



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 2019/20

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

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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 2019 was approximately HK\$51 million (six months ended 30 September 2018: HK\$106.6 million).
- Loss attributable to owners of the Company for the six months ended 30 September 2019 was approximately HK\$4.3 million (six months ended 30 September 2018: Loss approximately HK\$6.8 million).
- The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30 September 2019 (six months ended 30 September 2018: 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 2019, together with the comparative figures for the corresponding period in 2018 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	
		2019 HK\$'000	2018 HK\$'000	2019 HK\$'000	2018 HK\$'000
Revenue	3	22,856	52,351	51,019	106,630
Cost of sales		(5,861)	(28,676)	(18,622)	(62,469)
Gross profit		16,995	23,675	32,397	44,161
Investment and other income	3	892	67	1,297	137
Other (losses) and gains, net	3	(145)	(41)	1,042	(191)
Servicing, selling and distribution costs		(2,646)	(3,999)	(4,755)	(7,403)
Administrative expenses		(18,075)	(19,080)	(32,105)	(37,959)
Impairment losses on loans and advances to customers, net		(513)	(4,015)	(1,946)	(5,015)
Operating loss		(3,492)	(3,393)	(4,070)	(6,270)
Finance costs		(332)	(737)	(661)	(1,528)
Share of result of a joint venture	11	(214)	-	(261)	-
Share of results of associates	10	287	333	589	749
Loss before income tax	5	(3,751)	(3,797)	(4,403)	(7,049)
Income tax	6	-	-	-	-
Loss for the period		(3,751)	(3,797)	(4,403)	(7,049)
Other comprehensive loss:					
Changes in fair value of financial assets at fair value through other comprehensive income		-	(439)	-	(713)
Other comprehensive loss for the period		-	(439)	-	(713)
Total comprehensive loss for the period		(3,751)	(4,236)	(4,403)	(7,762)

	<i>Notes</i>	For the three months ended 30 September		For the six months ended 30 September	
		2019	2018	2019	2018
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to:					
Owners of the Company		(3,628)	(3,555)	(4,255)	(6,798)
Non-controlling interests		(123)	(242)	(148)	(251)
		<u>(3,751)</u>	<u>(3,797)</u>	<u>(4,403)</u>	<u>(7,049)</u>
Total comprehensive loss attributable to:					
Owners of the Company		(3,628)	(3,994)	(4,255)	(7,511)
Non-controlling interests		(123)	(242)	(148)	(251)
		<u>(3,751)</u>	<u>(4,236)</u>	<u>(4,403)</u>	<u>(7,762)</u>
Loss per share attributable to owners of the Company					
Basic and diluted	8	<u>(HK1.65 cents)</u>	<u>(HK1.62 cents)</u>	<u>(HK1.94 cents)</u>	<u>(HK3.11 cents)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

		As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	9	17,333	19,990
Interests in associates	10	10,170	9,581
Interests in a joint venture		966	1,227
Right-of-use assets	11	3,060	–
Deposits, prepayments and other receivables		1,630	790
Loans and advances to customers	13	112,520	110,784
		145,679	142,372
Current assets			
Inventories		3,347	10,123
Trade receivables	14	9,344	18,095
Deposits, prepayments and other receivables		3,370	6,805
Loans and advances to customers	13	233,051	222,121
Financial assets at fair value through profit or loss	12	5,689	3,517
Tax Recoverable		634	2,356
Pledged bank deposits		1,002	1,002
Asset classified as held for sale		–	2,318
Cash and cash equivalents	15	37,252	34,779
		293,689	301,116

