

---

## THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Easy Repay Finance & Investment Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

---

### **BEST RICHEST MANAGEMENT COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

### **EASY REPAY FINANCE & INVESTMENT LIMITED**

**易還財務投資有限公司**

*(Continued into Bermuda with limited liability)*

**(Stock code: 8079)**

## **COMPOSITE OFFER AND RESPONSE DOCUMENT RELATING TO MANDATORY CONDITIONAL CASH OFFER BY**



**China Securities Limited**

**CHINA SECURITIES LIMITED**

**FOR AND ON BEHALF OF**

**BEST RICHEST MANAGEMENT COMPANY LIMITED**

**TO ACQUIRE ALL THE ISSUED SHARES IN**

**EASY REPAY FINANCE & INVESTMENT LIMITED**

**(OTHER THAN THOSE ALREADY OWNED OR**

**AGREED TO BE ACQUIRED BY**

**BEST RICHEST MANAGEMENT COMPANY LIMITED AND**

**PARTIES ACTING IN CONCERT WITH IT)**

**Financial Adviser to the Offeror**

**千里碩**

**ELSTONE**

**Elstone Capital Limited**

**Independent Financial Adviser to the Independent Board Committee**

**RAINBOW.**

**RAINBOW CAPITAL (HK) LIMITED**  
溢博資本有限公司

---

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from China Securities containing, among other things, the details of the terms of the Offer is set out on pages 9 to 17 of this Composite Document.

A letter from the Board is set out on pages 18 to 25 of this Composite Document. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 26 to 27 of this Composite Document. A letter from the Independent Financial Adviser, containing its opinion on the Offer and its recommendation to the Independent Board Committee, is set out on pages 28 to 56 of this Composite Document.

The procedures for acceptance and settlement of the Offer and other related information are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances of the Offer should be received by the Registrar, at Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. (Hong Kong time) on Tuesday, 21 June 2022 or such later time(s) and/or date(s) as the Offeror may determine and announce, with the consent of the Executive, in accordance with the requirements under the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the details which are contained in the paragraph headed "NOTICE TO OVERSEAS SHAREHOLDERS" under the section headed "IMPORTANT NOTICES" in this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder wishing to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements. Overseas Shareholders are advised to seek professional advice on deciding whether or not to accept the Offer.

This Composite Document will remain on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.ecrepay.com](http://www.ecrepay.com) as long as the Offer remain open.

31 May 2022

---

## CHARACTERISTIC OF GEM

---

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

**Given that 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.**

---

# CONTENTS

---

	<i>Page</i>
<b>EXPECTED TIMETABLE</b> .....	1
<b>IMPORTANT NOTICES</b> .....	3
<b>DEFINITIONS</b> .....	4
<b>LETTER FROM CHINA SECURITIES</b> .....	9
<b>LETTER FROM THE BOARD</b> .....	18
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	26
<b>LETTER FROM RAINBOW CAPITAL</b> .....	28
<b>APPENDIX I – FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER</b> .....	I-1
<b>APPENDIX II – FINANCIAL INFORMATION OF THE GROUP</b> .....	II-1
<b>APPENDIX III – GENERAL INFORMATION OF THE GROUP</b> .....	III-1
<b>APPENDIX IV – GENERAL INFORMATION OF THE OFFEROR</b> .....	IV-1
<b>ACCOMPANYING DOCUMENT – FORM OF ACCEPTANCE</b>	

---

## EXPECTED TIMETABLE

---

*The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company as and when appropriate. All time and date references contained in this Composite Document and accompanying Form of Acceptance refer to Hong Kong time and dates.*

<b>Events</b>	<b>Time and date (Hong Kong time)</b>
Despatch date of this Composite Document and the accompanying Form of Acceptance and the commencement of the Offer ( <i>Note 1</i> ) . . . . .	Tuesday, 31 May 2022
Latest time and date for acceptance of the Offer on the First Closing Date ( <i>Notes 2, 6 and 7</i> ) . . . . .	by 4:00 p.m. on Tuesday, 21 June 2022
First Closing Date ( <i>Note 2</i> ) . . . . .	Tuesday, 21 June 2022
Announcement of the results of the Offer and as to whether the Offer has been revised or extended to be posted on the website of the Stock Exchange and the Company ( <i>Note 2</i> ) . . . . .	by 7:00 p.m. on Tuesday, 21 June 2022
Latest date for posting of remittances in respect of valid acceptances received under the Offer by the First Closing Date (assuming the Offer becomes or is declared unconditional on the First Closing Date) ( <i>Notes 3 and 6</i> ) . . . . .	Thursday, 30 June 2022
Latest time and date for the Offer remaining open for acceptance on the Final Closing Date (assuming the Offer becomes or is declared unconditional on the First Closing Date) ( <i>Notes 4, 6 and 7</i> ) . . . . .	by 4:00 p.m. on Tuesday, 5 July 2022
Final Closing Date (assuming the Offer becomes or is declared unconditional on the First Closing Date) ( <i>Note 4</i> ) . . . . .	Tuesday, 5 July 2022
Announcement of the results of the Offer as at the Final Closing Date (assuming the Offer becomes or is declared unconditional on the First Closing Date), to be posted on the website of the Stock Exchange . . . . .	by 7:00 p.m. on Tuesday, 5 July 2022
Latest date for posting of remittances in respect of valid acceptances received under the Offer after the First Closing Date but on or before 4:00 p.m. on the Final Closing Date assuming the Offer becomes or is declared unconditional in all respects on the First Closing Date ( <i>Notes 3, 4 and 6</i> ) . . . . .	Thursday, 14 July 2022
Latest time and date by which the Offer can be declared unconditional as to acceptances ( <i>Note 5</i> ) . . . . .	by 7:00 p.m. on Monday 1 August 2022

---

## EXPECTED TIMETABLE

---

*Notes:*

1. The Offer, which is conditional, is made on the date of despatch of this Composite Document, and is capable of acceptance on and from that day until 4:00 p.m. on the First Closing Date unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. Subject to the Offer becoming unconditional, acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the section headed “Effect of acceptance of the Offer and right of withdrawal” in Appendix I to this Composite Document.
2. The Offer must remain open for acceptance for at least 21 days falling the date on which this Composite Document is posted. The Offer which is conditional will be closed at 4:00 p.m. on the First Closing Date unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In accordance with the Takeovers Code, an announcement will be jointly issued by the Company and the Offeror through the website of the Stock Exchange by 7:00 p.m. on the First Closing Date stating the results of the Offer and whether the Offer has been revised or extended, has expired or has become or been declared unconditional. Assuming the Offer becomes or is declared unconditional on the First Closing Date, the Offer will remain open for acceptance for not less than 14 days thereafter in accordance with the Takeovers Code. If the Offer does not become unconditional on or before Tuesday, 21 June 2022, the Offer will lapse unless the Offer is extended in accordance with the Takeovers Code. In the event that the Offeror decides to revise or extend the Offer, at least 14 days’ notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.
3. Subject to the Offer becoming unconditional, remittances in respect of the cash consideration (after deducting the seller’s ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the accepting Independent Shareholders by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the later of the date of receipt by the Registrar of the duly completed Form of Acceptance together with all relevant documents required to render such acceptance under the Offer complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code, and the date on which the Offer becomes, or is declared, unconditional in all respects.
4. In accordance with the Takeovers Code, where the Offer becomes or is declared unconditional in all respects, the Offer should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days’ notice in writing must be given before the Offer is closed to the Independent Shareholders who have not accepted the Offer. The Offeror has the right, subject to the Takeovers Code, to extend the Offer until such date as it may determine or as permitted by the Executive. The Offeror will issue an announcement in relation to any extension of the Offer, which will state the next Closing Date, or if the Offer has become or is unconditional at that time, then the Offer will remain open until further notice.
5. In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptance after 7:00 p.m. on the 60th day after the day this Composite Document is posted. Where a period laid down by the Takeovers Code ends on a day which is not a Business Day, the period is extended until the next Business Day. Accordingly, unless the Offer has previously become or is declared unconditional as to acceptance, the Offer will lapse after 7:00 p.m. on Monday, 1 August 2022 which is 60 calendar days after the date of the despatch of this Composite Document, unless extended with the consent of the Executive.
6. If there is a tropical cyclone warning signal number 8 or above, or a “black rainstorm warning” or “extreme condition” caused by super typhoon:
  - (i) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and the posting of remittances will remain on the same Business Day; or
  - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, as the case may be, will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. or such other day as the Executive may approve in accordance with the Takeovers Code.
7. Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

---

## **IMPORTANT NOTICES**

---

### **NOTICE TO OVERSEAS SHAREHOLDERS**

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements and, where necessary, seek independent legal advice. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including obtaining any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities or legal requirements, and the payment of any transfer or other taxes or other required payments due from such Overseas Shareholder in respect of such jurisdiction. The Offeror and parties acting in concert, the Company, Elstone Capital, China Securities, Rainbow Capital and the Registrar, their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please refer to the paragraph headed “Overseas Shareholders” in the Letter from China Securities and the paragraph headed “7. Overseas Shareholders” in Appendix I to this Composite Document for further details.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable laws or regulations, including but not limited to the GEM Listing Rules and/or the Takeovers Code.

---

## DEFINITIONS

---

*In this Composite Document, unless the context otherwise requires, the following expressions have the following meanings:*

“Able Rich”	Able Rich Consultants Limited, a company incorporated under the laws of Hong Kong with limited liability and a company wholly-owned by Rich Treasure Group Limited, of which Mr. Shiu is the sole director and the sole shareholder
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited
“China Securities”	China Securities Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities, being the agent making the Offer on behalf of the Offeror
“Closing Date”	the First Closing Date or any subsequent closing date of the Offer as may be revised or extended in accordance with the Takeovers Code
“Company”	Easy Repay Finance & Investment Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8079)
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Independent Shareholders in accordance with the Takeovers Code in respect of the Offer containing, among other things, details of the Offer (accompanied by the acceptance and transfer forms) and the respective letters of advice from the Independent Financial Adviser and the Independent Board Committee
“Director(s)”	the director(s) of the Company

---

## DEFINITIONS

---

“Elstone Capital”	Elstone Capital Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offer
“Encumbrance”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
“Final Closing Date”	Tuesday, 5 July 2022, assuming that the Offer becomes or is declared unconditional in all respects on the First Closing Date and the Offer will be open for acceptances for 14 calendar days after the First Closing Date
“First Closing Date”	Tuesday, 21 June 2022, being the first closing date of the Offer, which is 21 calendar days after the date of despatch of the Composite Document
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors established for the purpose of advising the Independent Shareholders in respect of the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer



---

## DEFINITIONS

---

“Independent Financial Adviser”/“Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company and approved by the Independent Board Committee for the purpose of advising the Independent Board Committee in respect of the terms of the Offer and as to acceptance of the Offer
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“Irrevocable Undertaking”	the deed of irrevocable undertaking entered into on 4 May 2022 between Mr. Shiu and the Offeror for Mr. Shiu to give certain undertakings in favour of the Offeror for the Offer
“Joint Announcement”	the joint announcement issued by the Offeror and the Company dated 10 May 2022 in relation to, among other things, the SPA of the Sale Shares and the Offer
“Last Trading Day”	28 April 2022, being the last full trading day of the Shares on the Stock Exchange prior to the halt of trading in the Shares pending the release of the Joint Announcement
“Latest Practicable Date”	30 May 2022, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained in this Composite Document
“Loan Facility”	a loan facility of up to HK\$12,700,000 granted by China Securities as lender to the Offeror as borrower, which is secured by a charge over the Sale Shares and the Offer Shares that may be acquired by the Offeror under the Offer
“Mr. Chan”	Mr. Chan Yan Tak, the ultimate beneficial owner and the sole director of the Offeror and the guarantor of the purchaser
“Mr. Shiu”	Mr. Shiu Yeuk Yuen, the ultimate beneficial owner of the entire issued share capital of Able Rich through its control of Rich Treasure Group Limited and the guarantor of the vendor
“Offer”	the mandatory conditional cash offer being made by China Securities on behalf of the Offeror to acquire all the Offer Shares

---

## DEFINITIONS

---

“Offer Period”	has the meaning ascribed to it in the Takeovers Code (i.e. commencing from the date of the Joint Announcement, being 10 May 2022, and ending on the date the Offer closes, lapses or the date to which the Offeror may decide to extend the Offer to in accordance with the Takeovers Code)
“Offer Price”	HK\$0.08 per Offer Share
“Offer Share(s)”	all the issued Shares (other than those already beneficially owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offeror”	Best Richest Management Company Limited, a company incorporated in the Hong Kong with limited liability and is directly wholly owned by Mr. Chan
“Overseas Shareholder”	Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“Registrar”	Tricor Standard Limited, the Hong Kong branch share registrar of the Company, situated at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period commencing from 10 November 2021, being the date falling six (6) months preceding the commencement of the Offer Period up to and including the Latest Practicable Date
“Sale Share(s)”	the 82,288,613 Shares acquired by the Offeror from Able Rich pursuant to the terms and conditions of the SPA
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SPA”	the sale and purchase agreement dated 29 April 2022 entered into between the Offeror, Able Rich, Mr. Chan (as purchaser guarantor) and Mr. Shiu (as vendor guarantor) for the sale and purchase of the Sale Shares

---

## DEFINITIONS

---

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent.

---

# LETTER FROM CHINA SECURITIES

---

中國證券有限公司

China Securities Limited

香港金鐘道 89 號力寶中心一期 4206 室

Suite 4206, Lippo Centre Tower 1, 89 Queensway, Admiralty, Hong Kong

Telephone: 2505 2255 Fax: 2505 5770

(中央編號 CE No: BMI548)



31 May 2022

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY CONDITIONAL CASH OFFER BY  
CHINA SECURITIES LIMITED  
FOR AND ON BEHALF OF  
BEST RICHEST MANAGEMENT COMPANY LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
EASY REPAY FINANCE & INVESTMENT LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY  
BEST RICHEST MANAGEMENT COMPANY LIMITED AND  
PARTIES ACTING IN CONCERT WITH IT)**

## INTRODUCTION

Reference is made to the Joint Announcement. On 29 April 2022, the Offeror, Able Rich, Mr. Chan (as purchaser guarantor) and Mr. Shiu (as vendor guarantor) entered into the SPA, pursuant to which the Offeror has conditionally agreed to acquire and Able Rich has conditionally agreed to sell an aggregate of 82,288,613 Shares, representing approximately 34.24% of the total issued share capital of the Company as at the date of the Joint Announcement. The consideration for Sale Shares is HK\$6,583,089.04, representing HK\$0.08 per Sale Share. Completion of the SPA took place on 4 May 2022.

