



易還財務投資有限公司
EASY REPAY FINANCE & INVESTMENT LIMITED
Continued in Bermuda with limited liability
Stock Code : 8079

INTERIM REPORT 2021/22



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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.

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This report, 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 of Hong Kong Limited (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 report 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 report misleading.

HIGHLIGHTS

- Revenue of the Group for the six months ended 30 September 2021 was approximately HK\$52.8 million (six months ended 30 September 2020: HK\$61.9 million).
- Loss attributable to owners of the Company for the six months ended 30 September 2021 was approximately HK\$9.7 million (six months ended 30 September 2020: Loss approximately HK\$6.0 million).
- The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: 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 2021, together with the comparative figures for the corresponding period in 2020 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	
		2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue	2	26,333	33,493	52,842	61,886
Cost of sales		<u>(12,605)</u>	<u>(11,959)</u>	<u>(25,159)</u>	<u>(24,313)</u>
Gross profit		13,728	21,534	27,683	37,573
Investment and other income	2	589	3,254	642	4,358
Other gains and losses, net	2	(1,320)	(3,759)	(1,499)	(3,603)
Servicing, selling and distribution costs		(3,449)	(2,787)	(5,371)	(4,811)
Administrative expenses		<u>(17,999)</u>	<u>(23,349)</u>	<u>(31,220)</u>	<u>(40,092)</u>
Operating loss		(8,451)	(5,107)	(9,765)	(6,575)
Finance costs		(151)	(49)	(227)	(49)
Share of result of a joint venture		-	(85)	-	(225)
Share of results of associates	9	<u>176</u>	<u>(744)</u>	<u>300</u>	<u>(99)</u>
Loss before tax	4	(8,426)	(5,985)	(9,692)	(6,948)
Income tax	5	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the period		<u>(8,426)</u>	<u>(5,985)</u>	<u>(9,692)</u>	<u>(6,948)</u>

	For the three months ended 30 September		For the six months ended 30 September	
	2021	2020	2021	2020
	<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>-</u>	<u>19</u>	<u>-</u>	<u>19</u>
Total comprehensive loss for the period	<u>(8,426)</u>	<u>(5,966)</u>	<u>(9,692)</u>	<u>(6,929)</u>
Loss attributable to:				
Owners of the Company	(8,426)	(5,186)	(9,692)	(6,034)
Non-controlling interests	<u>-</u>	<u>(799)</u>	<u>-</u>	<u>(914)</u>
	<u>(8,426)</u>	<u>(5,985)</u>	<u>(9,692)</u>	<u>(6,948)</u>
Total comprehensive loss attributable to:				
Owners of the Company	(8,426)	(5,167)	(9,692)	(6,015)
Non-controlling interests	<u>-</u>	<u>(799)</u>	<u>-</u>	<u>(914)</u>
	<u>(8,426)</u>	<u>(5,966)</u>	<u>(9,692)</u>	<u>(6,929)</u>
Loss per share attributable to owners of the Company				
Basic and diluted	<u>(HK3.5 cents)</u>	<u>(HK2.16 cents)</u>	<u>(HK4.03 cents)</u>	<u>(HK2.51 cents)</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

		As at 30 September 2021 (Unaudited) <i>HK\$'000</i>	As at 31 March 2021 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	8	15,546	13,781
Interests in associates	9	9,157	6,457
Right-of-use assets		14,728	4,079
Deposits, prepayments and other receivables		1,571	91
Loans and advances to customers	11	<u>79,245</u>	<u>59,921</u>
		<u>120,247</u>	<u>84,329</u>
Current assets			
Inventories		7,832	8,124
Trade receivables	12	15,241	13,664
Deposits, prepayments and other receivables		3,239	2,855
Loans and advances to customers	11	85,619	100,565
Financial assets at fair value through profit or loss ("FVTPL")	10	25,029	23,631
Pledged bank deposits		1,004	1,004
Cash and cash equivalents	13	<u>24,309</u>	<u>44,523</u>
		<u>162,273</u>	<u>194,366</u>