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
<i>Notes</i>		
LIABILITIES		
Current liabilities		
Trade and other payables	9,483	8,883
Amounts due to related parties	5,700	5,700
Borrowings	4,500	7,500
Bank overdrafts	-	485
Lease liabilities	2,408	-
Income tax payable	983	887
Liabilities associated with asset classified as held for sale	-	7
	23,074	23,462
Net current assets	270,615	277,654
Total assets less current liabilities	416,294	420,026
Non-current liabilities		
Lease Liabilities	671	-
Deferred tax liabilities	123	123
Net assets	415,500	419,903
EQUITY		
Equity attributable to owners of the Company		
Share capital	2,189	2,189
Reserves	410,591	414,846
	412,780	417,035
Non-controlling interests	2,720	2,868
Total equity	415,500	419,903

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2019

	Equity attributable to the owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Accumulated losses	Capital reserves	Investment revaluation reserve	Contributed surplus	Total		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at 1 April 2018	2,189	353,125	(35,811)	28,392	(16,320)	145,926	477,501	2,466	479,967
Loss for the period	-	-	(6,798)	-	-	-	(6,798)	(251)	(7,049)
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(713)	-	(713)	-	(713)
Total comprehensive loss	-	-	(6,798)	-	(713)	-	(7,511)	(251)	(7,762)
Balance at 30 September 2018	<u>2,189</u>	<u>353,125</u>	<u>(42,609)</u>	<u>28,392</u>	<u>(17,033)</u>	<u>145,926</u>	<u>469,990</u>	<u>2,215</u>	<u>472,205</u>
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>145,926</u>	<u>412,780</u>	<u>2,720</u>	<u>415,500</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS**

	For the six months ended 30 September	
	2019	2018
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash generated from operating activities	7,835	24,773
Net cash used in investing activities	(439)	(2,922)
Net cash (used in)/generated from financing activities	(4,438)	2,285
	<hr/>	<hr/>
Net increase in cash and cash equivalents	2,958	24,136
Cash and cash equivalents at the beginning of period	34,294	11,053
	<hr/>	<hr/>
Cash and cash equivalents at the end of period	<u>37,252</u>	<u>35,189</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 2019.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards. Except for the note 2, for those which are effective for accounting periods beginning on 1 April 2019, 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. Adoption of new and revised Hong Kong Financial Reporting Standards

In the current interim period, the Group has applied, for the first time, the following new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current period 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 condensed consolidated financial statements.

2. Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

Impacts and changes in accounting policies of application on HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17"), and the related interpretations.

(a) Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

After the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

2. Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

(a) Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group re-measures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

2. Adoption of new and revised Hong Kong Financial Reporting Standards (Continued)

Impacts and changes in accounting policies of application on HKFRS 16 Leases (Continued)

(a) Key changes in accounting policies resulting from application of HKFRS 16 (Continued)

As a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) Impact of application of HKFRS 16

The following table summarises the impact of transition to HKFRS 16 on the condensed consolidated statement of financial position as of 31 March 2019 to that of 1 April 2019 as follows (increase/(decrease)):

Condensed consolidated statement of financial position as at 1 April 2019:	<i>HK\$'000</i>
Right-of-use assets	5,550
Accruals and other payables	(195)
Lease liabilities (non-current)	3,557
Lease liabilities (current)	2,188

The following reconciliation explains how the operating lease commitments disclosed by applying HKAS 17 as of 31 March 2019 could be reconciled to the lease liabilities on the date of initial application of HKFRS 16 recognised in the condensed consolidated statement of financial position as at 1 April 2019:

Reconciliation of operating lease commitment to lease liabilities	<i>HK\$'000</i>
Operating lease commitment as of 31 March 2019	8,868
Recognition exemption for short term leases	(1,142)
Adjustments relating to extension/termination options	(1,801)
Less: Future interest expenses	(180)
Total lease liabilities as of 1 April 2019	<u>5,745</u>

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the condensed consolidated statement of financial position as at 1 April 2019 is 4.375%.

