New Scheme does not specify any minimum holding period.
7. The acceptance of an offer of the grant of the option under the New Scheme ("Offer") must be made within 21 days from the date on which the letter containing the Offer is delivered to that participant together with a non-refundable payment of HK\$1.00 from each grantee.
8. The subscription price will be determined by the Board of Directors of the Company and shall not be less than the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company's shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company's shares on the five trading days immediately preceding the date of offer of the options.

17. Share option schemes (Continued)

The New Scheme is valid for ten years from the date of adoption.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options.

For the six months ended 30 September 2020, no option was granted and has 385,000 options were outstanding under the New Scheme.

For the six months ended 30 September 2020, no employee compensation expense has been included in the unaudited condensed consolidated statement of profit or loss and other comprehensive income (six months ended 30 September 2019: Nil).

No liabilities were recognised due to share-based payment transactions.

18. Commitments

Operating lease commitments – where the Group as lessee

As at 30 September 2020, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	As at 30 September 2020 (Unaudited) <i>HK\$'000</i>	As at 31 March 2020 (Audited) <i>HK\$'000</i>
Within one year	76	190
In the second to fifth years, inclusive	—	—
	<u>76</u>	<u>190</u>

19. Contingent liabilities

As at 30 September 2020, except for as disclosed below, the Company did not provide any corporate guarantee to third parties.

Performance Guarantee

The Company provided a performance guarantee for Keep Choice Limited (“KCL”), an associate of the Company, regarding the management, operation and maintenance of New Kowloon Bay Vehicle Examination Centre and the relevant Hong Kong government tender. The letter of guarantee contains no specific amount and until the expiry of such contract. A counter-guarantee of 100% of the guarantee liability was provided by one of the ultimate shareholders of KCL.

The associate was being disposed on 15 September 2020.

20. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation to align with the financial statements presentation of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The money lending business continues to be the core business of the Group and to generate stable income to the Group.

The Company reviewed that the E-commerce is a part of the modern urban lifestyle in Hong Kong. The Group has been developing the retails and online sales business since year 2015. The Group will continue to develop self-own brand products, namely Master Chef Series and FRESHNESSMART, Dawooyeon Hanwoo, 李朝, 月姐滋養湯 and 老蕭燉湯 and source different types of products from local or overseas suppliers to satisfy the ever-changing demand of our customers.

The Company has a trial step into the local catering market in December 2019. It is expected to increase the revenue and market share in Hong Kong.

Operation Review

Revenue of the Group for the six months ended 30 September 2020 (the “Six-month Period”) was approximately HK\$61.9 million, and the corresponding period of last year was approximately HK\$51.0 million. Loss attributable to owners of the Company for the Six-month Period was approximately HK\$6.0 million and the loss of corresponding period in 2019 was HK\$4.3 million.

Money Lending Business

The Group has actively participating in money lending business for more than seven years. A solid client base was built. For the Six-month Period, revenue for this segment under review was approximately HK\$21.4 million. It is expected to generate sustainable income in the coming future.

The economic activities and business sentiment have been affected by the novel coronavirus infection. Many enterprises suffer from a plunge in business turnover, resulting in a liquidity problem, in particular those small and medium enterprises which have difficulty in obtaining commercial bank loans due to their scale of operation. This may provide potential opportunities for licensed money lenders, particularly when banks’ attitudes have become more conservative under the worsened economic environment, notwithstanding that the Group has become more cautious in its lending given the weakening economy in Hong Kong which may give rise to more bad debts in the industry.

Retail and Wholesale Business

The Group is operating 3 retail shops which located in Wanchai, Lai Chi Kok and Tai Po and online business for the sales of grocery products. Beyond the general products like frozen food, the Group will focus more the in-house ready-to-eat products for the public.

The Group has also been developing the wholesale business since year 2015. However, the wholesale business is highly competitive and the Group is streamlining the business segment.

The Group has been operating a Korean BBQ restaurant in Hong Kong since December 2019. We will continue to monitor the operation and develop new market in order to increase the revenue and market share.

Revenue for this segment for the six months ended 30 September 2020 was approximately HK\$40.4 million and the corresponding period in 2019 was of HK\$26.2 million.