Before completion of the SPA, the Offeror and parties acting in concert with it does not have any interest in the Shares. Immediately upon completion of the SPA and as at the Latest Practicable Date, the Offeror and parties acting in concert with it is interested in 82,288,613 Shares, representing approximately 34.24% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

---

## LETTER FROM CHINA SECURITIES

---

This letter forms part of this Composite Document and sets out, among other things, details of the Offer, information on the Offeror, and the Offeror's intentions in relation to the Group. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

The Independent Shareholders are strongly advised to read this Composite Document carefully, and to consult their own professional advisers before reaching a decision as to whether or not to accept the Offer.

### **MANDATORY CONDITIONAL CASH OFFER**

China Securities, for and on behalf of the Offeror, in making the Offer to acquire all the Offer Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in compliance with the Takeovers Code and on the terms set out in this Composite Document on the following basis:

#### **The Offer Price**

For each Offer Share . . . . . HK\$0.08 in cash

The Offer Price of HK\$0.08 per Offer Share under the Offer is equal to the purchase price per Sale Share paid by the Offeror under the SPA. The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching thereto on or after the date on which the Offer is made, being the date of the despatch of this Composite Document.

**The Offeror confirms that the Offer Price is final and will not be increased.**

#### **Condition of the Offer**

The Offer is conditional only upon valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of Shares which, together with Shares already owned by the Offeror and parties acting in concert with it and acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of the conditions of the Offer in accordance with the Takeovers Code. The latest time on which the Offeror can declare the Offer unconditional as to acceptance is 7:00 p.m. on the 60th day after the despatch of this Composite Document (or such later date to which the Executive may consent).

**The Offer may or may not become unconditional, Shareholders and investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

---

# LETTER FROM CHINA SECURITIES

---

## Comparison of value

The Offer Price of HK\$0.08 per Offer Share represents:

- (i) a discount of approximately 65.22% to the closing price of HK\$0.230 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 20.00% to the closing price of HK\$0.100 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 18.37% to the average closing price as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.098 per Share;
- (iv) a discount of approximately 18.37% to the average of the closing prices as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.098 per Share;
- (v) a discount of approximately 17.53% to the average of the closing prices as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.097 per Share;
- (vi) a discount of approximately 39.39% to the average of the closing prices as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.132 per Share;
- (vii) a discount of approximately 92.82% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$1.114 per Share (based on the total number of the issued Shares as at the Latest Practicable Date) as at 31 March 2021, being the date to which the latest published audited financial results of the Group were made up; and
- (viii) a discount of approximately 92.54% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$1.073 per Share (based on the total number of the issued Shares as at the Latest Practicable Date) as at 30 September 2021.

## Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.238 per Share (on 27 May 2022) and HK\$0.085 per Share (on 21 February 2022), respectively.

## Value of the Offer

Based on the Offer Price of HK\$0.08 per Offer Share and 240,359,354 Shares in issue as at the date of the Latest Practicable Date, the entire issued share capital of the Company is valued at HK\$19,228,748.32.

---

## LETTER FROM CHINA SECURITIES

---

As at the date of the Joint Announcement, excluding the 82,288,613 Shares held by the Offeror and the parties acting in concert with it and assuming there is no change in the number of issued Shares from the date of the Latest Practicable Date up to the close of the Offer, a total of 158,070,741 Shares are subject to the Offer and the value of the Offer is HK\$12,645,659.28.

### **Confirmation of financial resources available for the Offer**

The Offeror will satisfy the consideration payable under the Offer by the Loan Facility. The Offeror has obtained the Loan Facility from China Securities and the loan has been drawn and deposited into the Offeror's account maintained with China Securities. Pursuant to the Loan Facility, the loan is secured by, among other things, the Sale Shares and all Offer Shares that may be acquired by the Offeror pursuant to the Offer. The Offeror does not intend that payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Company.

Elstone Capital, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offer.

### **Effect of accepting the Offer**

Subject to the Offer becoming unconditional, provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the branch share registrar of the Company in Hong Kong, the Shareholders will sell their Shares to the Offeror free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of this Composite Document.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code.

As at the Latest Practicable Date, (a) no dividends or distributions have been declared but unpaid; and (b) there is no intention for the Company to make, declare or pay any dividends or distributions during the offer period (as defined under the Takeovers Code).

### **Hong Kong stamp duty**

Seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.13% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to Independent Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

---

## LETTER FROM CHINA SECURITIES

---

### **Payment**

Subject to the Offer having become, or having been declared, unconditional in all respects, payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

### **Return of documents**

If the Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, the Offeror shall (or shall procure), as soon as possible but in any event within ten (10) days after the Offer has lapsed, return by ordinary post of the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Share(s) lodged with the Form of Acceptance in respect of the Offer to such Independent Shareholder at their own risks.

### **Overseas Shareholders**

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdiction).

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror and its advisers and agents that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

### **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Elstone Capital, China Securities, the Independent Financial Adviser and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **Compulsory acquisition**

The Offeror and parties acting in concert with it do not intend to exercise any right which may be available to them to acquire compulsorily any Shares not tendered for acceptance under the Offer.



---

# LETTER FROM CHINA SECURITIES

---

## **Procedures for acceptance**

Your attention is drawn to “Further terms and procedures for acceptance of the Offer” as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

## **IRREVOCABLE UNDERTAKING**

Before completion of the SPA, Mr. Shiu is deemed to be interested in 83,908,620 Shares by virtue of the SFO, of which (i) 1,620,000 Shares are beneficially owned by himself, (ii) 7 Shares were held by his spouse, and (iii) 82,288,613 Shares were held by Able Rich. Immediately upon completion of the SPA, Mr. Shiu is deemed to be interested in 1,620,007 Shares by virtue of the SFO, representing approximately 0.67% of the issued share capital of the Company as at the Latest Practicable Date.

Pursuant to the Irrevocable Undertaking, Mr. Shiu irrevocably undertakes to the Offeror that, amongst others, he (a) will accept the Offer in respect of the 1,620,000 Shares beneficially owned by himself within two (2) Business Days after the despatch date of this Composite Document and, (b) will not withdraw any such acceptance.

The Irrevocable Undertaking will lapse and cease to have effect if (i) the Joint Announcement is not released by 31 July 2022 (or such later date as agreed by the Offeror and Mr. Shiu) or (ii) the Offer lapses or is withdrawn in accordance with the Takeovers Code and the Offeror announces that it does not intend to proceed with the acquisition of Offer Shares. The Irrevocable Undertaking will not lapse and cease to have effect under condition (i) after the release of the Joint Announcement on 10 May 2022. In relation to condition (ii), the Offeror is obliged to make the Offer under the Takeovers Code upon completion of the SPA on 4 May 2022. The Offer will only be subject to the fulfilment of the condition of the Offer, details of which are set out under “Condition of the Offer” in the “MANDATORY CONDITIONAL CASH OFFER” section above.

## **INFORMATION ON THE GROUP**

Your attention is drawn to the section headed “Information on the Group” in the “Letter from the Board” in this Composite Document.

## **INFORMATION ON THE OFFEROR**

The Offeror is incorporated in Hong Kong with limited liability and is an investment holding company directly wholly owned by Mr. Chan, who is also the ultimate beneficial owner and the sole director of the Offeror. As at the Latest Practicable Date, save for entering into of the SPA, the Offeror did not engage in any other business activities. Details of Mr. Chan are set out under “PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY” section below.

---

## LETTER FROM CHINA SECURITIES

---

### INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Upon completion of the SPA, the Offeror has become the controlling Shareholder (as defined under the GEM Listing Rules). The Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror also intends to continue the existing principal business of the Group immediately following completion of the SPA. Subject to the results of the review on the existing principal business and the financial position of the Group for the purpose of formulating business plans and strategies for future business development of the Group, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the GEM Listing Rules. As at the Latest Practicable Date, the Offeror has yet to identify or enter into discussions or negotiations with any parties and has no intention or plan with respect to business opportunities or acquisitions or disposal.

### PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board comprises two executive Directors, namely Ms. Siu Yeuk Hung, Clara and Mr. Law Ka Kei; and three independent non-executive Directors, namely Mr. Lee King Fui, Mr. Ho Tak Yin and Mr. Lee Wing Lun.

The Offeror intends to nominate Mr. Chan as an executive Director, and such proposed appointment is subject to approval of the Board and expected to take effect following the close of the Offer. The biographical details of Mr. Chan are set out below.

Mr. Chan has extensive experience mainly in operating retail businesses in health food, pharmaceutical and pet food and supplies and he possesses experience in product development, material sourcing, brand-building, advertising, marketing and retail networking. Mr. Chan is currently the chairman of Wisdomcome Group (仍志集團) which mainly engages in e-commerce business in pet food and supplies. He was the chairman, an executive director and the chief executive officer of Shunten International (Holdings) Limited (previously named as RM Group Holdings Limited, stock code: 0932) (“**Shunten**”) from 5 December 2011 to 31 March 2019, which he was responsible for the overall management and strategic development of the health and beauty supplements and products segment of Shunten. As at the Latest Practicable Date, he is a substantial shareholder of Shunten.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors intend to resign from his/her offices as a Director. Any further changes to the Board will be made in compliance with the Takeovers Code, the GEM Listing Rule and the articles of association of the Company, further announcement(s) will be made in this regard as and when appropriate.

---

## LETTER FROM CHINA SECURITIES

---

### MAINTENANCE OF THE LISTING STATUS AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY

The Stock Exchange has stated that if, upon the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange. The sole director of the Offeror and the new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists for the Shares following the close of the Offer. In the event that the public float of the Company falls below 25% immediately after the close of the Offer, the Company may make an application with the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules for a certain period commencing from the date of closing of the Offer (the “**Period**”). The Company will take appropriate steps, including but not limited to, the engagement of a placing agent to place such number of Shares to other independent third parties not connected with the Company or any of its connected persons, to restore the required minimum public float as early as practicable and in any event no later than the end of the Period. Further announcement(s) will be made by the Company regarding the restoration of public float in due course.

### GENERAL

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of the members of the Company and in the case of joint Independent Shareholders, to such Independent Shareholder whose name appears first in the register of members of the Company, unless otherwise specified in the accompanying Forms of Acceptance completed, returned and received by the Registrar.

The Offeror and parties acting in concert with it, the Company, Elstone Capital, China Securities, Rainbow Capital, the Registrar and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates or any other parties involved in the Offer, (i) will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith. and (ii) shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. For further details, please see the paragraph headed “Overseas Shareholders” in this letter.

---

## LETTER FROM CHINA SECURITIES

---

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. In addition, your attention is also drawn to the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and other information about the Group, contained in this Composite Document before deciding whether or not to accept the Offer.

Yours faithfully,  
for and on behalf of  
**China Securities Limited**  
**Leung Wai Kei**  
*Managing Director*

*Mr. Leung Wai Kei is a licensed person registered with the SFC and a responsible officer of China Securities Limited to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO.*

---

## LETTER FROM THE BOARD

---

# EASY REPAY FINANCE & INVESTMENT LIMITED

## 易還財務投資有限公司

*(Continued into Bermuda with limited liability)*

**(Stock code: 8079)**

*Executive Directors:*

Ms. Siu Yeuk Hung, Clara (*Chairman*)

Mr. Law Ka Kei

*Independent Non-Executive Directors:*

Mr. Ho Tak Yin

Mr. Lee King Fui

Mr. Lee Wing Lun

*Registered Office:*

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

*Head office and principal place of  
business in Hong Kong:*

Unit 02, 11/F, Eastmark

21 Sheung Yuet Road

Kowloon Bay

Kowloon, Hong Kong

31 May 2022

*To the Independent Shareholders*

Dear Sir or Madam,

**MANDATORY CONDITIONAL CASH OFFER BY  
CHINA SECURITIES LIMITED  
FOR AND ON BEHALF OF  
BEST RICHEST MANAGEMENT COMPANY LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
EASY REPAY FINANCE & INVESTMENT LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY  
BEST RICHEST MANAGEMENT COMPANY LIMITED AND  
PARTIES ACTING IN CONCERT WITH IT)**

### INTRODUCTION

Reference is made to the Joint Announcement issued jointly by the Offeror and the Company in relation to, among others, the SPA and the Offer pursuant to Rule 3.5 of the Takeovers Code.

---

## LETTER FROM THE BOARD

---

As stated in the Joint Announcement, on 29 April 2022, the Offeror, Able Rich, Mr. Chan (as purchaser guarantor) and Mr. Shiu (as vendor guarantor) entered into the SPA, pursuant to which the Offeror has conditionally agreed to acquire and Able Rich has conditionally agreed to sell an aggregate of 82,288,613 Shares, representing approximately 34.24% of the total issued share capital of the Company as at the date of the Joint Announcement. The consideration for Sale Shares is HK\$6,583,089.04, representing HK\$0.08 per Sale Share. Completion of the SPA took place on 4 May 2022.

Before completion of the SPA, the Offeror and parties acting in concert with it does not have any interest in the Shares. Immediately upon completion of the SPA and as at the Latest Practicable Date, the Offeror and parties acting in concert with it is interested in 82,288,613 Shares, representing approximately 34.24% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, upon completion of the SPA, the Offeror is required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

### **Independent Board Committee And Independent Financial Adviser**

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Lee King Fui, Mr. Ho Tak Yin and Mr. Lee Wing Lun, has been established by the Board to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

This letter forms part of this Composite Document which sets out, among other things, the principal terms of the Offer, the information on the Offeror and the intentions of the Offeror in relation to the Group. Further details of the terms of the Offer and the procedures for accepting the Offer are set out in Appendix I to this Composite Document and in the Form(s) of Acceptance. Your attention is also drawn to the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” contained in this Composite Document.

### **MANDATORY CONDITIONAL CASH OFFER**

#### **The Offer**

#### ***Principal Terms of the Offer***

As mentioned in the “Letter from China Securities” on pages 9 to 17 of this Composite Document, China Securities, for and on behalf of the Offeror, is making the Offer to acquire all the Offer Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in compliance with the Takeovers Code and on the terms to be set out in this Composite Document on the following basis:

For each Offer Share . . . . . HK\$0.08 in cash

---

## LETTER FROM THE BOARD

---

The Offer Price of HK\$0.08 per Offer Share under the Offer is equal to the purchase price per Sale Share paid by the Offeror under the SPA. The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching thereto on or after the date on which the Offer is made, being the date of the despatch of this Composite Document.

The procedures for acceptance and further details of the Offer are set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance.

### **Condition of the Offer**

The Offer is conditional only upon valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of Shares which, together with Shares already owned by the Offeror and parties acting in concert with it and acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of the conditions of the Offer in accordance with the Takeovers Code. The latest time on which the Offeror can declare the Offer unconditional as to acceptance is 7:00 p.m. on the 60th day after the despatch of this Composite Document (or such later date to which the Executive may consent).