3. Revenue

Revenue represents the aggregate of the net amounts received and receivable from third parties for the six months ended 30 September 2019. 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	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Revenue from contracts with customers not within the scope of HKFRS 15				
Revenue from money lending	13,001	15,001	24,824	29,176
Revenue from contracts with customers within the scope of HKFRS 15				
Sales of grocery products - retail and wholesale	9,855	37,350	26,195	77,454
	<u>22,856</u>	<u>52,351</u>	<u>51,019</u>	<u>106,630</u>
Other (losses)/gains, - net				
Net exchange losses	(10)	(11)	(21)	(29)
Fair value (losses)/gains on financial assets at fair value through profit or loss	(239)	179	(43)	47
Gains/(losses) on disposal of financial assets at fair value through profit or loss	538	(209)	854	(209)
Bank interest income	92	-	92	-
Others	366	67	1,457	137
	<u>747</u>	<u>26</u>	<u>2,339</u>	<u>(54)</u>

4. 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 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	647	1,692	2,339
	<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>

4. Segment information (Continued)

For the six months ended 30 September 2018
(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	29,176	77,454	106,630
Other revenue and other gains – net	43	(100)	(57)
	<u>29,219</u>	<u>77,354</u>	<u>106,573</u>
Segment results	<u>2,631</u>	<u>(7,628)</u>	<u>(4,997)</u>
Unallocated income			3
Unallocated expenses			<u>(1,276)</u>
Operating loss			(6,270)
Finance costs			(1,528)
Share of results of associates			<u>749</u>
Loss before income tax			(7,049)
Income tax			<u>-</u>
Loss for the period			<u><u>(7,049)</u></u>

Geographical information

Revenue from external customers by geographical markets:

	For the six months ended 30 September	
	2019	2018
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	<u><u>51,019</u></u>	<u><u>106,630</u></u>

5. 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	
	2019	2018	2019	2018
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Auditors' remuneration	200	200	400	400
Cost of inventories recognised as expenses	5,861	28,676	18,622	62,469
Depreciation	1,467	1,917	3,064	3,328
Net exchange loss	10	11	21	29
Minimum lease payments under operating lease	311	1,679	622	3,526
Provision for impairment on loans	(431)	4,015	769	5,015
Rental income net of outgoings in respect of office premises	40	-	81	-
	<u>40</u>	<u>-</u>	<u>81</u>	<u>-</u>

6. Income tax

	(Unaudited) six months ended 30 September	
	2019	2018
	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 2019 as the Group have no assessable profits for Hong Kong Profits tax purpose (six months ended 30 September 2018: Nil)

7. Interim dividend

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2019. (Six months ended 30 September 2018: Nil).

8. Loss per share

The calculation of basic earnings per share for the three months ended 30 September 2019 is based on the loss attributable to shareholders of approximately HK\$3,629,000 (three months ended 30 September 2018: approximately loss HK\$3,555,000) and the weighted average number of 218,894,354 ordinary shares in issue during the period (three months ended 30 September 2018: 218,894,354 shares).

The calculation of basic earnings per share for the six months ended 30 September 2019 is based on the loss attributable to shareholders of approximately HK\$4,255,000 (six months ended 30 September 2018: approximately loss HK\$6,798,000) and the weighted average number of 218,894,354 ordinary shares in issue during the period (six months ended 30 September 2018: 218,894,354 shares).

The calculation of diluted earnings per share for the three months ended 30 September 2019 is based on the loss attributable to shareholders of approximately HK\$3,629,000 (three months ended 30 September 2018: approximately profit HK\$3,555,000) and the weighted average number of 218,894,354 ordinary shares for the purpose of diluted earnings per share during the period (three months ended 30 September 2018: 218,894,354 shares).

The calculation of diluted earnings per share for the six months ended 30 September 2019 is based on the loss attributable to shareholders of approximately HK\$4,255,000 (six months ended 30 September 2018: approximately loss HK\$6,798,000) and the weighted average number of 218,894,354 ordinary shares for the purpose of diluted earnings per share during the period (six months ended 30 September 2018: 218,894,354 shares).