	As at 30 September 2021 (Unaudited) <i>HK\$'000</i>	As at 31 March 2021 (Audited) <i>HK\$'000</i>
<i>Notes</i>		
LIABILITIES		
Current liabilities		
Trade and other payables	7,176	5,143
Contract liabilities	1,570	1,149
Lease liabilities	6,281	2,768
Income tax payable	289	289
	<u>15,316</u>	<u>9,349</u>
Net current assets	<u>146,957</u>	<u>185,017</u>
Total assets less current liabilities	<u>267,204</u>	<u>269,346</u>
Non-current liabilities		
Lease Liabilities	8,940	1,390
Deferred tax liabilities	262	262
	<u>9,202</u>	<u>1,652</u>
Net assets	<u><u>258,002</u></u>	<u><u>267,694</u></u>
EQUITY		
Equity attributable to owners of the Company		
Share capital	14 2,404	2,404
Reserves	<u>255,598</u>	<u>265,290</u>
Total equity	<u><u>258,002</u></u>	<u><u>267,694</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2021

	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 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 (loss)/income	-	-	(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>
Balance at 1 April 2021	2,404	360,009	(269,965)	29,320	-	-	145,926	267,694	-	267,694
Total comprehensive loss for the period	-	-	(9,692)	-	-	-	-	(9,692)	-	(9,692)
Balance at 30 September 2021	<u>2,404</u>	<u>360,009</u>	<u>(279,657)</u>	<u>29,320</u>	<u>-</u>	<u>-</u>	<u>145,926</u>	<u>258,002</u>	<u>-</u>	<u>258,002</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS**

	For the six months ended 30 September	
	2021 (Unaudited) <i>HK\$'000</i>	2020 (Unaudited) <i>HK\$'000</i>
Net cash (used in)/generated from operating activities	(7,424)	35,684
Net cash used in investing activities	(10,012)	(20,240)
Net cash used in financing activities	<u>(2,778)</u>	<u>(1,030)</u>
Net (decrease)/increase in cash and cash equivalents	(20,214)	14,414
Cash and cash equivalents at the beginning of period	<u>44,523</u>	<u>47,438</u>
Cash and cash equivalents at the end of period	<u><u>24,309</u></u>	<u><u>61,852</u></u>
Analysis of the balances of cash and cash equivalents		
Short-term bank deposits and cash at bank, securities brokers and on hand	<u><u>24,309</u></u>	<u><u>61,852</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements have been prepared on the historical cost convention, as modified by the revaluation of certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, Interest Rate Benchmark Reform – Phase 2 HKFRS 4 and HKFRS 16	
Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 16	Covid-19 Rent concessions beyond 30 June 2021

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

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

2. Revenue, investment and other income and other gains and losses, net

Revenue represents the aggregate of the net amounts received and receivable from third parties for the six months ended 30 September 2021. There is no seasonality and cyclicality 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	
	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Revenue from contracts with customers not within the scope of HKFRS 15				
Revenue from money lending	7,728	12,757	17,035	21,441
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	<u>18,605</u>	<u>20,736</u>	<u>35,807</u>	<u>40,445</u>
	<u>26,333</u>	<u>33,493</u>	<u>52,842</u>	<u>61,886</u>
Investment and other income				
Bank interest income	–	71	1	71
Government grants	–	2,700	–	3,300
Management fee income	152	–	152	–
Others	<u>437</u>	<u>483</u>	<u>489</u>	<u>987</u>
	<u>589</u>	<u>3,254</u>	<u>642</u>	<u>4,358</u>
Other gains and losses, net				
Loss on disposal of property, plant and equipment, net	(1,551)	(1,746)	(1,765)	(1,740)
Loss on disposal of an associate	–	(1,291)	–	(1,291)
Exchange gains/(losses), net	12	16	12	(14)
Losses on disposal of financial assets at FVTPL	(97)	(5)	(69)	(11)
Fair value gains/(losses) of financial assets at FVTPL	317	(734)	88	(547)
Others	<u>(1)</u>	<u>1</u>	<u>235</u>	<u>–</u>
	<u>(1,320)</u>	<u>(3,759)</u>	<u>(1,499)</u>	<u>(3,603)</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 2021

(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	<u>17,035</u>	<u>35,807</u>	<u>52,842</u>
Segment results	<u>487</u>	<u>(4,750)</u>	<u>(4,263)</u>
Unallocated head office corporate expenses			(4,645)
Investment and other income			642
Other gains and losses, net			(1,499)
Finance costs			(227)
Share of results of associates			<u>300</u>
Consolidated loss before tax			(9,692)
Income tax			<u>-</u>
Consolidated loss for the period			<u>(9,692)</u>