### **Comparison of value**

The Offer Price of HK\$0.08 per Offer Share represents:

- (i) a discount of approximately 65.22% to the closing price of HK\$0.230 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 20.00% to the closing price of HK\$0.100 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 18.37% to the average closing price as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.098 per Share;
- (iv) a discount of approximately 18.37% to the average of the closing prices as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.098 per Share;
- (v) a discount of approximately 17.53% to the average of the closing prices as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.097 per Share;
- (vi) a discount of approximately 39.39% to the average of the closing prices as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.132 per Share;

---

## LETTER FROM THE BOARD

---

- (vii) a discount of approximately 92.82% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$1.114 per Share (based on the total number of the issued Shares as at the Latest Practicable Date) as at 31 March 2021, being the date to which the latest published audited financial results of the Group were made up; and
- (viii) a discount of approximately 92.54% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$1.073 per Share (based on the total number of the issued Shares as at Latest Practicable Date) as at 30 September 2021.

### **Highest and lowest Share prices**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.200 per Share (on 13 May 2022) and HK\$0.085 per Share (on 21 February 2022), respectively.

### **Value of the Offer**

Based on the Offer Price of HK\$0.08 per Offer Share and 240,359,354 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at HK\$19,228,748.32.

As at the Latest Practicable Date, excluding the 82,288,613 Shares held by the Offeror and the parties acting in concert with it and assuming there is no change in the number of issued Shares from the Latest Practicable Date up to the close of the Offer, a total of 158,070,741 Shares will be subject to the Offer and the value of the Offer is HK\$12,645,659.28.

### **Irrevocable Undertaking**

Before completion of the SPA, Mr. Shiu is deemed to be interested in 83,908,620 Shares by virtue of the SFO, of which (i) 1,620,000 Shares are beneficially owned by himself, (ii) 7 Shares were held by his spouse, and (iii) 82,288,613 Shares were held by Able Rich. Immediately upon completion of the SPA, Mr. Shiu is deemed to be interested in 1,620,007 Shares by virtue of the SFO, representing approximately 0.67% of the issued share capital of the Company as at the Latest Practicable Date.

Pursuant to the Irrevocable Undertaking, Mr. Shiu irrevocably undertakes to the Offeror that, amongst others, he (a) will accept the Offer in respect of the 1,620,000 Shares beneficially owned by himself within two Business Days after the despatch date of this Composite Document and, (b) will not withdraw any such acceptance.

The Irrevocable Undertaking will lapse and cease to have effect if (i) the Joint Announcement is not released by 31 July 2022 (or such later date as agreed by the Offeror and Mr. Shiu) or (ii) the Offer lapses or is withdrawn in accordance with the Takeovers Code and the Offeror announces that it does not intend to proceed with the acquisition of Offer Shares. The Irrevocable Undertaking will not lapse and cease to have effect under condition (i) after the release of the Joint Announcement on 10 May 2022. In relation to condition (ii), the Offeror is obliged to make the Offer under the Takeovers Code upon completion of the SPA on 4 May 2022. The Offer will only be subject to the fulfilment of the condition of the Offer, details of which are set out under “Condition of the Offer” in the “MANDATORY CONDITIONAL CASH OFFER” section above.



---

## LETTER FROM THE BOARD

---

### Further information of the Offer

Please refer to the “Letter from China Securities” and Appendix I contained in this Composite Document for further information in relation to the Offer, including the confirmation of financial resources available for the Offer, payment, effect of accepting the Offer, Overseas Shareholders, and Hong Kong stamp duty.

### INFORMATION ON THE GROUP

#### The Company

The Company is a company incorporated in the Cayman Islands and continued into Bermuda with limited liability, the Shares of which are listed on GEM of the Stock Exchange (stock code: 8079). The Group is principally engaged in the money lending business, retail and wholesale business.

Set out below is the summary of the financial information of the Group for the financial years ended 31 March 2020 and 2021 as extracted from the annual report of the Company for the year ended 31 March 2021 and the six months ended 30 September 2021 as extracted from the interim report of the Company for the six months ended 30 September 2021:

	For the year ended 31 March		For the six months ended 30 September	
	2020 <i>HK\$'000</i> (audited)	2021 <i>HK\$'000</i> (audited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Revenue	116,110	115,368	61,886	52,842
Loss before taxation	(63,833)	(94,741)	(6,948)	(9,692)
Loss for the year/period attributable to equity shareholders of the Company	(63,441)	(93,952)	(6,034)	(9,692)
	As at 31 March		As at 30 September	
	2020 <i>HK\$'000</i> (audited)	2021 <i>HK\$'000</i> (audited)	2020 <i>HK\$'000</i> (unaudited)	2021 <i>HK\$'000</i> (unaudited)
Total assets	378,796	278,695	374,241	282,520
Shareholders' equity	360,718	267,694	355,463	258,002

Details of the financial and general information of the Company are set out in Appendix II and Appendix III to this Composite Document.

# LETTER FROM THE BOARD

## SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 240,359,354 Shares in issue and does not have any outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or other securities which are convertible or exchangeable into Shares. Save for the Shares, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

The following table sets out the shareholding structure of the Company (i) immediately prior to the completion of the SPA; and (ii) immediately after the completion of the SPA and as at the Latest Practicable Date:

	Immediately prior to the completion of the SPA		Immediately after the completion of the SPA and as at the Latest Practicable Date	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Offeror and its concert parties (Note 1)	–	–	82,288,613	34.24
Able Rich (Note 2)	82,288,613	34.24	–	–
Mr. Shiu and his spouse (Note 2)	1,620,007	0.67	1,620,007	0.67
Ms. Bai Yu (Note 3)	26,093,500	10.86	26,093,500	10.86
Mr. Law Ka Kei (Note 4)	2,185,000	0.91	2,185,000	0.91
Public Shareholders	<u>128,172,234</u>	<u>53.32</u>	<u>128,172,234</u>	<u>53.32</u>
<b>Total</b>	<b><u>240,359,354</u></b>	<b><u>100.00</u></b>	<b><u>240,359,354</u></b>	<b><u>100.00</u></b>

*Notes:*

- The Offeror is a company incorporated in Hong Kong with limited liability and is wholly and beneficially owned by Mr. Chan.
- Able Rich is a company incorporated in Hong Kong with limited liability and is wholly-owned by Rich Treasure Group Limited, of which Mr. Shiu is the sole director and sole shareholder. As disclosed in the notice filed by Mr. Shiu on 29 May 2020, Mr. Shiu is deemed to be interested in 83,908,620 Shares by virtue of the SFO, of which (i) 1,620,000 Shares are beneficially owned by himself, (ii) 7 Shares were held by his spouse, and (iii) 82,288,613 Shares were held by Able Rich. Pursuant to the Irrevocable Undertaking, Mr. Shiu will accept the Offer in respect of 1,620,000 Shares held by him.
- There has been no relationship between the Offeror and Ms. Bai Yu.
- Mr. Law Ka Kei is an executive Director.

---

## LETTER FROM THE BOARD

---

### INTENTION OF THE OFFEROR ON THE COMPANY

Your attention is drawn to the sections headed “Information on the Offeror”, “Intention of the Offeror in relation to the Group” and “Proposed change to the Board composition of the Company” in the “Letter from China Securities” as set out in this Composite Document.

Upon completion of the SPA, the Offeror has become the controlling Shareholder (as defined under the GEM Listing Rules). The Board is aware that the Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror also intends to continue the existing principal business of the Group immediately following completion of the SPA. Subject to the results of the review on the existing principal business and the financial position of the Group for the purpose of formulating business plans and strategies for future business development of the Group, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the GEM Listing Rules.

### MAINTAINING THE LISTING STATUS OF THE COMPANY

Pursuant to the GEM Listing Rules, if, upon the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

As disclosed in the “Letter from China Securities” as set out in this Composite Document, the Board noted the Offeror’s intention to maintain the listing of the Shares on GEM of the Stock Exchange after the close of the Offer. In the event that the public float of the Company falls below 25% following the close of the Offer, each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the Shares following the close of the Offer.

### ADVICE AND RECOMMENDATION

Your attention is drawn to the “Letter from the Independent Board Committee” set out in this Composite Document which contains the recommendation of the Independent Board Committee in respect of the Offer. Your attention is also drawn to the “Letter from Rainbow Capital” set out in this Composite Document, which contains its advice to the Independent Board Committee in respect of the fairness and reasonableness of the Offer and the principal factors and reasons it has considered before arriving at its advice.

---

## LETTER FROM THE BOARD

---

Taking into account the terms of the Offer and the advice from the Independent Board Committee, and the principal factors and reasons taken into account in arriving at its recommendations, the Board (excluding the members of the Independent Board Committee whose opinions have been set forth in the “Letter from the Independent Board Committee” of this Composite Document after having been advised by the Independent Financial Adviser in this regard) considers that the terms of the Offer are not fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, the Board (excluding the members of the Independent Board Committee whose opinions have been set forth in the “Letter from the Independent Board Committee” of this Composite Document after having been advised by the Independent Financial Adviser in this regard) does not recommend the Independent Shareholders to accept the Offer. However, based on the advice of the Independent Financial Adviser, in the event that the market price of the Shares drops below the Offer Price during the Offer Period and the sale proceeds (net of transaction costs) drops below the net proceeds receivable under the Offer, the Independent Shareholders who wish to realise their investments in the market should consider accepting the Offer.

The Independent Shareholders are urged to read those letters carefully before taking any action in respect of the Offer.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to, and which forms part of, this Composite Document. You are also recommended to read carefully this Composite Document and the accompanying Form(s) of Acceptance for further details in respect of the procedures for acceptance of the Offer.

Yours faithfully,  
For and on behalf of the Board  
**Easy Repay Finance & Investment Limited**  
**Siu Yeuk Hung Clara**  
*Chairman*

---

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

---

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

*(Continued into Bermuda with limited liability)*

**(Stock code: 8079)**

31 May 2022

*To the Independent Shareholders*

Dear Sir/Madam,

**MANDATORY CONDITIONAL CASH OFFER BY  
CHINA SECURITIES LIMITED  
FOR AND ON BEHALF OF  
BEST RICHEST MANAGEMENT COMPANY LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
EASY REPAY FINANCE & INVESTMENT LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY  
BEST RICHEST MANAGEMENT COMPANY LIMITED AND  
PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

We refer to the Composite Document dated 31 May 2022 issued jointly by the Offeror and the Company, of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to make a recommendation to you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof.

Rainbow Capital (HK) Limited has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the fairness and reasonableness of the Offer and as to the acceptance of the Offer. Your attention is drawn to the “Letter from Rainbow Capital” set out on pages 28 to 56 of the Composite Document which contains the details of its advice and the principal factors and reasons taken into consideration in arriving at its recommendation in respect of the Offer.

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

We also wish to draw your attention to the “Letter from China Securities” set out on pages 9 to 17 of the Composite Document which contains, inter alia, information about the Offer, the “Letter from the Board” set out on pages 18 to 25 of the Composite Document and the additional information set out in the Composite Document, including the appendices to the Composite Document and the accompanying Form of Acceptance in respect of the terms of the Offer and acceptance and settlement procedures for the Offer.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee and the Independent Shareholders are set out in this Composite Document. **You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.**

### RECOMMENDATION

Taking into account the terms of the Offer and the independent advice from the Independent Financial Adviser, and the principal factors and reasons taken into account in arriving at its recommendation, we consider that the terms of the Offer are not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we do not recommend the Independent Shareholders to accept the Offer. However, based on the advice of the Independent Financial Adviser, in the event that the market price of the Shares drops below the Offer Price during the Offer Period and the sale proceeds (net of transaction costs) drops below the net proceeds receivable under the Offer, we recommend the Independent Shareholders who wish to realise their investments in the market should consider accepting the Offer.

The Independent Shareholders who wish to realise their investment in the Group are reminded that they should carefully and closely monitor the market price of the Shares during the Offer Period and consider selling their Shares in the open market during the Offer Period, rather than accepting the Offer, if the net proceeds from the sales of such Shares in the open market would exceed the net amount receivable under the Offer. In any event, the Independent Shareholders should note that there is no certainty that the current trading volume and/or current trading price level of the Shares will be sustainable during or after the Offer Period.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the terms and procedures for acceptance of the Offer as detailed in the Composite Document and the accompanying Form of Acceptance.

Yours faithfully,

The Independent Board Committee

**Mr. Lee King Fui**  
*Independent*  
*non-executive Director*

**Mr. Ho Tak Yin**  
*Independent*  
*non-executive Director*

**Mr. Lee Wing Lun**  
*Independent*  
*non-executive Director*

---

## LETTER FROM RAINBOW CAPITAL

---

*The following is the full text of a letter of advice from Rainbow Capital, the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, which has been prepared for the purpose of incorporation in this Composite Document.*

**Rainbow Capital (HK) Limited**

31 May 2022

*To: the Independent Board Committee*

Dear Sirs,

**MANDATORY CONDITIONAL CASH OFFER BY  
CHINA SECURITIES LIMITED  
FOR AND ON BEHALF OF  
BEST RICHEST MANAGEMENT COMPANY LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
EASY REPAY FINANCE & INVESTMENT LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY  
BEST RICHEST MANAGEMENT COMPANY LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, details of which are set out in the “Letter from the Board” of this Composite Document to the Independent Shareholders dated 31 May 2022, of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

On 29 April 2022, the Offeror, Able Rich, Mr. Chan (as purchaser guarantor) and Mr. Shiu (as vendor guarantor) entered into the SPA, pursuant to which the Offeror conditionally agreed to acquire and Able Rich conditionally agreed to sell an aggregate of 82,288,613 Shares, representing approximately 34.24% of the total issued share capital of the Company as at the date of the Joint Announcement. The consideration for Sale Shares is HK\$6,583,089.04, representing HK\$0.08 per Sale Share. Completion of the SPA took place on 4 May 2022.

Pursuant to Rule 26.1 of the Takeovers Code, upon completion of the SPA, the Offeror is required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). China Securities is, for and on behalf of the Offeror, making the Offer to acquire all the Offer Shares at the Offer Price of HK\$0.08 per Offer Share which is equal to the purchase price per Sale Share under the SPA.

---

## LETTER FROM RAINBOW CAPITAL

---

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Lee King Fui, Mr. Ho Tak Yin and Mr. Lee Wing Lun, has been established by the Board to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. The Independent Board Committee has approved the appointment of Rainbow Capital as the Independent Financial Adviser to the Independent Board Committee in the same regard.

We are not associated or connected with the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Offer. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have considered, among other things, (i) the information and facts contained or referred to in this Composite Document; (ii) the annual report of the Company for the year ended 31 March 2021, the interim report of the Company for the six months ended 30 September 2021 and the third quarterly report of the Company for the nine months ended 31 December 2021; (iii) the information and opinions provided by the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in this Composite Document were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in this Composite Document are true in all material respects at the time they were made and continue to be true in all material respects as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in this Composite Document were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in this Composite Document and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so until the Latest Practicable Date.

The Independent Shareholders will be informed by the Company and us as soon as possible if there is any material change to the information disclosed in this Composite Document during the Offer Period, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Independent Shareholders accordingly.