9. Property, plant and equipment

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
At beginning of the period/year	19,990	23,615
Additions	438	5,850
Disposal	(31)	(930)
Derecognised upon disposal of a subsidiary	-	(130)
Reclassified as held for sale	-	(2,318)
Depreciation	(3,064)	(6,982)
Written back on disposals	-	885
	<u>17,333</u>	<u>19,990</u>

10. Interests in associates

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Unlisted shares, at cost	7,610	7,610
Share of post-acquisition profits/(losses)	2,560	1,971
	<u>10,170</u>	<u>9,581</u>

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

10. Interests in associates (Continued)

Particulars of the material associates as at 30 September 2019 are as follows:

Name of associates	Particulars of issued and fully paid capital	Country of incorporation/operation	Proportion of ownership interest		Principal activities
			Group's effective interest	Held by a subsidiary	
Topwise Global Holdings Limited	10,000 ordinary shares of HK\$4,275 each	British Virgin Islands/Hong Kong	22%	22%	Vehicle inspection and maintenance business and operation of vehicles examination centre
Keep Choice Limited	100 ordinary shares of HK\$1 each	Hong Kong	19.8%	19.8%	Operation of a motor vehicle examination centre

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

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Amounts due from associates	<u>12,850</u>	<u>12,850</u>

The movement in the provision for impairment is as follows:

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Balance at the beginning and at the end of the period/year	<u>12,850</u>	<u>12,850</u>

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

	For the six months ended 30 September 2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Total revenue	<u>24,139</u>	<u>24,212</u>
Total profit for the period	<u>2,976</u>	<u>3,784</u>
The Group's share of profit of associates	<u>589</u>	<u>749</u>

11. Interest in a joint venture

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Unlisted shares, at cost	1,373	1,373
Share of post-acquisition losses	(407)	(146)
	<u>966</u>	<u>1,227</u>

12. Financial assets designated at fair value through other comprehensive income

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Listed shares, at fair value (<i>Note a</i>)	<u>5,689</u>	<u>3,517</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

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Loans and advances to customers	378,096	364,685
Less: impairment allowances	(32,525)	(31,780)
Loans and advances to customers – net	<u>345,571</u>	<u>332,905</u>

Ageing analysis of loans and advances to customers:

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Within one year	233,051	222,121
Over one year but within five years	55,095	65,938
Over five years	57,425	44,846
	<u>345,571</u>	<u>332,905</u>

14. Trade receivables

The aging analysis of trade receivables is as follows:

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Neither past due nor impaired	<u>9,344</u>	<u>18,095</u>

15. Cash and cash equivalents

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Cash and cash equivalents in the statement of financial position	37,252	34,779
Bank overdrafts	<u>-</u>	<u>(485)</u>
Cash and cash equivalents in the cash flow statement	<u>37,252</u>	<u>34,294</u>

16. Share capital

	As at 30 September 2019 (Unaudited)		As at 31 March 2019 (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>218,894,354</u>	<u>2,189</u>	<u>218,894,354</u>	<u>2,189</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.

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.

17. Share option schemes (Continued)

For the six months ended 30 September 2019, no option was granted under the New Scheme.

For the six months ended 30 September 2019, no employee compensation expense has been include in the unaudited condensed consolidated statement of profit or loss and other comprehensive income (six months ended 30 September 2018: 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 2019, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	As at 30 September 2019 (Unaudited) HK\$'000	As at 31 March 2019 (Audited) HK\$'000
Within one year	519	6,724
In the second to fifth years, inclusive	<u>-</u>	<u>2,144</u>
	<u>519</u>	<u>8,868</u>

19. Contingent liabilities

As at 30 September 2019, 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 78% of the guarantee liability was provided by one of the ultimate shareholders of KCL.

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 ecommerce 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 and 李朝 and source different types of products from local or overseas suppliers to satisfy the ever-changing demand of our customers.

The Group engages catering coupon distribution business in Hong Kong local market from 2016. End Customers are eager to purchase these catering coupons with discounts and more willing to dine out. The Group cooperates with some key catering companies and establish an extensive sales channel and network. It is expected to be benefit to our shareholders.