3. Segment information (Continued)

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	<u>21,441</u>	<u>40,445</u>	<u>61,886</u>
Segment results	<u>5,395</u>	<u>1,308</u>	<u>6,703</u>
Unallocated head office corporate expenses			(14,033)
Investment and other income			4,358
Other gains and losses, net			(3,603)
Finance costs			(49)
Share of result of a joint venture			(225)
Share of results of associates			<u>(99)</u>
Consolidated loss before tax			(6,948)
Income tax			<u>–</u>
Consolidated loss for the period			<u>(6,948)</u>

Geographical information

Revenue from external customers by geographical markets:

	For the six months ended 30 September	
	2021 (Unaudited) <i>HK\$'000</i>	2020 (Unaudited) <i>HK\$'000</i>
Hong Kong	<u>52,842</u>	<u>61,886</u>

4. Loss before tax

Loss before tax is arrived at after charging/(crediting):

	For the three months ended		For the six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Auditors' remuneration	200	200	400	400
Commission expenses	1,644	687	2,250	754
Operating leases payments in respect of land and buildings	76	57	319	114
Employee benefit expenses	6,460	6,768	13,904	13,445
Depreciation of property, plant and equipment	1,357	1,354	2,703	2,710
Depreciation of right-of-use assets	1,672	2,123	3,143	2,645
Carrying amount of inventories sold	11,540	11,215	23,281	22,975
Write-down of inventories	2	73	6	162
Allowance for expected credit losses on trade receivable, net	(1,433)	2,498	336	235
Allowance for expected credit losses on loan & advance to customers, net	3,295	2,263	1,532	2,500
	<u>3,295</u>	<u>2,263</u>	<u>1,532</u>	<u>2,500</u>

5. Income tax

	For the six months ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
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 2021 as the Group have no assessable profits for Hong Kong Profits tax purpose (six months ended 30 September 2020: Nil).

6. Interim dividend

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

7. Loss per share

The calculation of basic and diluted earnings per share for the three months ended 30 September 2021 is based on the loss attributable to shareholders of approximately HK\$8,426,000 (three months ended 30 September 2020: approximately loss HK\$5,186,000) and the weighted average number of 240,359,354 ordinary shares in issue during the period (three months ended 30 September 2020: 240,359,354 shares).

The calculation of basic and diluted earnings per share for the six months ended 30 September 2021 is based on the loss attributable to shareholders of approximately HK\$9,692,000 (six months ended 30 September 2020: approximately loss HK\$6,034,000) and the weighted average number of 240,359,354 ordinary shares in issue during the period (six months ended 30 September 2020: 240,359,354 shares).

8. Property, plant and equipment

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
At beginning of the period/year	13,781	16,415
Additions	6,233	9,336
Disposal	(5,270)	(14,260)
Disposal of a subsidiary	–	(1,123)
Depreciation	(2,703)	(5,518)
Written back on disposals	3,505	8,931
	<u>15,546</u>	<u>13,781</u>

9. Interests in associates

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Unlisted shares, at cost	19,250	16,850
Share of post-acquisition profits	1,713	1,413
Less: impairment loss	(11,806)	(11,806)
	<u>9,157</u>	<u>6,457</u>

9. Interests in associates (Continued)

Particulars of the material associates as at 30 September 2021 and 31 March 2021 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	Indirectly	Directly	Indirectly		
			30 September 2021	30 September 2021	31 March 2021	31 March 2021		
			%	%	%	%		
Big Max Limited	Ordinary	HK\$100 (31 March 2021: HK\$100)	20	-	20	-	Operation of a restaurant	Hong Kong
Diamond Brave Limited	Ordinary	HK\$100 (31 March 2021: HK\$100)	20	-	20	-	Operation of a restaurant	Hong Kong
Wing Way Limited	Ordinary	HK\$100 (31 March 2021: HK\$100)	20	-	20	-	Operation of a restaurant	Hong Kong
Sunshine Team Limited	Ordinary	HK\$100 (31 March 2021: HK\$100)	20	-	-	-	Operation of a restaurant	Hong Kong

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

	For the six months ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Total revenue	36,011	27,960
Total profit for the period	1,517	4,967
The Group's share of results of associates	300	993

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

On 15 April 2021, the Group acquired 20% equity interests in Sunshine Team Limited from an individual third party at a total consideration of HK\$2,400,000.

10. Financial assets at fair value through profit or loss

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Listed equity securities (<i>Note a</i>)	8,191	7,233
Unlisted fund (<i>Note b</i>)	<u>16,838</u>	<u>16,398</u>
	<u><u>25,029</u></u>	<u><u>23,631</u></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.