---

## LETTER FROM RAINBOW CAPITAL

---

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in this Composite Document so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, the Offeror or any of their respective subsidiaries and associates.

We have not considered the tax and regulatory implications on the Independent Shareholders of acceptance or non-acceptance of the Offer since these depend on their individual circumstances. In particular, the Independent Shareholders who are residents overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

### PRINCIPAL TERMS OF THE OFFER

China Securities is, for and on behalf of the Offeror, making the Offer to acquire all the Offer Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in compliance with the Takeovers Code and on the following terms:

For each Offer Share . . . . . HK\$0.08 in cash

The Offer Price of HK\$0.08 per Offer Share under the Offer is equal to the purchase price per Sale Share paid by the Offeror under the SPA. The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching thereto on or after the date on which the Offer is made, being the date of the despatch of this Composite Document.

The Offer is conditional only upon valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of Shares which, together with Shares already owned by the Offeror and parties acting in concert with it and acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company.

Further details of the Offer including, among other things, the expected timetable and the terms and procedures for acceptance of the Offer are set out in the sections headed “Expected timetable”, “Letter from China Securities” and Appendix I to this Composite Document and the Form of Acceptance.

---

# LETTER FROM RAINBOW CAPITAL

---

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Offer, we have taken into account the following principal factors and reasons:

### 1. Information and historical financial performance of the Group

The Group is principally engaged in (i) money lending business; and (ii) retail and wholesale business mainly involving retail of grocery products and coupons, wholesale of frozen food and processed food. The money lending business has been the core business of the Group since 2011, followed by the retail distribution office opened in 2013 for online sales of grocery products and the wholesale business commenced in 2015. The Group is operating four retail shops located in Wanchai, Lai Chi Kok, Kowloon Bay and Tai Po and an online business. Revenue of the Group is wholly generated from customers located in Hong Kong.

#### (i) Financial performance

Set out below is a summary of (a) the audited financial information of the Group for the two years ended 31 March 2021 (“FY2020” and “FY2021”, respectively) as extracted from the annual report of the Company for FY2021 (the “2021 Annual Report”); and (b) the unaudited financial information of the Group for the nine months ended 31 December 2020 and 2021 (“Q3 2020” and “Q3 2021”, respectively) as extracted from the third quarterly report of the Company for Q3 2021 (the “2021 Q3 Report”):

	<b>FY2020</b> <i>HK\$'000</i> (audited)	<b>FY2021</b> <i>HK\$'000</i> (audited)	<b>Q3 2020</b> <i>HK\$'000</i> (unaudited)	<b>Q3 2021</b> <i>HK\$'000</i> (unaudited)
<b>Revenue from money lending</b>	51,966	31,189	29,847	25,828
<b>Revenue from sale of goods</b>	64,144	84,179	64,658	53,428
Cost of goods sold	(49,901)	(62,253)	(39,326)	(38,552)
<b>Gross profit from sale of goods</b>	14,243	21,926	25,332	14,876
Gross profit margin	22.2%	26.0%	39.2%	27.8%
<b>Total revenue</b>	116,110	115,368	94,505	79,256
Investment and other income	1,523	7,646	7,586	1,081
Other gains and losses, net	12	(7,304)	(1,652)	(5,522)
Servicing, selling and distribution costs	(11,064)	(8,788)	(8,436)	(7,830)

---

## LETTER FROM RAINBOW CAPITAL

---

	<b>FY2020</b> <i>HK\$'000</i> (audited)	<b>FY2021</b> <i>HK\$'000</i> (audited)	<b>Q3 2020</b> <i>HK\$'000</i> (unaudited)	<b>Q3 2021</b> <i>HK\$'000</i> (unaudited)
Administrative expenses	(60,421)	(55,835)	(53,816)	(50,132)
Allowance for expected credit losses on trade receivables, net	(4,915)	(4,311)	–	–
Allowance for expected credit losses on loans and advances to customers, net	(54,133)	(80,504)	(26,298)	(8,084)
Finance costs	(1,242)	(231)	(77)	(438)
Share of results of associates	1,070	1,770	367	473
Share of result of a joint venture	(872)	(299)	(246)	–
<b>Loss before tax</b>	(63,833)	(94,741)	(27,393)	(29,748)
Income tax credit/(expense)	(107)	43	–	–
<b>Loss attributable to the Shareholders</b>	(63,441)	(93,952)	(26,479)	(29,748)

*(a) FY2021 compared to FY2020*

For FY2021, the Group's revenue was approximately HK\$115.4 million, representing a slight decrease of approximately 0.6% from approximately HK\$116.1 million for FY2020. Such decrease was primarily due to the decrease in revenue of approximately HK\$20.8 million from the money lending business given the Group has become more cautious in its lending in view of the weakening economy in Hong Kong, which was partially offset by the increase in revenue of approximately HK\$20.0 million from the retail and wholesale business as a result of the gradual shift of customers' behaviour to shop online instead of physical shops in view of the outbreak of novel coronavirus.

The Group's gross profit from the retail and wholesale business increased by approximately 53.9% from approximately HK\$14.2 million for FY2020 to approximately HK\$21.9 million for FY2021 and gross profit margin increased from approximately 22.2% for FY2020 to approximately 26.0% for FY2021 which was generally in line with the corresponding increase in revenue for FY2021.

---

## LETTER FROM RAINBOW CAPITAL

---

The Group's loss attributable to the Shareholders increased by approximately 48.1% from approximately HK\$63.4 million for FY2020 to approximately HK\$94.0 million for FY2021. This was primarily attributable to (1) the increase in other losses of from net gains of approximately HK\$12,000 for FY2020 to net losses of approximately HK\$7.3 million for FY2021 as a result of (i) the loss on disposal of an associate which was engaged in vehicle inspection and maintenance and operation of a vehicles examination centre of approximately HK\$2.8 million; (ii) the increase in impairment loss of interests in associates which are engaged in operation of restaurant of approximately HK\$2.3 million due to the unfavorable market condition and the government policy of prohibition on group gathering; (iii) the increase in loss on disposal of property, plant and equipment of approximately HK\$1.8 million; and (2) the increase in allowance for expected credit losses on loans and advances to customers from approximately HK\$54.1 million for FY2020 to approximately HK\$80.5 million for FY2021 as a result of the general reduction of economic activities mainly affected by the novel coronavirus for FY2021.

*(b) Q3 2021 compared to Q3 2020*

For Q3 2021, the Group's revenue was approximately HK\$79.3 million, representing a decrease of approximately 16.1% from approximately HK\$94.5 million for Q3 2020. Such decrease was primarily due to the decrease in revenue of approximately HK\$4.0 million from the money lending business given the Group has become more cautious in its lending in view of the weakening economy in Hong Kong and the decrease in revenue of approximately HK\$11.2 million from the retail and wholesale business as a result of a more fierce competition in the retail and online sales business during the period under review.

The Group's gross profit from the retail and wholesale business decreased by approximately 41.3% from approximately HK\$25.3 million for Q3 2020 to approximately HK\$14.9 million for Q3 2021 and gross profit margin decreased from approximately 39.2% for Q3 2020 to approximately 27.8% for Q3 2021 which was generally in line with the corresponding decrease in revenue for Q3 2021.

The Group's loss attributable to the Shareholders increased by approximately 12.3% from approximately HK\$26.5 million for Q3 2020 to approximately HK\$29.7 million for Q3 2021. This was primarily attributable to (1) the decrease in gross profit as mentioned above; and (2) the decrease in investment and other income from approximately HK\$7.6 million for Q3 2020 to approximately HK\$1.1 million for Q3 2021 as a result of the absence of government grants in respect of COVID-19-related subsidies for Q3 2021 which was partially offset by the decrease in allowance for expected credit losses on loans and advances to customers from approximately HK\$26.3 million for Q3 2020 to approximately HK\$8.1 million for Q3 2021 as a result of the general stabilisation of COVID-19 pandemic situation which generally rebooted the economic activities in Hong Kong since 2021.

## LETTER FROM RAINBOW CAPITAL

### (ii) *Financial position*

Set out below is a summary of the consolidated statements of financial position of the Group as at 31 March 2020 and 2021 and 30 September 2021 as extracted from the 2021 Annual Report and the interim report of the Company for the six months ended 30 September 2021 (“**2021 Interim Report**”):

	<b>As at 31 March</b>		<b>As at</b>
	<b>2020</b>	<b>2021</b>	<b>30 September</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)
<b>Non-current assets, including:</b>	137,733	84,329	120,247
– Property, plant and equipment	16,415	13,781	15,546
– Right-of-use assets	5,279	4,079	14,728
– Interests in associates	20,294	6,457	9,157
– Loans and advances to customers	95,326	59,921	79,245
<b>Current assets, including:</b>	241,063	194,366	162,273
– Inventories	3,632	8,124	7,832
– Trade receivables	7,006	13,664	15,241
– Deposits, prepayments and other receivables	2,776	2,855	3,239
– Loans and advances to customers	178,727	100,565	85,619
– Financial assets at fair value through profit or loss	240	23,631	25,029
– Pledged bank deposits	1,003	1,004	1,004
– Cash and cash equivalents	47,438	44,523	24,309
<b>Total assets</b>	<b>378,796</b>	<b>278,695</b>	<b>282,520</b>
<b>Current liabilities, including:</b>	14,546	9,349	15,316
– Trade and other payables	8,441	5,143	7,176
– Contract liabilities	1,054	1,149	1,570
– Lease liabilities	3,858	2,768	6,281
– Amount due to an associate	1,012	–	–
<b>Net current assets</b>	<b>226,517</b>	<b>185,017</b>	<b>146,957</b>
<b>Non-current liabilities, including:</b>	1,158	1,652	9,202
– Lease liabilities	658	1,390	8,940
<b>Total liabilities</b>	<b>15,704</b>	<b>11,001</b>	<b>24,518</b>
<b>Equity attributable to the Shareholders</b>	<b>360,718</b>	<b>267,694</b>	<b>258,002</b>

---

## LETTER FROM RAINBOW CAPITAL

---

As at 30 September 2021, total assets of the Group were approximately HK\$282.5 million, which mainly consisted of (a) loans and advances to customers of approximately HK\$164.9 million; (b) financial assets at fair value through profit or loss of approximately HK\$25.0 million which consisted of listed equity securities and unlisted fund; (c) cash and cash equivalents of approximately HK\$24.3 million; (d) property, plant and equipment of approximately HK\$15.5 million; (e) right-of-use assets of approximately HK\$14.7 million; and (f) trade receivables of approximately HK\$15.2 million.

As at 30 September 2021, total liabilities of the Group were approximately HK\$24.5 million, which mainly consisted of (a) trade and other payables of approximately HK\$7.2 million; and (b) lease liabilities of approximately HK\$15.2 million.

The Group is financially healthy given its net current asset of approximately HK\$147.0 million with a current ratio (being current assets divided by current liabilities) of approximately 10.6 times as at 30 September 2021 and net cash position as the Group had no borrowings as at 30 September 2021. Based on the unaudited net assets of approximately HK\$258.0 million as at 30 September 2021 and 240,359,354 Shares in issue as at the Latest Practicable Date, the unaudited net assets per Share is approximately HK\$1.07.

### *(iii) Overall comment*

As disclosed in the 2021 Annual Report, the financial performance of the Group's two principal business segments, the money lending business and the retail and wholesale business, is closely correlated to the customer and business sentiment as well as the economy in Hong Kong. The Group has been widening its net losses since the year ended 31 March 2018. In view of its deteriorating financial performance, coupled with the uncertain development of the novel coronavirus, it remains unsure whether the Group can achieve turnaround results, improve its financial performance and maintain its financial position consistently in the long run. There is a risk that the economy and the financial performance of the Group may further suffer, if the COVID-19 pandemic situation deteriorates. However, despite the current loss-making position, the Group is financially healthy given its net current asset and net cash position.

## **2. Information on the Offeror and their intention regarding the Group**

Details on the information on the Offeror and its intention regarding the Group are set out in the sections headed "Information on the Offeror" and "Intention of the Offeror in relation to the Group" in the "Letter from China Securities" in this Composite Document, which are summarised as follows:

### *(i) Information on the Offeror*

The Offeror is incorporated in Hong Kong with limited liability and is an investment holding company directly wholly owned by Mr. Chan, who is also the ultimate beneficial owner and the sole director of the Offeror. As at the Latest Practicable Date, save for entering into of the SPA, the Offeror did not engage in any other business activities.

---

## LETTER FROM RAINBOW CAPITAL

---

Mr. Chan has extensive experience mainly in operating retail businesses in health food, pharmaceutical and pet food and supplies. Mr. Chan is currently the chairman of Wisdomcome Group (仍志集團) which mainly engages in e-commerce business in pet food and supplies. He was the chairman, an executive director and the chief executive officer of Shunten International (Holdings) Limited (previously named as RM Group Holdings Limited, stock code: 0932) (“**Shunten**”) from 5 December 2011 to 31 March 2019, which he was responsible for the overall management and strategic development of the health and beauty supplements and products segment of Shunten. As at the Latest Practicable Date, he is a substantial shareholder of Shunten.

*(ii) Intention of the Offeror regarding the Group*

*(a) Business*

As set out in the “Letter from China Securities” in this Composite Document, the Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror also intends to continue the existing principal business of the Group immediately following completion of the SPA. Subject to the results of the review on the existing principal business and the financial position of the Group for purpose of formulating business plans and strategies for future business development of the Group, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group.

*(b) Board composition*

As at the Latest Practicable Date, the Board is made up of two executive Directors, namely Ms. Siu Yeuk Hung, Clara and Mr. Law Ka Kei and three independent non-executive Directors, namely Mr. Lee King Fui, Mr. Ho Tak Yin and Mr. Lee Wing Lun.

The Offeror intends to nominate Mr. Chan as an executive Director, and such proposed appointment is subject to approval of the Board and expected to take effect following the close of the Offer. For the biographical details of Mr. Chan, please refer to the section headed “Proposed change to the Board composition of the Company” in the “Letter from China Securities” in this Composite Document.

---

## LETTER FROM RAINBOW CAPITAL

---

Save for the above, as at the Latest Practicable Date, none of the Directors intend to resign from his/her offices as a Director. Given Mr. Chan has extensive experience mainly in operating retail businesses which is one of the principal businesses of the Group and possesses experience in managing listed company, we consider the proposed change to the Board composition will not have a material impact on the existing operation of the Group. Any further changes to the Board will be made in compliance with the Takeovers Code, the GEM Listing Rule and the articles of association of the Company, further announcement(s) will be made in this regard as and when appropriate.

*(c) Maintenance of the Company's listing status*

As stated in "Letter from China Securities" in this Composite Document, the Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer. These appropriate steps may include but not limited to disposal of Shares held by the Offeror or parties acting in concert with it and/or issue of additional Shares by the Company for this purpose.

