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

(Continued into Bermuda with limited liability)

(Stock code: 8079)

DISCLOSEABLE TRANSACTION
IN RELATION TO
THE DISPOSAL OF 22% EQUITY INTERESTS
IN AN ASSOCIATE

THE DISPOSAL

The Board is pleased to announce that on 15 September 2020, the Vendor, the Purchaser and the Guarantor entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to repurchase the Sale Shares.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Disposal exceeds 5% but is lower than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and disclosure requirements under Chapter 19 of the GEM Listing Rules.

THE DISPOSAL

The Board is pleased to announce that on 15 September 2020, the Vendor, the Purchaser and the Guarantor entered into the Sale and Purchase Agreement in respect of the Disposal.

The principal terms of the Sale and Purchase Agreement are set out below:

Date : 15 September 2020

Parties : (1) The Vendor;
(2) The Purchaser; and
(3) The Guarantor

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Purchaser, its ultimate beneficial owner and the Guarantor are Independent Third Parties.

Subject Matter : The Vendor agreed to sell, and the Purchaser agreed to repurchase, the Sale Shares.

Consideration

The consideration for the Disposal payable by the Purchaser to the Vendor under the Sale and Purchase Agreement for the Sale Shares is HK\$7,180,000, which shall be settled in the following manner:

- (1) The first instalment of HK\$2,393,333 will be paid on the date of execution of the Sale and Purchase Agreement;
- (2) The second instalment of HK\$2,393,333 will be paid on 31 December 2020; and
- (3) The remaining balance of HK\$2,393,334 will be paid on 31 March 2021. In case the contract between the Purchaser or its subsidiaries and the Transport Department is extended to 31 May 2021, the Purchaser is entitled to pay 50% of the remaining balance in the amount of HK\$1,196,667 to the Vendor on 31 March 2021 and the remaining 50% in the amount of HK\$1,196,667 on or before 31 May 2021.

The Purchaser agrees to waive debts payable by the Vendor to the Purchaser or its subsidiaries in the amount of HK\$3,091,000.

The consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the net asset value of the Purchaser as at 30 June 2020.

Guarantee

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

Completion

Completion of the Sale and Purchase Agreement shall take place on or before 30 September 2020.

INFORMATION OF THE PURCHASER AND THE GUARANTOR

The Purchaser is a company incorporated in British Virgin Islands with limited liability, which is principally engaged in vehicle inspection and maintenance business and operation of vehicles examination centre in Hong Kong.

As at the date of this announcement, the Purchaser is held as to 73% by Garritt Global Investment Limited, 22% by the Vendor; 3% by Smooth Up Limited and 2% by Asian Legend International Limited.

The Guarantor is a merchant and is the ultimate beneficial owner of Garritt Global Investment Limited; Mr. Hui Wan Man is the ultimate beneficial owner of Smooth Up Limited and Mr. Cheng Hong Kei is the ultimate beneficial owner of Asian Legend International Limited.

A summary of the key financial information of the Purchaser for the two years ended 31 March 2020 and 31 March 2019 are as follows:

	For the year ended 31 March 2020 HK\$'000 (unaudited)	For the year ended 31 March 2019 HK\$'000 (unaudited)
Profit before tax	4,520	4,134
Profit after tax	4,520	4,134

The net asset value of the Purchaser as at 30 June 2020 is approximately HK\$45,518,000.

FINANCIAL EFFECTS AND USE OF PROCEEDS FROM THE DISPOSAL

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.

It is expected that the Group will recognize a loss in its consolidated income statement of approximately HK\$311,000 arising from the Disposal, which is calculated as the difference between the consideration of the Disposal and the unaudited carrying amount of the investment in the Purchaser of HK\$10,582,000 classified by the Group as an investment in associate accounted for using the equity method and the amount due to associate of approximately HK\$3,091,000 as at 30 June 2020. Subject to audit, the actual amount of gain or loss on Disposal to be recognized by the Group will be based on the actual net asset value of the Purchaser as at completion of the Disposal and therefore may vary from the amount mentioned above.

The intended sales proceeds (after deducting relevant costs and expenses in connection with the Disposal) in the amount of approximately HK\$7,100,000 will be applied to the general working capital of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in money lending business, retail and wholesale business.

Looking at the Group's historical performance of vehicle inspection and maintenance business in Hong Kong, the Board is of the view that operating of vehicles examination centre in Hong Kong is not performing as expected and to continue the vehicle inspection and maintenance business is going to take up too much resources of the Group which can be put on other more promising sectors. As such, the Board considers that by the Disposal, the Group can re-focus its resources to other more profitable business sectors of the Group.

The Directors consider that the terms of the Sale and Purchase Agreement, which are determined after arm's length negotiations between the parties thereto, are on normal commercial terms which are fair and reasonable, and the entering into of the Sale and Purchase Agreement is in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules in respect of the Disposal exceeds 5% but is lower than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and disclosure requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Easy Repay Finance & Investment Limited (Stock code: 8079), an exempted company continued in Bermuda with limited liability and the issued Shares of which are listed on the GEM
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the Sale and Purchase Agreement
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Wong Hei Yan
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third parties independent of the Company and its connected persons
“Purchaser”	Topwise Global Holdings Limited, a company incorporated in British Virgin Islands with limited liability, and, as at the date of the announcement, held as to 22% by the Vendor and 73% by Garritt Global Investment Limited, 3% by Smooth Up Limited and 2% by Asian Legend International Limited
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 September 2020 entered into between the Vendor, the Purchaser and the Guarantor in relation to the Disposal

“Sale Shares”	2,200 shares of the Purchaser, representing 22% of the issued share capital of the Purchaser
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transport Department”	The Transport Department of the Hong Kong government
“Vendor”	Century Forever Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

By order of the Board
Easy Repay Finance & Investment Limited
Siu Yeuk Hung, Clara
Chairman

Hong Kong, 15 September 2020

As at the date of this announcement, the board of directors of the Company comprises Ms. Siu Yeuk Hung, Clara and Mr. Law Ka Kei as executive directors; Mr. Lee King Fui and Mr. Ho Tak Yin as independent non-executive directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company 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.

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.