In view of the recent novel coronavirus outbreak, the Group's retail and restaurant business may be potentially affected. However, this may hasten the shift of consumers' behaviour to shop online instead of physical shops as consumers stay at homes and avoid going to crowded areas in the wake of the novel coronavirus, which may in turn stimulate the Group's existing online retail business, mitigating the potential adverse impact on the Group's retail and restaurant business. Although it is difficult to estimate how long the novel coronavirus will remain, consumers currently have a higher tendency and frequency to shop online than before. It is expected that after experiencing online shopping for several months, certain consumers may change their shopping behaviour from offline to online. This may provide potential opportunities for retailers with an online presence.

The Group is going to set up a new retail shop with approximately 2,000 sq. ft. at Kowloon Bay which will be opened in December 2020.

Disposal of 22% Equity Interest in an Associate

On 15 September 2020, Century Forever Limited, a wholly-owned subsidiary of the Company (the "Vendor"), Topwise Global Holdings Limited (the "Purchaser") and Mr. Wong Hei Yan (the "Guarantor") entered into the sale and purchase agreement ("SPA") in respect of the disposal of 2,200 shares of the Purchaser, representing 22% of the issued share capital of the Purchaser ("Sale Shares"). Pursuant to the SPA, the Vendor agreed to sell, and the Purchaser agreed to repurchase, the Sale Shares at a consideration of HK\$7,180,000 ("Disposal").

The Guarantor agrees to provide unconditional and irrevocable guarantee for the full performance of all obligations of the Purchaser under the SPA and all losses suffered and expenses incurred by the Vendor arising from any breach of the SPA by the Purchaser.

Immediately after completion of the Disposal, the Purchaser will cease to be an associate of the Company and the financial results of the Purchaser will no longer be consolidated into the Group's financial statements.

Details of the Disposal was disclosed in the announcement dated 15 September 2020.

Disposal of Assets

On 14 August 2020, Vision Lion Limited (the "Vendor"), a subsidiary of the Company and Mr. John Anthony Lim (the "Purchaser") signed an agreement ("Agreement"), pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase a Vessel at consideration of US\$500,000 (after setting off against the repairing fee, the final consideration was adjusted to US\$450,000) ("Disposal").

Details of the Disposal was disclosed in the announcement dated 14 August 2020.

Outlook

The Group will continue to look for opportunities to further improve its existing business and explore new investments to broaden the business scope of the Group with the ultimate goal to maximize the return to our shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally financed its operations with internally generated cash flows. As at 30 September 2020, the Group had cash and cash equivalents of approximately HK\$61.9 million (31 March 2020: HK\$47.4 million).

As at 30 September 2020, the Group's gearing ratio, expressed as a percentage of total borrowings, (comprising amounts due to related parties, borrowings and obligation under a finance lease) less cash and cash equivalents then divided by total equity, was nil (31 March 2020: Nil).

CHARGES ON GROUP'S ASSET

As at 30 September 2020, except for the pledged bank deposits, financial instruments of approximately of HK\$1 million was pledged as collateral to securities brokers for margin financing granted to the Group. As at 30 September 2020, no margin financing was utilised by the Group.

TREASURY POLICIES

Cash and bank deposits of the Group are mainly in Hong Kong dollars, Renminbi and US dollar.

For most of the transactions of the Group are denominated in Hong Kong dollars, no hedging or other arrangements to reduce the currency risk have been implemented.

EMPLOYEES

As at 30 September 2020, the Group had around 90 (30 September 2019: 108) full-time and part-time employees. The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 September 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange were as follows:

Name	Personal Interests	Approximate percentage to the issued share capital of the Company as at 30 September 2020
Mr. Law Ka Kei (<i>note</i>)	2,185,000	0.91%

Note:

1. Mr. Law Ka Kei is the Executive Director of the Company.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as known to the Directors, as at 30 September 2020, the Directors were not aware of any other person (other than the Directors and chief executive of the Company as disclosed above) who had an interests or short position in the shares or underlying shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

Name	No. of Shares	Approximate percentage to the issued share capital of the Company as at 30 September 2020
Bai Yu	26,093,500	10.86%
Able Rich Consultants Limited (<i>note</i>)	82,288,613	34.23%

Note:

82,288,613 shares of the Company are held by Able Rich Consultants Limited (“Able Rich”), a wholly-owned subsidiary of Rich Treasure Group Limited (“Rich Treasure”), of which Mr. Shiu Yeuk Yuen is the sole director and shareholder of that company.