### **3. Industry overview and outlook**

The Group is principally engaged in (i) money lending business; and (ii) retail and wholesale business mainly involving retail of grocery products and coupons, wholesale of frozen food and processed food.

*(i) Money lending business*

The Group has conducted the money lending business since 2011, targeting both individual and corporate customers. For the two years ended 31 March 2021 and the nine months ended 31 December 2021, revenue generated from the money lending business accounted for approximately 44.8%, 27.0% and 32.6% of total revenue, respectively. The money lending business continues to be the core business and is expected to generate stable income for the Group in the future as disclosed in the 2021 Q3 Report, particularly in view of the fact that loans and advances to customers constituted approximately 58.4% of the Group's total assets as at 30 September 2021.



---

## LETTER FROM RAINBOW CAPITAL

---

The demand for loans is correlated to consumer and business sentiment on expenditure and/or purchase of real estate assets for residential or investment purposes which can then be reflected in the level of domestic economic activities. As disclosed in the economic report (the “**Economic Report**”) published by the Hong Kong Government in February 2022, the Hong Kong economy staged a visible recovery in 2021 and expanded by 6.4% in real terms in 2021, which was primarily due to a sharp rebound of global demand and the stable local epidemic situation. Among others, domestic demand as reflected in private consumption expenditure rose appreciably in 2021 given the receding local epidemic, improving labour market situation and the roll-out of the consumption voucher scheme, though outbound tourism remained severely hindered. As disclosed in the Economic Report, overall investment expenditure saw a double-digit rebound amid improved business outlook and total loans and advances registered a moderate growth of 3.8% in 2021 as compared to the previous year. However, the pandemic remains a key source of uncertainty for the Hong Kong economy in 2022, according to the Economic Report. As affected by the fifth wave of local epidemic in Hong Kong, the Hong Kong economy contracted by 4.0% in the first quarter of 2022.

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 (the “**SMEs**”) 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.

*(ii) Retail and wholesale business*

The Group is operating four retail shops which located in Wanchai, Lai Chi Kok, Tai Po and Kowloon Bay and online business for the sales of grocery products. For the two years ended 31 March 2021 and the nine months ended 31 December 2021, revenue generated from the retail and wholesale business accounted for approximately 55.2%, 73.0% and 67.4% of total revenue, respectively.

---

## LETTER FROM RAINBOW CAPITAL

---

In view of the recurrent pandemic outbreak in early 2022, the Group's retail and wholesale business may be potentially affected. However, this may hasten the shift of consumers' behaviour to shop online instead of purchasing at physical shops as consumers stay at their homes and avoid going to crowded areas in the wake of the novel coronavirus, which may in turn stimulate the Group's existing online retail business, mitigating the potential adverse impact on the Group's retail and wholesale 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 behavior from offline to online. This may provide potential opportunities for retailers with an online presence. For instance, as a general reference to the online grocery businesses as a whole, Hong Kong Technology Venture Company Limited (stock code: 1137) (formerly known as Hong Kong Television Network Limited), which operates HKTVmall, one of the largest online shopping malls in Hong Kong, achieved gross merchandise value of approximately HK\$718 million and HK\$687 million for March 2022 and April 2022, respectively, representing an increase of approximately 36.8% and 40.8% as compared to the corresponding periods in 2021.

### *(iii) Outlook*

In summary, in face of many uncertain and unstable factors including the pandemic, the global supply bottlenecks, monetary policy tightening by some major central banks, as well as the development of China-US relations and geopolitical tensions, the growth in the money lending service industry and the retail and wholesale market may be restricted in the short run. However, this may be partially offset by the potential demand from those SMEs with liquidity problem as well as the online shoppers under the current situation.

Given the Hong Kong Government's various policy initiatives as unveiled in the 2021-2022 budget to support the local economy, the balance of evidence taking into account the aforesaid uncertainties and potential opportunities suggests that the outlook for the money lending service industry and the retail market may be generally positive in the long run. This is especially the case when the novel coronavirus infection is kept under control. For the Group's money lending business, the demand may increase and the risk of bad debt may fall as the economy gradually recovers from the general stabilisation under the epidemic. Meanwhile, the performance of the Group's offline retail shops may also benefit from the gradual relaxation of social distancing measures taken by the Hong Kong government.

## **4. Offer Price comparison**

The Offer Price of HK\$0.08 per Offer Share represents:

- (i) a discount of approximately 20.00% to the closing price of HK\$0.100 per Share as quoted on the Stock Exchange on the Last Trading Day;

---

## LETTER FROM RAINBOW CAPITAL

---

- (ii) a discount of approximately 18.37% to the average of the closing prices of approximately HK\$0.098 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 18.37% to the average of the closing prices of approximately HK\$0.098 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 17.53% to the average of the closing prices of approximately HK\$0.097 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (v) a discount of approximately 29.82% to the average of the closing prices of approximately HK\$0.114 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 39.39% to the average of the closing prices of approximately HK\$0.132 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- (vii) a discount of approximately 48.39% to the average of the closing prices of approximately HK\$0.155 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- (viii) a discount of approximately 56.28% to the average of the closing prices of approximately HK\$0.183 per Share as quoted on the Stock Exchange for the 360 trading days up to and including the Last Trading Day;
- (ix) a discount of approximately 65.22% to the closing price of HK\$0.230 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (x) a discount of approximately 92.82% to the audited consolidated net asset value (“NAV”) per Share of approximately HK\$1.114 as at 31 March 2021, based on (a) the equity attributable to the Shareholders of approximately HK\$267,694,000 as at 31 March 2021; and (b) 240,359,354 Shares in issue as at the Latest Practicable Date; and
- (xi) a discount of approximately 91.92% to the unaudited NAV per Share of approximately HK\$0.990 as at 31 December 2021, based on (a) the equity attributable to the Shareholders of approximately HK\$237,946,000 as at 31 December 2021; and (b) 240,359,354 Shares in issue as at the Latest Practicable Date.

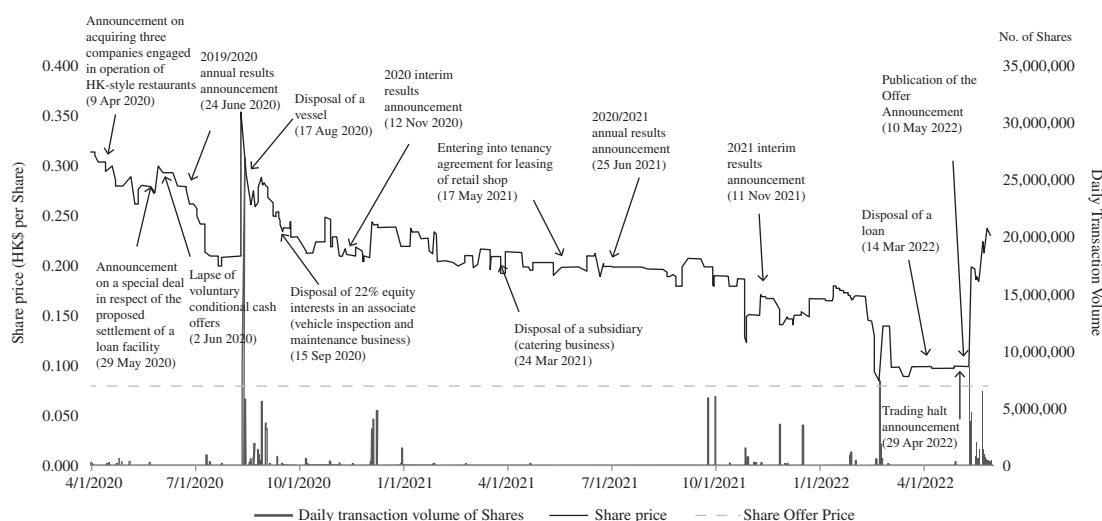
# LETTER FROM RAINBOW CAPITAL

## 5. Trading performance of the Shares

### (i) Historical Share price performance

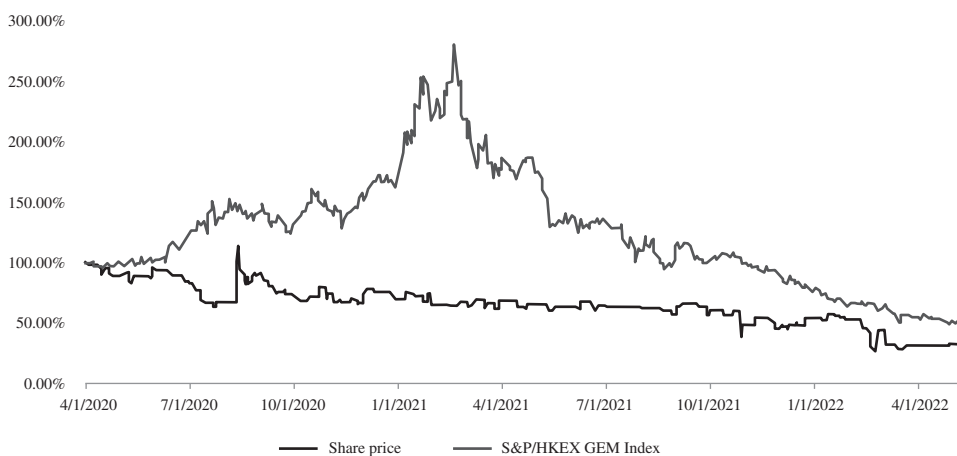
Set out below are (a) the movements of the closing prices of the Shares as quoted on the Stock Exchange (i.e. chart 1); and (b) comparison of the Share price with the S&P/HKEX GEM Index (i.e. chart 2) which was constructed by S&P Dow Jones Indices and the Stock Exchange and is a benchmark for the GEM stocks listed on the Stock Exchange, representing approximately 75% of the GEM by market capitalisation, from 1 April 2020 to the Last Trading Day (the “**Review Period**”) and up to the Latest Practicable Date, being approximately two years preceding the Last Trading Day. We consider the Review Period is adequate to reflect the general market sentiment and illustrates the general trend and level of movement of the daily closing price of the Shares.

**Chart 1: Performance of Share price**



Source: Bloomberg

**Chart 2: Comparison of Share price performance with S&P/HKEX GEM Index**



Source: Bloomberg and the website of S&P Dow Jones Indices

---

## LETTER FROM RAINBOW CAPITAL

---

As shown in the chart above, the closing prices of the Shares were above the Offer Price at all times during the Review Period, ranging from HK\$0.085 on 21 February 2022 to HK\$0.355 on 12 August 2020. In other words, the discounts of the Offer Price to the closing prices of the Shares ranged from approximately 5.88% to approximately 77.46%. During the Review Period, the Share price generally under-performed the S&P/HKEX GEM Index at all times due to the Group's deteriorating financial performance.

From 1 April 2020 to 10 August 2020, the Share price trended downward from HK\$0.315 per Share on 1 April 2020 to HK\$0.211 per Share on 10 August 2020, following the lapse of voluntary conditional cash offers on 2 June 2020 and the publication of the results announcement of the Company for the year ended 31 March 2020 on 24 June 2020. On 11 August 2020, the Share price jumped to HK\$0.330 per Share and reached a high of HK\$0.355 on 12 August 2020. The Company announced the disposal of (a) a vessel to save the operating and maintenance expenses on 17 August 2020; (b) an associate to discontinue the vehicle inspection and maintenance business on 15 September 2020; and (c) a subsidiary principally engaged in catering business on 24 March 2021 and the intention to re-focus its resources to main business sectors of the Group. In order to develop the retail and wholesale business, one of the Group's main business sectors, the Group entered into a tenancy agreement for leasing of retail shop on 17 May 2021. Since August 2020, the Share price fluctuated and generally demonstrated a downward trend and reached a low of HK\$0.123 on 27 October 2021. Afterwards, the Share price fluctuated and rose gradually to reach a high of HK\$0.180 on 12 January 2022 and 13 January 2022 subsequent to the release of the results announcement of the Company for the six months ended 30 September 2021 on 11 November 2021. Subsequently, the Share price fluctuated and generally exhibited a downward trend. After reaching to a low of HK\$0.085 on 21 February 2022, the Share price surged to HK\$0.140 on 24 February 2022. Since then, the Share price continued to drop and closed at HK\$0.100 on 28 April 2022, the Last Trading Day.

The trading in the Shares was halted on 29 April 2022. Immediately after the publication of the Joint Announcement on 10 May 2022 and resumption of trading on 11 May 2022, the Share price increased to HK\$0.238 per Share on 27 May 2022 from HK\$0.100 per Share on the Last Trading Day. As at the Latest Practicable Date, the Share price closed at HK\$0.230, representing a premium of approximately 187.50% over the Offer Price.

Taking into account that (a) the Offer Price represents a deep discount of approximately 91.92% to the unaudited NAV per Share of approximately HK\$0.990 as at 31 December 2021 and a discount of approximately 20.00% to the closing price of HK\$0.100 per Share on the Last Trading Day; (b) the discounts of the Offer Price to the closing prices of the Shares for various periods in the 360 trading days before the announcement of the Offer are significant, in the range of approximately 17.53% to 56.28%; (c) the closing prices of the Shares were above the Offer Price at all times during the Review Period; and (d) the Share price closed consistently ranging from approximately 115.00% to 197.50% above the Offer Price following the publication of the Joint Announcement and resumption of trading on 11 May 2022 up to the Latest Practicable Date, we consider that, in comparison of the historical closing prices of the Shares, the Offer Price is not fair and reasonable so far as the Independent Shareholders are concerned.

---

## LETTER FROM RAINBOW CAPITAL

---

**(ii) Liquidity of the Shares**

The following table sets out the average daily trading volume of the Shares for each month or period and the percentages of such average daily trading volume to the total Shares in issue and the public float during the Review Period. We consider the Review Period is adequate to illustrate and reflect the general trend of the trading activities of the Shares in the market.

	Number of trading days (Note 1)	Approximate average daily trading volume	Approximate percentage of average daily trading volume to total number of Shares in issue (Note 2)	Approximately percentage of average daily trading volume to total number of Shares held by the public (Note 3)
<b>2020</b>				
April	19	76,950	0.0320%	0.0600%
May	20	38,163	0.0159%	0.0298%
June	21	8,470	0.0035%	0.0066%
July	22	60,275	0.0251%	0.0470%
August	21	2,902,731	1.2077%	2.2647%
September	22	217,223	0.0904%	0.1695%
October	18	74,410	0.0310%	0.0581%
November	21	30,927	0.0129%	0.0241%
December	22	672,136	0.2796%	0.5244%
<b>2021</b>				
January	20	22,201	0.0092%	0.0173%
February	18	16,591	0.0069%	0.0129%
March	23	9,661	0.0040%	0.0075%
April	19	16,640	0.0069%	0.0130%
May	20	8,300	0.0035%	0.0065%
June	21	12,734	0.0053%	0.0099%
July	21	1,119	0.0005%	0.0009%
August	22	5,845	0.0024%	0.0046%
September	21	577,638	0.2403%	0.4507%
October	18	168,230	0.0700%	0.1313%
November	22	236,797	0.0985%	0.1847%
December	22	182,960	0.0761%	0.1427%
<b>2022</b>				
January	21	125,241	0.0521%	0.0977%
February	17	642,261	0.2672%	0.5011%
March	23	12,831	0.0053%	0.0100%
April	17	20,886	0.0087%	0.0163%
From 1 May to the Latest Practicable Date	14	2,772,917	1.1537%	2.1634%

Source: Bloomberg and the website of the Stock Exchange

---

## LETTER FROM RAINBOW CAPITAL

---

*Notes:*

1. Number of trading days of the Shares represents number of trading days during the month/period which excludes any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole trading day.
2. Based on the total issued share capital of the Company at the end of each month/period as disclosed in the monthly returns of the Company.
3. Based on the number of Shares held by public Shareholders as calculated by deducting the Shares held by Able Rich, Mr. Shiu and his spouse, Ms. Bai Yu and Mr. Law Ka Kei from the total issued share capital at the end of each month/period.