Note b: The fair value of the Group's interests in the fund is determined by reference to its net asset value per share, since the Group has the right to request for redemption of some or all of its interests in the fund at a redemption price, which equals to the net asset value, according to the private placing memorandum of the fund.

11. Loans and advances to customers

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Loans and advances to customers	317,872	315,711
Less: impairment allowances	<u>(153,008)</u>	<u>(155,225)</u>
Loans and advances to customers – net	<u><u>164,864</u></u>	<u><u>160,486</u></u>

Ageing analysis of loans and advances to customers:

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Analysed for reporting purpose as:		
Current portion	85,619	100,565
Non-current portion	<u>79,245</u>	<u>59,921</u>
	<u><u>164,864</u></u>	<u><u>160,486</u></u>

12. Trade receivables

The aging analysis of trade receivables, net of impairment, is as follows:

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Neither past due nor impaired	291	134
Within three months past due	4,980	5,601
Over three months but within six months past due	<u>9,970</u>	<u>7,929</u>
	<u><u>15,241</u></u>	<u><u>13,664</u></u>

13. Cash and cash equivalents

	As at 30 September 2021 (Unaudited) HK\$'000	As at 31 March 2021 (Audited) HK\$'000
Short-term bank deposits and cash at banks, securities brokers and on hand	<u>24,309</u>	<u>44,523</u>

14. Share capital

	As at 30 September 2021 (Unaudited)		As at 31 March 2021 (Audited)	
	<i>No. of shares</i>	<i>HK\$'000</i>	<i>No. of shares</i>	<i>HK\$'000</i>
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>

15. 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.

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.

During the year ended 31 March 2021, the New Scheme expired and the 385,000 outstanding share options were lapsed. Accordingly, the amount included in the share option reserve was transferred to accumulated losses.

During the six months ended 30 September 2021, 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 2020: Nil).

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

16. 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. The letter of guarantee contains no specific amount and was repaid during the year ended 31 March 2021. A counter-guarantee of 78% of the guarantee liability was provided by one of the ultimate shareholders of TGHL.

Such arrangement was ceased on 31 March 2021.

17. Transactions and balances with related parties

(a) Key management compensation

The remuneration of directors and other key management during the period was as follow:

	For the six months ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Salaries, allowances and benefits in kind	1,595	1,530
Retirement benefit scheme contribution	44	45
	<u>1,639</u>	<u>1,575</u>

(b) Performance guarantee provided

During the period ended 30 September 2020, the Company provided a performance guarantee for an associate regarding the management, operation and maintenance of a vehicle examination center as detailed in note 16.

17. Transactions and balances with related parties (Continued)

(c) Other related party transactions

The Group had significant transactions with the following related parties during the year:

Related party relationship	Type of transaction	Notes	Transaction amount For the six months ended 30 September	
			2021 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000
Directors of the Company	Sales of groceries products	(ii)	5	–
	Sales of cash coupons	(ii)	–	6
Associate	Sales of groceries products		4,077	3,744
	Sales of cash coupons		–	6
Ex-director of the Company and existing substantial shareholder	Consultant fees paid	(ii)	–	66
	Promotion fees paid	(ii)	600	–
Close family members of a ex-director of the Company and existing substantial shareholder	Promotion fees paid	(ii)	304	353
	Handling fee paid	(ii)	215	–

Notes:

- (i) The directors of the Company are of the opinion that the above transactions were entered into at terms agreed by both parties and the terms of the transactions were determined by the directors with reference to the terms of similar transactions with unrelated third parties.
- (ii) The related party transactions in respect of the sales and purchase of groceries products and cash coupons and rental income above constitute connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules. However, those transactions are exempt from the disclosure requirements in Chapter 20 of the Listing Rules as they are below the de minimis threshold under Rule 20.74(1)(c) of the GEM listing Rules.
- (iii) Except as disclosed above and elsewhere in the condensed consolidated financial statements, there were no other significant related party transactions with related parties during the period or significant balances with them as at 30 September 2021.

18. Fair value measurements of financial instruments

(i) Financial assets and liabilities measured at fair value

For assets and liabilities that are recognised in the condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table presents the carrying value of the Group's financial instruments measured at fair value at the end of the reporting period on a recurring basis.