As confirmed by a supplemental deed dated 29 May 2020 entered into between, among others, Popland Investments Limited as borrower, Able Rich, Rich Treasure and Cheung Siu Fai as lender relating to a HK\$327,000,000 term loan facility agreement dated 18 October 2017 (the “Supplemental Deed”), whereby the parties thereto agreed that the share charge dated 18 October 2017 shall be effective upon satisfaction of all conditions precedent stated in the Supplemental Deed. Details of the Supplemental Deed was disclosed in the circular dated 1 June 2020.

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

During the Six-month Period, None of the members of the Group purchased, sold or redeemed any of the Group's listed securities.

RELATED PARTY TRANSACTIONS

There was no transactions to be disclosed as related party transactions in accordance with the requirements of the GEM Listing Rules.

COMPETING INTEREST

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company has an interest in a business, which competes or may compete with the business of the Group.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the "Required Standard of Dealings") of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the Six-month Period.

As of the date of this report, the Board of Directors of the Company comprises Executive Directors who are Ms. Siu Yeuk Hung, Clara and Mr. Law Ka Kei; and Independent Non-executive Directors who are Mr. Lee King Fui, Mr. Ho Tak Yin, and Mr. Lee Wing Lun.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the Six-month Period, the Company has complied with the code provisions ("Code") set out in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules, except for the following deviation of Code A.2.1.

Code A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The positions of Chairman of the Board and Chief Executive Officer (“CEO”) of the Company are both currently carried on by the same person. The Board considers that this structure does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and there is a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). Given the composition of the Board, the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company’s annual report and financial statements, half-yearly reports and quarterly reports and to provide advice and comment thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

REVIEW OF INTERIM RESULTS

The unaudited consolidated results of the Group for the Six-month Period have not been audited nor reviewed by the Company’s auditor, Moore Stephens CPA Limited, but have been reviewed by the Audit Committee of the Company, who is of the opinion that the preparation of such results has complied with the applicable accounting standards and requirements and that adequate disclosures have been made. As at the date hereof, the Audit Committee comprises the three Independent Non-executive Directors of the Company, namely Mr. Lee King Fui, chairman of the Audit Committee, Mr. Ho Tak Yin, and Mr. Lee Wing Lun.

REMUNERATION COMMITTEE

A remuneration committee (the “Remuneration Committee”), consisting of three Independent Non-executive Directors and two Executive Directors, was set up by the Company in accordance with the Code. The Remuneration Committee is responsible for reviewing and developing the remuneration policies of the Directors and senior management, having regard to the Group’s operating results, individual performance and comparable market practices.

NOMINATION COMMITTEE

A nomination committee (the “Nomination Committee”) consisting of three Independent Non-executive Directors and two Executive Directors was set up by the Company in accordance with the Code. The Nomination Committee is responsible for reviewing and making recommendations to the Board regarding any proposed changes, selection of directorships.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the “Required Standard of Dealings”) of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the Six-month Period.

The Company also has established written guidelines on no less exacting terms than the Required Standard of Dealings (the “Employees Written Guidelines”) for securities transactions by employees who are likely to be in possession of any unpublished inside information of the Company.

LIST OF DIRECTORS

Ms. Siu Yeuk Hung, Clara	–	Executive Director
Mr. Law Ka Kei	–	Executive Director
Mr. Ho Tak Yin	–	Independent Non-executive Director
Mr. Lee King Fui	–	Independent Non-executive Director
Mr. Lee Wing Lun	–	Independent Non-executive Director

On behalf of the Board
Easy Repay Finance & Investment Limited
Siu Yeuk Hung, Clara
Chairman

Hong Kong, 12 November 2020

This announcement will remain on the “Latest Company Announcements” page of the website of the GEM at www.hkgem.com for at least seven days from the date of its posting and on the Company’s website at www.ecrepay.com.