As illustrated in the table above, the trading of the Shares was generally inactive during the Review Period. The average daily trading volume for the respective month/period during the Review Period ranged from approximately 1,119 Shares to approximately 2,902,731 Shares, representing approximately 0.0005% to 1.2077% of the total number of Shares in issue and approximately 0.0009% to 2.2647% of the total number of Shares held by public Shareholders, respectively.

As the Shares cannot be regarded as having been actively traded, if the Independent Shareholders intend to dispose of a significant shareholding in the Company in the market within a short timeframe, it is possible that a downward pressure would be exerted on the market price of the Shares. In such circumstance, the Offer may represent an alternative exit for the Independent Shareholders with significant shareholding in the Company to realise their investments in the Company. However, should the market price of the Shares exceeds the Offer Price during the Offer Period, as the case was as at the Latest Practicable Date, and the sale proceeds (net of transaction costs) exceed the net proceeds receivable under the Offer, Independent Shareholders may consider selling their Shares in the open market if they would like to divest the securities of the Company in the short-run and such disposal will not result in a downward pressure on the market prices of the Shares and therefore a substantial loss in value.

---

## LETTER FROM RAINBOW CAPITAL

---

### 6. Comparable analysis

#### (i) *Analysis of comparable companies*

The Group is principally engaged in (a) money lending business; and (b) retail and wholesale business mainly involving retail of grocery products and coupons, wholesale of frozen food and processed food.

Price-to-earnings (“**P/E(s)**”), price-to-book (“**P/B(s)**”) and price-to-sale (“**P/S(s)**”) multiples are the three most commonly used benchmarks in valuing a company. P/E is usually adopted for judging valuations for companies which are profit making. On the other hand, P/B is typically applied for valuing companies which hold relatively liquid assets on their balance sheets and their book values approximate their fair market values such as real estate companies, banks and money lenders whereas P/S is appropriate for valuing companies which have volatile earnings or loss but with relatively stable revenue such as retailers offering general merchandise.

Given (a) the Group was loss making with loss before interest, taxes, depreciation and amortisation for the year ended 31 March 2021 and the nine months ended 31 December 2021; and (b) loans and advances to customers, financial assets at fair value through profit or loss and cash and cash equivalents constituted over 75% of the Group’s total assets as at 30 September 2021, we consider the valuation methodology using P/B more appropriate in valuing the money lending business of the Group as compared with those using P/E and P/S. Based on (a) the Offer Price of HK\$0.08 per Offer Share; (b) 240,359,354 Shares in issue as at the Latest Practicable Date; and (c) the unaudited equity attributable to the Shareholders of approximately HK\$237,946,000 as at 31 December 2021 as extracted from the 2021 Q3 Report, the P/B implied by the Offer Price is approximately 0.08 time (the “**Implied P/B**”).

Given (a) the loss making position of the Group; (b) the unstable financial performance of the Group; and (c) the asset-light nature of the Group’s retail and wholesale business, we consider the valuation methodology using P/S more appropriate in valuing the retail and wholesale business of the Group as compared with those using P/E and P/B. Based on (a) the Offer Price of HK\$0.08 per Offer Share; (b) 240,359,354 Shares in issue as at the Latest Practicable Date; and (c) the revenue of approximately HK\$100,119,000 for the latest twelve months from 1 January 2021 to 31 December 2021 extracted from the 2021 Q3 Report and 2021 Annual Report, the P/S implied by the Offer Price is approximately 0.19 time (the “**Implied P/S**”).

In assessing the fairness and reasonableness of the Offer Price, we have considered comparable companies for each of the business segments of the Group given that we are unable to identify any comparable company with similar business mix as the Group does.



---

## LETTER FROM RAINBOW CAPITAL

---

(a) *Money lending business*

In evaluating the fairness and reasonableness of the Offer Price, we have, based on our search on Bloomberg and the website of the Stock Exchange, identified an exhaustive list of companies (the “**ML Comparable Companies**”) which (1) are principally engaged in and generated a majority (i.e. over 50%) of their revenue from money lending or consumer finance businesses in Hong Kong in their respective latest financial year; (2) have their shares listed and traded on the Stock Exchange; and (3) have market capitalisation within HK\$500 million as at the Last Trading Day. Based on these criteria, we identified seven ML Comparable Companies. We consider this sample fair and representative as the money lending business continues to be the core business of the Group as disclosed in 2021 Q3 Report and loans and advances to customers, being the primary assets of the Group’s money lending business, constituted over 50% of the Group’s total assets as at 30 September 2021. As at the Latest Practicable Date, the market capitalisation of the Company was approximately HK\$55.3 million. For illustrative purpose, if narrowing down our selection criteria by selecting those with market capitalisations within HK\$100 million which lies closer to that of the Company, only two ML Comparable Companies were identified with P/Bs of approximately 0.06 time and approximately 0.17 time, with an average and median of approximately 0.12 time. While the aforesaid results will not affect our analysis and conclusion on the fairness and reasonableness of the Offer Price, we consider a sample size of two is inadequate which may not be fair and representative. We consider that the aforesaid criteria allow us to identify a sufficient number of samples with businesses comparable to that of the Group for comparison purpose.

---

## LETTER FROM RAINBOW CAPITAL

---

The following table set out the details of the ML Comparable Companies:

Company name (stock code)	Principal activities	P/B (Note 1) (times)	Market capitalisation as at the Last Trading Day  (HK\$ million)
Power Financial Group Limited (397.HK)	Provision of securities brokerage, corporate finance consultant, money lending, asset investment, garment manufacturing, and other services	0.27	423.1
First Credit Finance Group Limited (8215.HK)	Engaged in money lending business in Hong Kong through the provision of both secured and unsecured loans to its customers, including individuals, corporations and foreign domestic workers	0.85	391.9
New Century Group Hong Kong Limited (234.HK)	Provision of investment holding, securities trading, money lending, cruise ship charter and property investments services	0.22	341.0
Hong Kong Finance Group Limited (1273.HK)	Engaged in the money lending business of providing property mortgage loans and personal loans in Hong Kong	0.22	157.7
Rich Goldman Holdings Limited (70.HK)	Engaged in gaming and entertainment business, money lending business, hotel operations business and property leasing business	0.10	120.2

---

## LETTER FROM RAINBOW CAPITAL

---

Company name (stock code)	Principal activities	P/B <i>(Note 1)</i> <i>(times)</i>	Market capitalisation as at the Last Trading Day <i>(HK\$ million)</i>
China Properties Investment Holdings Limited (736.HK)	Provision of investment holding, property investment and money lending services	0.06	81.5
Hao Wen Holdings Limited (8019.HK)	Engaged in the money lending business, processing and trading of electronic parts business, the provision of treatment services business and the burial business	0.17	61.3
	<b>Maximum</b>	0.85	
	<b>Minimum</b>	0.06	
	<b>Average</b>	0.27	
	<b>Median</b>	0.22	
<b>The Offer</b>		0.08 <i>(Note 2)</i>	19.2 <i>(Note 3)</i>

*Source: Bloomberg*

*Notes:*

1. Being the P/Bs of the respective ML Comparable Companies as at the Last Trading Day as extracted from Bloomberg.
2. Calculated based on (i) the Offer Price of HK\$0.08 per Offer Share; (ii) 240,359,354 Shares in issue as at the Latest Practicable Date; and (iii) the unaudited equity attributable to the Shareholders of approximately HK\$237,946,000 as at 31 December 2021 as extracted from the 2021 Q3 Report.
3. Calculated based on (i) the Offer Price of HK\$0.08 per Offer Share; and (ii) 240,359,354 Shares in issue as at the Latest Practicable Date.

As shown above, the P/Bs of the ML Comparable Companies ranged from approximately 0.06 time to approximately 0.85 time with an average and median of approximately 0.27 time and 0.22 time, respectively, as at the Last Trading Day. The Implied P/B of approximately 0.08 time lies towards the low end of the P/Bs of the ML Comparable Companies. The P/Bs of six (out of seven) ML Comparable Companies as at the Last Trading Day are higher than the Implied P/B.

---

## LETTER FROM RAINBOW CAPITAL

---

(b) *Retail and wholesale business*

Based on our search on Bloomberg and the website of the Stock Exchange, we have also identified an exhaustive list of companies (the “**WR Comparable Companies**”) listed in Hong Kong which (1) are principally engaged in and generated a majority (i.e. over 50%) of their revenue from retail and/or wholesale of grocery (including food products such as frozen meat and seafood) in Hong Kong in their respective latest financial year; (2) have their shares listed and traded on the Stock Exchange; and (3) have market capitalisation within HK\$500 million as at the Last Trading Day. Based on these criteria, we identified seven WR Comparable Companies, which we consider fair and representative given that they are engaged in the same sector as the Group does. For illustrative purpose, if narrowing down our selection criteria by selecting those with market capitalisations within HK\$100 million which lies closer to that of the Company, only two WR Comparable Companies were identified with P/Ss of approximately 0.1 time and approximately 0.56 time, with an average and median of approximately 0.33 time. While the aforesaid results will not affect our analysis and conclusion on the fairness and reasonableness of the Offer Price, we consider a sample size of two is inadequate which may not be fair and representative. We consider that the aforesaid criteria allow us to identify a sufficient number of samples with businesses comparable to that of the Group for comparison purpose.

The following table set out the details of the WR Comparable Companies:

Company name (stock code)	Principal activities	P/S ratio (Note 1) (times)	P/B ratio (Note 2) (times)	Market capitalisation as at the Last Trading Day (HK\$ million)
The Sincere Company Limited (“ <b>The Sincere</b> ”) (244.HK)	Operation of department stores, securities trading and the provision of general and life insurances	2.96	2.33	440.2
Asia Grocery Distribution Limited (8413.HK)	Trading and distribution of food and beverage grocery products in Hong Kong	0.82	1.90	197.5
Ocean One Holding Limited (8476.HK)	Importing and wholesaling of frozen seafood products and property holding	0.49	1.05	196.0

# LETTER FROM RAINBOW CAPITAL

Company name (stock code)	Principal activities	P/S ratio <i>(Note 1)</i> <i>(times)</i>	P/B ratio <i>(Note 2)</i> <i>(times)</i>	Market capitalisation as at the Last Trading Day <i>(HK\$ million)</i>
Hong Kong Food Investment Holdings Limited (60.HK)	Trading of frozen meats, seafood and vegetables, operation of restaurants and marketing of meat products and communication and advertising design in Hong Kong	0.94	0.24	150.6
B & S International Holdings Ltd. (1705.HK)	Distribution and retail of food and beverage products	0.29	1.06	140.0
Momentum Financial Holdings Limited (1152.HK)	Provision of finance leasing and consultancy services and cross-border trading business of nutrition food and health care products	0.10	0.81	66.8
Winning Tower Group Holdings Limited (8362.HK)	Processing and sales of raw, frozen and cooked food products and the operation of restaurants in Hong Kong	0.56	0.50	53.2
	<b>Maximum</b>	2.96	2.33	
	<b>Minimum</b>	0.10	0.24	
	<b>Average</b>	0.88	1.13	
	<b>Median</b>	0.56	1.05	
<b>The Offer</b>		0.19 <i>(Note 3)</i>	0.08	19.2

*Source: Bloomberg*

*Notes:*

1. Being the P/Ss of the respective WR Comparable Companies as at the Last Trading Day as extracted from Bloomberg.
2. Being the P/Bs of the respective WR Comparable Companies as at the Last Trading Day as extracted from Bloomberg.

---

## LETTER FROM RAINBOW CAPITAL

---

3. Calculated based on (i) the Offer Price of HK\$0.08 per Offer Share; (ii) 240,359,354 Shares in issue as at the Latest Practicable Date; and (iii) the revenue of the latest twelve months from 1 January 2021 to 31 December 2021 as extracted from the 2021 Q3 Report and the 2021 Annual Report.

As shown above, the P/Ss of the WR Comparable Companies ranged from approximately 0.10 time to approximately 2.96 times with an average and median of approximately 0.88 time and 0.56 time, respectively, as at the Last Trading Day. The Implied P/S of approximately 0.19 time lies towards the low end of the P/Ss of the WR Comparable Companies. The P/Ss of six (out of seven) WR Comparable Companies as at the Last Trading Day are higher than the Implied P/S.

As a general reference only, the P/Bs of the WR Comparable Companies ranged from approximately 0.24 time to approximately 2.33 times with an average and median of approximately 1.13 times and 1.05 time, respectively, as at the Last Trading Day. The Implied P/B of approximately 0.08 time is lower than all the P/Bs of the WR Comparable Companies.

### *(ii) Analysis of comparable transactions*

In addition to the comparable companies set out above, we have, based on our search on the website of the Stock Exchange, identified an exhaustive list of companies (the “**Offer Comparables**”) listed on the Stock Exchange which have undergone mandatory general offer exercise by an offeror since 1 January 2022 and up to the date of the Joint Announcement. We consider that the period under review, being approximately four months, is adequate to provide a fair and representative sample for analysis of recent mandatory general offer transactions in the market taking into account the effect of the recent novel coronavirus outbreak which has significantly affected the economic sentiment.

Although the Offer Comparables have different principal activities, market capitalisations, profitability and financial positions as compared to those of the Company, we consider that the premiums/discounts as represented by the offer price over/to the closing share prices for various periods and the unaudited NAV per share are generally important factors for the offeror to determine the offer price. As such, the Offer Comparables can provide a general reference to the pricing trend of recent mandatory general offer transactions under the current market and economic atmosphere, so as to determine whether the Offer Price is in line with those of recent mandatory general offer transactions in the market.