	Fair value <i>HK\$'000</i>	Level 1 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>
As at 30 September 2021 (unaudited)			
Financial assets at FVTPL			
– Listed equity securities	8,191	8,191	–
– Unlisted fund	<u>16,838</u>	<u>–</u>	<u>16,838</u>
As at 31 March 2021 (audited)			
Financial assets at FVTPL			
– Listed equity securities	7,233	7,233	–
– Unlisted fund	<u>16,398</u>	<u>–</u>	<u>16,398</u>

During the six months ended 30 September 2021 and year ended 31 March 2021, there were no transfers between Level 1, Level 2 and Level 3. The Group's policy is to recognise transfers into and transfer out of Level 3 as of the date of the event or change in circumstances that caused the transfer.

	Fair value		Valuation technique and key input	Significant unobservable input
	30 September 2021 (Unaudited) <i>HK\$'000</i>	31 March 2021 (Audited) <i>HK\$'000</i>		
Financial assets at FVTPL (listed equity securities)	8,191	7,233	Quoted bid prices in an active market	N/A
Financial assets at FVTPL (unlisted fund)	16,838	16,398	Net asset value (note)	N/A

Note: The unlisted fund is redeemable at a redemption price equals to the net asset value as stated in the monthly shareholder's statement issued by the fund administrator.

18. Fair value measurements of financial instruments (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Reconciliation of Level 3 fair value measurement of financial assets

	Financial assets at FVTPL HK\$'000
At 1 April 2020 (audited)	–
Addition	16,000
Fair value change	<u>19</u>
At 30 September 2020 (unaudited)	<u><u>16,019</u></u>
At 1 April 2021 (audited)	16,398
Fair value change	<u>440</u>
At 30 September 2021 (unaudited)	<u><u>16,838</u></u>

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 30 September 2021 and 31 March 2021.

19. 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, Buon Cibo, Ganges Curry, 李朝, 月姐滋養湯, 貞下起元 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.

On 10 September 2021, the Company entered into the Tenancy Agreement in respect of the lease of the Premises located at Shop B, G/F, Thompson Building, Nos. 93–103 Thompson Road, Wanchai, Hong Kong for operation of a retail shop for a term of three years commencing on 15 September 2021 and ending on 14 September 2024 under the trade name of “People’s Market” at a monthly rent of HK\$78,000 (exclusive of government rent, rates and management fees).

The unaudited value of the right-of-use asset to be recognised by the Company under the terms of the Tenancy Agreement amounts to approximately HK\$2.55 million, which is the present value of total consideration payable at the inception of the lease terms of the Tenancy Agreement in accordance with HKFRS 16.

Operation Review

Revenue of the Group for the six months ended 30 September 2021 (the “Six-month Period”) was approximately HK\$52.8 million, and the corresponding period of last year was approximately HK\$61.9 million. Loss attributable to owners of the Company for the Six-month Period was approximately HK\$9.7 million and the loss of corresponding period in 2020 was HK\$6.0 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\$17.0 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. The Company has expanded its money lending business by set up two branches located at Jordan and Sheung Wan respectively.

Retail and Wholesale Business

The Group is operating 4 retail shops which located in Wanchai, Lai Chi Kok, Kowloon Bay 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 outbreak of novel coronavirus disease (COVID-19) seriously undermined the economies of Hong Kong and further weakened the catering industry since 2020. The Government's efforts to control the virus had a particularly notable impact on the catering industry. At different times in the period, restaurants were subject to mandatory social distancing and seating restrictions, reduced dining hours and other constraints. The pandemic remains not yet fully under control and the future is uncertain.

On the other hand, in view of the COVID-19, 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 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.

Revenue for this segment for the six months ended 30 September 2021 was approximately HK\$35.8 million and the corresponding period in 2020 was of HK\$40.4 million.

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 2021, the Group had cash and cash equivalents of approximately HK\$24.3 million (31 March 2021: HK\$44.5 million).

As at 30 September 2021, 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 2021: Nil).

CHARGES ON GROUP'S ASSET

As at 30 September 2021, except for the pledged bank deposits, no financial instruments was pledged as collateral to securities brokers for margin financing granted to the Group and no margin financing was utilised by the Group (31 March 2021: Nil).

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 2021, the Group had around 95 (30 September 2020: 90) 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 2021 (six months ended 30 September 2020: 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 2021, 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 2021
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 2021, 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 2021
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

The related party transactions are set out in note 17 to the consolidated financial statements.

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.

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 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, 11 November 2021