Operation Review

Revenue of the Group for the six months ended 30 September 2019 (the "Six-month Period") was approximately HK\$51.0 million, and the corresponding period of last year was approximately 106.6 million. Loss attributable to owners of the Company for the Six-month Period was approximately HK\$4.4 million and the loss of corresponding period in 2018 was HK\$6.8 million.

Money Lending Business

The Group has actively participating in money lending business for more than seven years. It has built up a wide solid client base and made satisfactory profit. For the Six-month Period, revenue for this segment under review was approximately HK\$24.8 million. It is expected to generate sustainable income in the coming future.

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.

Revenue for this segment for the six months ended 30 September 2019 was approximately HK\$26.2 million and the corresponding period in 2018 was of HK\$77.5 million.

Due to Highly competitive of the wholesale business in Hong Kong and the increase in the cost of sales and administration fee in this segment, the company decided to streamline this business segment by reducing the market share in the wholesales business. The Company can improve the working capital after better manage its inventory and its accounts receivable. After increasing of the working capital, the Company could more focus in its money lending business and other possible investment.

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 2019, the Group had cash and cash equivalents of approximately HK\$37.2 million (31 March 2019: HK\$34.3 million).

As at 30 September 2019, the Group had borrowings of approximately HK\$4.5 million (31 March 2019: HK\$7.5 million) which were used to finance the money lending business, marketable securities and bonds investment.

As at 30 September 2019, 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 2019: nil).

CHARGES ON GROUP'S ASSET

As at 30 September 2019, except for the pledged bank deposits, financial instruments of approximately of HK\$2.8 million was pledged as collateral to securities brokers for margin financing granted to the Group. As at 30 September 2019, 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 2019, the Group had around 108 (30 September 2018: 144) 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 2019 (six months ended 30 September 2018: 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 2019, 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	Family Interests	Other Interests	Total	Approximate percentage to the issued share capital of the Company as at 30 September 2019
Mr. Shiu Yeuk Yuen (note 1)	1,005,000	7 (note 2)	82,288,613 (note 3)	83,293,620	38.05%

Notes:

1. Mr. Shiu Yeuk Yuen ("Mr. Shiu") is the Executive Director of the Company.
2. 7 shares of the Company are held by Ms. Hau Lai Mei, the spouse of Mr. Shiu.
3. 82,288,613 shares of the Company are held by Able Rich Consultants Limited, a wholly-owned subsidiary of Rich Treasure Group Limited, of which Mr. Shiu is the sole director and shareholder of that 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 2019, 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 2019
China Creative Digital Entertainment Limited <i>(note)</i>	26,093,500	11.92%

Note: 26,093,500 shares refer to the aggregate of (a) 21,509,075 shares held by China Creative Digital Entertainment Limited and (b) 4,584,425 shares held by New Smart International Creation Limited, a direct wholly-owned subsidiary of China Creative Digital Entertainment Limited.

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

Details of the related party transactions for the period are set out in note 16 to the unaudited condensed consolidated interim financial statements.

Save as disclosed therein, there was no other 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 Mr. Shiu Yeuk Yuen and Ms. Siu Yeuk Hung, Clara; and Independent Non-executive Directors who are Mr Lee King Fui, Mr. Siu Chi Yiu, Kenny and Mr. Ho Siu King, Stanley.

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.

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. Siu Chi Yiu, Kenny and Mr. Ho Siu King, Stanley.

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

Mr. Shiu Yeuk Yuen	-	Executive Director
Ms. Siu Yeuk Hung, Clara	-	Executive Director
Mr. Siu Chi Yiu, Kenny	-	Independent Non-executive Director
Mr. Lee King Fui	-	Independent Non-executive Director
Mr. Ho Siu King, Stanley	-	Independent Non-executive Director

On behalf of the Board
Easy Repay Finance & Investment Limited
Shiu Yeuk Yuen
Chairman

Hong Kong, 13 November 2019