## LETTER FROM RAINBOW CAPITAL

The table below illustrates the premiums/discounts of the offer prices offered in the Offer Comparables over/to the prevailing share prices prior to announcement of the relevant mandatory general offer transactions as well as the net asset value per share of the Offer Comparables:

Date of announcement	Company name (stock code)	Type of general offer exercise	Offer price (HK\$)	Premium/ (discount) over/(to) the average closing price for the five consecutive trading days immediately prior to and including the last trading day	Premium/ (discount) over/(to) the average closing price for the 10 consecutive trading days immediately prior to and including the last trading day	Premium/ (discount) over/(to) the average closing price for the 30 consecutive trading days immediately prior to and including the last trading day	Premium/ (discount) over/(to) the net asset value per share attributable to shareholders	
4 January 2022	Nomad Technologies Holdings Limited (8645.HK)	Mandatory unconditional cash offer	0.20	(64.91%)	(64.16%)	(61.69%)	(56.99%)	20.00%
10 January 2022	China Infrastructure & Logistics Group Ltd. (1719.HK)	Possible mandatory unconditional cash offer	1.15	6.48%	8.49%	16.16%	30.68%	150.00%
12 January 2022	HNA Technology Investments Holdings Limited (2086.HK)	Mandatory unconditional cash offer	0.84	(25.66%)	(24.32%)	(20.00%)	(17.65%)	189.66%
14 January 2022	Vixtel Technologies Holdings Limited (1782.HK)	Mandatory unconditional cash offer	0.6811	43.39%	63.33%	67.97%	66.00%	62.05%
7 February 2022	Jiu Zun Digital Interactive Entertainment Group Holdings Limited (1961.HK)	Mandatory unconditional cash offer	0.55	(27.63%)	(24.66%)	(27.63%)	(23.61%)	27.91%
11 February 2022	TIME Interconnect Technology Limited (1729.HK)	Possible mandatory unconditional cash offers	0.80	(1.23%)	(7.83%)	(4.42%)	1.78%	59.05%

## LETTER FROM RAINBOW CAPITAL

Date of announcement	Company name (stock code)	Type of general offer exercise	Offer price (HK\$)	Premium/ (discount) over/(to) the average closing price for the five consecutive trading days immediately prior to and including the last trading day	Premium/ (discount) over/(to) the average closing price for the 10 consecutive trading days immediately prior to and including the last trading day	Premium/ (discount) over/(to) the average closing price for the 30 consecutive trading days immediately prior to and including the last trading day	Premium/ (discount) over/(to) the net asset value per share attributable to shareholders	
14 March 2022	In Technical Productions Holdings Limited (8446.HK)	Mandatory unconditional cash offer	0.167	(91.97%)	(91.01%)	(88.20%)	(84.64%)	116.60%
6 April 2022	Universe Printshop Holdings Limited (8448.HK)	Mandatory unconditional cash offer	0.025	8.70%	7.76%	5.49%	3.16%	(7.41%)
28 April 2022	Beijing Enterprises Urban Resources Group Limited (3718.HK)	Mandatory conditional cash offer	0.78	0.00%	7.14%	8.33%	20.00%	(19.73%)
		<b>Maximum</b>		43.39%	63.33%	67.97%	66.00%	189.66%
		<b>Minimum</b>		(91.97%)	(91.01%)	(88.20%)	(84.64%)	(19.73%)
		<b>Average</b>		(16.98%)	(13.92%)	(11.55%)	(6.81%)	66.46%
		<b>Median</b>		(1.23%)	(7.83%)	(4.42%)	1.78%	59.05%
10 May 2022	The Company	Mandatory conditional cash offer	0.08	(20.00%)	(18.37%)	(18.37%)	(17.53%)	(91.92%)

*Source: Announcements of the respective Offer Comparables*



---

## LETTER FROM RAINBOW CAPITAL

---

As illustrated in the table above:

- (a) the discounts as represented by the Offer Price to the closing price of the Shares on the Last Trading Day, the average closing prices of the Shares for the periods of 5, 10 and 30 trading days up to and including the Last Trading Day, amounted to approximately 20.00%, 18.37%, 18.37% and 17.53%, respectively, which are all within the ranges of those of the Offer Comparables but higher than the average and median of those of the Offer Comparables, respectively; and
- (b) the discount as represented by the Offer Price to the unaudited NAV per Share as at 31 December 2021 was approximately 91.92%, which is higher than the highest discount of those of the Offer Comparables.

***(iii) Overall comment***

Taking into account that (a) the Implied P/B lies towards the low end of the P/Bs of the ML Comparable Companies; (b) the Implied P/S lies towards the low end of the P/Ss of the WR Comparable Companies; and (c) the discounts as represented by the Offer Price to the closing Share prices for various periods up to and including the Last Trading Day and the unaudited NAV per Share as at 31 December 2021 are either higher than the highest discount, or higher than the average and median, of those of the Offer Comparables, we consider that the Offer Price is not fair and reasonable so far as the Independent Shareholders are concerned.

### DISCUSSION AND ANALYSIS

We consider that the terms of the Offer, including the Offer Price of HK\$0.08 per Offer Share, are not fair and reasonable so far as the Independent Shareholders are concerned after taking into account the above principal factors and reasons as a whole, in particular:

**(i) The Offer Price compared to historical Share prices and the NAV per Share**

We have evaluated the fairness and reasonableness of the Offer Price by reviewing the closing prices of the Shares during the Review Period, being approximately two years preceding the Last Trading Day. The Share price closed above the Offer Price at all times during the Review Period. The discounts of the Offer Price of HK\$0.08 per Offer Share to the closing prices of the Shares for various periods in the 360 consecutive trading days before the announcement of the Offer are significant, in the range of approximately 17.53% to 56.28%.

Since the publication of the Joint Announcement and up to the Latest Practicable Date, the Shares closed at a range of HK\$0.172 to HK\$0.238, representing premiums over the Offer Price in the range of 115.00% to 197.50%. As at the Latest Practicable Date, the Shares closed at HK\$0.230, representing a premium of approximately 187.50% over the Offer Price. Trading in the Shares was generally inactive during the Review Period.

---

## LETTER FROM RAINBOW CAPITAL

---

The Group's assets primarily consist of loans and advances to customers, financial assets at fair value through profit or loss and cash and cash equivalents, being relatively liquid assets, which constituted over 75% of the Group's total assets as at 30 September 2021. The Offer Price represents a deep discount of approximately 91.92% to the unaudited NAV per Share of approximately HK\$0.990 as at 31 December 2021. In other words, if the Independent Shareholders accept the Offer, it would mean that the underlying value of the Company would worth not more than 10% of the net asset backing of the Group.

### **(ii) Peer comparison**

We have identified seven ML Comparable Companies and seven WR Comparable Companies which are engaged in businesses comparable to those of the Group and are listed in Hong Kong. The Implied P/B of approximately 0.08 time lies towards the low end of those of the ML Comparable Companies while the Implied P/S of approximately 0.19 time lies towards the low end of those of the WR Comparable Companies. This indicates that the valuation of the Company as represented by the Offer Price is in general lower than its peers.

### **(iii) Comparison with recent mandatory general offer transactions**

We have considered the nine Offer Comparables which have undergone mandatory general offer exercise since 1 January 2022 and up to the date of the Joint Announcement. We consider these represent a general reference to the pricing trend of recent mandatory general offer transactions taking into account the impact of the recent novel coronavirus outbreak which has significantly affected the economic sentiment. In general, the Offer Price compares unfavorably to those of the Offer Comparables.

### **(iv) Financial performance and prospects of the Group**

We consider it remains unsure whether the Group can achieve turnaround results, improve its financial performance and maintain its financial position consistently in the long run. There is a risk that the economy and the financial performance of the Group may further suffer, if the COVID-19 pandemic situation deteriorates. However, despite the current loss-making position, the Group is financially healthy given its net current asset and net cash position.

In face of many uncertain and unstable factors, the growth in the money lending service industry and the retail and wholesale market may be restricted in the short run. However, this may be partially offset by the potential demand from those SMEs with liquidity problem as well as the online shoppers under the current situation. Given the Hong Kong Government's various policy initiatives as unveiled in the 2021-2022 budget to support the local economy, the balance of evidence taking into account the aforesaid uncertainties and potential opportunities suggests that the outlook for the money lending service industry and the retail market may be generally positive in the long run. This is especially the case when the novel coronavirus infection is kept under control. For the Group's money lending business, the demand may increase and the risk of bad debt may fall as the economy gradually recovers from the general stabilisation under the epidemic. Meanwhile, the performance of the Group's offline retail shops may also benefit from the gradual relaxation of social distancing measures taken by the Hong Kong government.

---

## LETTER FROM RAINBOW CAPITAL

---

### OPINION AND RECOMMENDATION

Based on the above principal factors and reasons, we consider the terms of the Offer to be not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise, and we ourselves advise, the Independent Shareholders to not accept the Offer.

However, in the event that the market price of the Shares drops below the Offer Price during the Offer Period and the sale proceeds (net of transaction costs) drops below the net proceeds receivable under the Offer, the Independent Shareholders who wish to realise their investments in the market should consider accepting the Offer.

Yours faithfully,  
For and on behalf of  
**Rainbow Capital (HK) Limited**  
**Danny Leung**  
*Managing Director*

*Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the corporate finance industry.*

*To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon. The instructions set out in this Composite Document should be read together with the instructions printed on the Form of Acceptance which form part of the terms of the Offer.*

**1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER**

- (a) To accept the Offer, you should duly complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in your name, and you wish to accept the Offer in respect of your Offer Shares (whether in full or in part), you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand, to the Registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong marked "Easy Repay Financial & Investment Limited – Offer" on the envelope, as soon as possible but in any event no later than 4:00 p.m. on Tuesday, 21 June 2022, the First Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Offer Shares (whether in full or in part), you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares with the nominee company, or other nominee, and with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Offer Shares in respect of which you intend to accept the Offer to the Registrar in an envelope marked "Easy Repay Financial & Investment Limited – Offer";

- (ii) arrange for the Offer Share(s) to be registered in your name by the Company through the Registrar, and send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Offer Shares in respect of which you intend to accept the Offer to the Registrar, in an envelope marked “Easy Repay Financial & Investment Limited – Offer”, by no later than 4:00 p.m. on Tuesday, 21 June 2022, the First Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code;
  - (iii) if your Offer Shares have been lodged with your licensed securities dealer (or other registered dealer in securities or custodian bank) and are held through CCASS, instruct your licensed securities dealer (or other registered dealer in securities or custodian bank) to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set out by HKSCC Nominees Limited. In order to meet the deadline set out by HKSCC Nominees Limited, you should check with your licensed securities dealer (or other registered dealer in securities or custodian bank) for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer (or other registered dealer in securities or custodian bank) as required by them;  
or
  - (iv) if your Offer Shares have been lodged with your investor participant’s account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Offer Shares, the Form of Acceptance should nevertheless be completed and signed and delivered to the Registrar in an envelope marked “Easy Repay Financial & Investment Limited – Offer” together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity or indemnities required in respect thereof) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given therein, should be returned to the Registrar. The Offeror shall have the absolute discretion to decide whether any Offer Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

- (e) If you have lodged transfer(s) of any of your Offer Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Offer Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked “Easy Repay Financial & Investment Limited – Offer” to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable instruction and authority to each of the Offeror and/or China Securities and/or any of their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.
- (f) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on Tuesday, 21 June 2022, the First Closing Date, or such later time and/or date as the Offeror may determine and announce with consent of the Executive in compliance with the requirements of the Takeovers Code and the Registrar has recorded that the Form of Acceptance and any relevant documents required under this paragraph have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Offer Shares; or
  - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Offer Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or
  - (iii) certified by the Registrar or the Stock Exchange.
- (g) If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.
- (h) Seller’s ad valorem stamp duty payable by the relevant Independent Shareholders in connection with the acceptance of the Offer at the rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is the higher, will be deducted from the cash amount payable by the Offeror to such Independent Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the seller’s ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and will pay the buyer’s ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

- (i) No acknowledgement of receipt for any Form(s) of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (j) The address of the Registrar, Tricor Standard Limited, is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

**2. ACCEPTANCE PERIOD AND REVISIONS**

- (a) In order to be valid for the Offer, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the First Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the Takeovers Code, or unless the Offer are extended or revised with the consent of the Executive.
- (b) The Offeror reserves the right to revise the terms of the Offer after the despatch of this Composite Document until such day as it may determine and in accordance with the Takeovers Code. If the Offeror revises the terms of the Offer, all the Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The Offer is conditional upon the Offeror having received valid acceptances in respect of the Offer Shares which, together with the Shares already owned by the Offeror and persons acting in concert with it before or during the Offer, will result in the Offeror and persons acting in concert with it holding more than 50% of the voting rights in the Company. Pursuant to the Takeovers Code, where the Offer becomes or is declared unconditional, the Offer will remain open for acceptance for not less than fourteen (14) days thereafter. The Offeror will make an announcement as and when the Offer becomes or is declared unconditional.
- (c) In the event that the Offeror decides to extend the Offer, at least fourteen (14) days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offer, to those Independent Shareholders who have not accepted the Offer. If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer will be entitled to the revised terms. The revised Offer must be kept open for at least fourteen (14) days following the date on which the revised Composite Document is posted.
- (d) If the First Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the First Closing Date shall, except where the context otherwise requires, be deemed to refer to the First Closing Date of the Offer as so extended.

**3. SETTLEMENT UNDER THE OFFER**

- (a) Pursuant to Rule 20.1 of the Takeovers Code, provided that a valid Form of Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Offer Shares are complete and in good order in all respects and have been received by the Registrar before the close of the Offer, a cheque for the amount (rounding up to the nearest cent) due to each of the Independent Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him/her/it under the Offer will be despatched to such Independent Shareholder by ordinary post to the address specified on his/her/its Form of Acceptance at his/her/its own risk as soon as possible but in any event within seven (7) Business Days following the later of (i) the date of receipt by the Registrar of the duly completed acceptances of the Offer and all relevant documents of title which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code; and (ii) the date of the Offer becomes or is declared unconditional.
- (b) Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect to the payment of seller's ad valorem stamp duty as the case may be) set out in this Composite Document (including this Appendix I) and the accompanying Form of Acceptance, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.
- (c) No fractions of a cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.
- (d) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

**4. EFFECT OF ACCEPTANCE OF THE OFFER AND RIGHT OF WITHDRAWAL**

- (a) By validly accepting the Offer, Independent Shareholders will sell to the Offeror their tendered Offer Shares free from all liens, charges, Encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at Tuesday, 31 May 2022, being the date of despatch of this Composite Document, or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after Tuesday, 31 May 2022, being the date of despatch of this Composite Document.



- (b) The Offer is conditional upon fulfilment of the condition set out in the “Letter from China Securities” in this Composite Document. Acceptances of the Offer tendered by Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the sub-paragraphs (i) and (ii) below:
- (i) in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offer shall be entitled to withdraw his/her/its acceptance within 21 days from the First Closing Date if the Offer has not by then become unconditional as to acceptances. An acceptor of the Offer may withdraw his/her/its acceptance by lodging a notice in writing signed by the acceptor (or his/her/its agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar; or
- (ii) in accordance with Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer set out in the paragraph headed “5. Announcements” below in this Appendix, the Executive may require that the Independent Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that section are met.
- (c) Upon the withdrawal of an acceptance by an Independent Shareholder, or upon the withdrawal or lapse of the Offer, the Offeror shall (or shall procure), as soon as possible but in any event within ten (10) days thereof, return by ordinary post of the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Share(s) lodged with the Form of Acceptance in respect of the Offer to such Independent Shareholder at their own risks. Save as aforesaid, acceptances of the Offer shall be irrevocable and not capable of being withdrawn.

## **5. ANNOUNCEMENTS**

- (a) As required under Rule 19 of the Takeovers code, by 6:00 p.m. on the First Closing Date (or such other time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the extension, expiry or unconditionality of the Offer. The Offeror must publish an announcement on the Stock Exchange’s website by 7:00 p.m. on the First Closing Date stating whether the Offer has been extended, have expired or have become unconditional.
- (b) The announcement of the results of the Offer will be jointly issued by the Offeror and the Company and posted on the website of the Stock Exchange by 7:00 p.m. on the First Closing Date. Such announcement will comply with the disclosure requirements under Rule 19.1 of the Code and will include, among other things, the results of the Offer.

- (c) The announcements shall specify the total number of Offer Shares and rights over Offer Shares:
  - (i) for which acceptances of the Offer have been received;
  - (ii) held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period; and
  - (iii) acquired or agreed to be acquired during the Offer Period by the Offeror or any parties acting in concert with it.
- (d) The announcements must include details of any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed Offer Shares which have been either on-lent or sold.
- (e) The announcements shall include the percentages of the relevant classes of issued share capital of the Company, and the percentages of voting rights of the Company, represented by the numbers of Offer Shares and other relevant securities referred to in paragraphs (c) and (d) above.
- (f) If the Offeror, any parties acting in concert with it or its advisers make any statement about the level of acceptances or the number or percentage of accepting Independent Shareholders during the Offer Period, then the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.
- (g) In computing the total number of Shares represented by acceptances, only valid acceptances that are in all respects complete, in good order and fulfill the acceptance conditions set out in paragraph 1 of this Appendix, and which have been received by the Registrar no later than 4:00 p.m. on the First Closing Date, or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
- (h) As required under the Takeovers Code and the GEM Listing Rules, all announcements in relation to the Offer in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments thereon, will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.ecrepay.com](http://www.ecrepay.com)).

## **6. NOMINEE REGISTRATION**

To ensure the equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Offer Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to accept the Offer, it is essential that they provide instructions of their intentions in relation to the Offer to their respective nominees.

**7. OVERSEAS SHAREHOLDERS**

- (a) The Offer will be made available to all the Independent Shareholders, including the Overseas Shareholders. The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes and duties due by such Overseas Shareholders in respect of the acceptance of the Offer in such jurisdictions).
- (b) Any acceptance by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that such Overseas Shareholders have observed and are permitted under all applicable laws and regulations to receive and accept the Offer and any revision thereof, and that such Overseas Shareholders have obtained all requisite governmental, exchange control or other consents and have made all requisite regulations and filing in compliance with all necessary formalities and regulatory or legal requirements and have paid all transfer or other taxes and duties or other required payment due from such Overseas Shareholders in connection with such acceptance in such jurisdiction, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. **The Overseas Shareholders should consult their professional advisers if in doubt.**

**8. TAXATION**

- (a) In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer at a rate of 0.13% of the consideration payable in respect of the relevant acceptances by the Independent Shareholders or (if higher) the value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Offer. The Offeror will pay the buyer's ad valorem stamp duty at the rate of 0.13% of the amount payable in respect of the relevant acceptance, or (if higher) the value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on its own behalf and, subject to such deduction aforesaid will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the Offer Shares which are validly tendered for acceptance under the Offer.

- (b) Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. It is emphasized that none of the Offeror or the Company, and their ultimate beneficial owners and parties acting in concert with any of them, China Securities, Elstone Capital, Rainbow Capital, the Registrar or any of their respective directors or professional advisers or any persons involved in the Offer or any of their respective agents is in a position to advise the Independent Shareholders on their individual tax implications nor accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance or rejection of the Offer.

## **9. GENERAL**

- (a) All communications, notices, Form of Acceptance, share certificate(s), transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror and parties acting in concert with any of them, the Company, China Securities, Elstone Capital, Rainbow Capital, the Registrar or any of their respective directors or agents or professional advisers or any other person involved in the Offer accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.
- (c) The accidental omission to despatch this Composite Document and/or the Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate either the Offer in any way.
- (d) The Offer and all acceptances thereof will be governed by and construed in accordance with the laws of Hong Kong. Due execution of the Form of Acceptance by or on behalf of an Independent Shareholder will constitute such Independent Shareholder's agreement that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Offer.
- (e) Due execution of the Form of Acceptance will constitute an authority to the Offeror, China Securities and/or such person or persons as any of them may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Offer Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Due execution of the Form of Acceptance will constitute the appointment of the Offeror or China Securities as the attorney of the person or persons accepting the Offer in respect of all the Offer Share(s) to which the Form of Acceptance relate(s).

- (g) Due execution of the Form of Acceptance will constitute an agreement of the Independent Shareholders to ratify each and every act or thing which may be done or effected by the Offeror and/or China Securities and/or the Company or their respective agent(s) or such person or persons as any of them may direct on the exercise of any of the rights contained therein.
- (h) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and China Securities that the Offer Shares are sold to the Offeror fully paid and free from all Encumbrances and together with all rights attached thereto on or after the date on which the Offer is made, being the date of this Composite Document including the right to receive in full all dividends and other distributions, if any, declared, made or paid, on or after the date on which the Offer is made. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.
- (i) The settlement of the consideration to which any Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder.
- (j) The Offer is made available to all the Independent Shareholders, including those who are residents outside Hong Kong. The availability of the Offer to persons not residing in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Such the Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice.

Persons who are residents, citizens or nationals outside Hong Kong should inform themselves about and observe, at their own responsibilities, any applicable laws, regulations, requirements and restrictions in their own jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other fares due from such persons in such jurisdictions.

Any acceptance by the Independent Shareholders and the beneficial owners of the Offer Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with the Independent Shareholders should consult their respective professional advisers if in doubt. Independent Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

- (k) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror and China Securities that the number of Offer Shares in respect of which as indicated in the Form of Acceptance is the aggregate number of Offer Shares held by such nominee for such beneficial owner who is accepting the Offer.
- (l) Any Independent Shareholders accepting the Offer will be responsible for payment of any transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.
- (m) In making their decision, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror and parties acting in concert, its beneficial owners, the Company, China Securities, Elstone Capital and Rainbow Capital or their respective professional advisers. The Independent Shareholders should consult their own professional advisers for professional advice.
- (n) All acceptances, instructions, authorities and undertakings given by the Independent Shareholders in the Form of Acceptance shall be irrevocable except as permitted under the Takeovers Code.
- (o) This Composite Document and the Form of Acceptance have been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offer in Hong Kong and the operating rules of the Stock Exchange.
- (p) The English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.
- (q) The Offer is made in accordance with the Takeovers Code.

## **10. INTERPRETATION**

- (a) A reference in this Composite Document to a Shareholder includes a reference to a person(s) who, by reason of an acquisition or transfer of the Offer Shares, is entitled to execute a Form of Acceptance and in the event of more than one person executing a Form of Acceptance, the provisions of this Composite Document apply to them jointly and severally.
- (b) A reference in this Composite Document and the Form of Acceptance to the Offer shall include any extension thereof.
- (c) A reference in this Composite Document and the Form of Acceptance to the masculine gender includes the feminine and neuter genders, and a reference to the singular includes the plural, and vice versa.

## 1. FINANCIAL SUMMARY

The following is a summary of financial information for each of the three financial years ended 31 March 2019, 2020 and 2021 (as extracted from the annual reports of the Company) and for the six months ended 30 September 2021 (as extracted from the 2021 interim report of the Company).

	<b>For the six month ended 30 September 2021</b>	<b>For the year ended 31 March</b>		
	<i>HK\$'000</i> (unaudited)	<b>2021</b> <i>HK\$'000</i> (audited)	<b>2020</b> <i>HK\$'000</i> (audited)	<b>2019</b> <i>HK\$'000</i> (audited)
Revenue	52,842	115,368	116,110	206,268
Loss before taxation	(9,692)	(94,741)	(63,833)	(37,256)
Income tax credit/(expenses)	–	43	(107)	122
Loss for the period/year attributable to owners of the Company	(9,692)	(93,952)	(63,441)	(37,108)
<b>Total comprehensive loss for the year attributable to owners of the Company</b>	(9,692)	(93,952)	(63,441)	(46,434)
Loss per share attributable to the equity shareholders of the Company for the period/year ( <i>HK cents</i> )	(4.03)	(39.09)	(28.47)	(16.95)
Dividend per Share	Nil	Nil	Nil	Nil

No dividend was paid or proposed by the Company during each of the three financial years ended 31 March 2019, 2020 and 2021 and the six months ended 30 September 2021.

The consolidated financial statements of the Group for each of the three financial years ended 31 March 2019, 2020 and 2021 were audited by Moore Stephens CPA Limited and did not contain any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern. Save as disclosed above, there were no items of any income or expense which are material in respect of the consolidated financial results of the Company for each of the three financial years ended 31 March 2019, 2020 and 2021 and the six months ended 30 September 2021.

## 2. FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2021 (the “**2021 Interim Financial Information**”) has been set out on pages 2 to 21 of the interim report of the Company for the six months ended 30 September 2021 which was posted on 11 November 2021 on the Stock Exchange’s website (<http://www.hkexnews.hk>).

Please also see below a quick link to the 2021 interim report of the Company:

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/1111/2021111101264.pdf>

The audited consolidated financial statements of the Group for the year ended 31 March 2021 (the “**2021 Financial Statements**”) has been set out on pages 44 to 116 of the annual report of the Company for the year ended 31 March 2021 which was posted on 25 June 2021 on the Stock Exchange’s website (<http://www.hkexnews.hk>).

Please also see below a quick link to the annual report of the Company for the year ended 31 March 2021:

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0625/2021062502423.pdf>

The audited consolidated financial statements of the Group for the year ended 31 March 2020 (the “**2020 Financial Statements**”) has been set out on pages 40 to 108 of the annual report of the Company for the year ended 31 March 2020 which was posted on 29 June 2020 on the Stock Exchange’s website (<http://www.hkexnews.hk>).

Please also see below a quick link to the annual report of the Company for the year ended 31 March 2020:

<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0629/2020062901841.pdf>

The audited consolidated financial statements of the Group for the year ended 31 March 2019 (the “**2019 Financial Statements**”) has been set out on pages 35 to 106 of the annual report of the Company for the year ended 31 March 2019 which was posted on 26 June 2019 on the Stock Exchange’s website (<http://www.hkexnews.hk>).

Please also see below a quick link to the annual report of the Company for the year ended 31 March 2019:

<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0626/gln20190626013.pdf>

The 2021 Interim Financial Information, the 2021 Financial Statements, the 2020 Financial Statements and the 2019 Financial Statements (but not any other part of the interim report of the Company for the six months ended 30 September 2021 and the annual reports of the Company for three financial years ended 31 March 2019, 2020 and 2021 in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.



### 3. MATERIAL CHANGE

The Directors confirm that, save as disclosed below, there had been no material change in the financial or trading position or outlook of the Group since 31 March 2021, being the date to which the latest published audited financial statements of the Company were made up, up to the Latest Practicable Date:

- (i) as disclosed in the announcement of the Company dated 12 May 2021, the Company entered into a tenancy agreement on 12 May 2021 in respect of the lease of the premises located at Unit 1101B and Unit 1102, 11/F, The Eastmark, 21 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong for a term of three years commencing on 17 May 2021 and ending on 16 May 2024 at a monthly rent of HK\$149,971.50 (exclusive of government rent, rates, management fees and other service charges) for office use;
- (ii) as disclosed in the announcement of the Company dated 17 May 2021, the Company entered into a tenancy agreement on 17 May 2021 in respect of the lease of the premises located at Shop C, G/F, Kam Fook Building, Nos. 29-39 Tai Ming Lane, No. 24 Kwong Fuk Square, Tai Po, New Territories, Hong Kong for operation of a retail shop for a term of three years commencing on 16 June 2021 and ending on 15 June 2024 under the trade name of “People’s Market” at a monthly rent of HK\$100,000 (inclusive of government rent, rates and management fees);
- (iii) as disclosed in the interim report of the Company (the “**2021 Q2 Report**”) for the six months ended 30 September 2021 (“**Q2 2021**”), the Group incurred net cash used in operating activities of approximately HK\$7.4 million for Q2 2021, as compared to net cash generated from operating activities of approximately HK\$35.7 million for the six months ended 30 September 2020 (“**Q2 2020**”). Such turnaround was mainly due to the decrease in loans and advances to customers of approximately HK\$40.0 million for Q2 2020 while the Group recorded an increase in loans and advances to customers of approximately HK6.1 million for Q2 2021;
- (iv) as disclosed in the third quarterly report (the “**2021 Q3 Report**”) of the Company for the nine months ended 31 December 2021 (“**Q3 2021**”), loss attributable to the Shareholders increased by approximately 12.3% from approximately HK\$26.5 million for the nine months ended 31 December 2020 (“**Q3 2020**”) to approximately HK\$29.7 million for Q3 2021, primarily due to the net effect of the following:
  - (a) the decrease in revenue of the Group by approximately 16.1% from approximately HK\$94.5 million for Q3 2020 to approximately HK\$79.3 million for Q3 2021, primarily attributable to the decrease in revenue (i) of approximately HK\$4.0 million from the money lending business given the Group has become more cautious in its lending in view of the weakening economy in Hong Kong; and (ii) of approximately HK\$11.2 million from the retail and wholesale business as a result of a more fierce competition in the retail and online sales business for Q3 2021;
  - (b) the decrease in investment and other income from approximately HK\$7.6 million for Q3 2020 to approximately HK\$1.1 million for Q3 2021 as a result of the absence of government grants in respect of COVID-19-related subsidies for Q3 2021;

- (c) the decrease in allowance for expected credit losses on loans and advances to customers from approximately HK\$26.3 million for Q3 2020 to approximately HK\$8.1 million for Q3 2021 as a result of the general stabilisation of COVID-19 pandemic situation which generally rebooted the economic activities in Hong Kong since 2021;
- (v) as disclosed in the announcement of the Company dated 10 September 2021, the Company entered into a tenancy agreement on 10 September 2021 in respect of the lease of the premises located at Shop B, G/F, Thompson Building, Nos. 93-103 Thomson 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 fee); and
- (vi) as disclosed in the announcement of the Company dated 17 January 2022, the Company entered into a subscription agreement on 17 January 2022 to subscribe for a fund of up to approximately HK\$10 million by utilising the idle cash of the Company for diversifying its investment portfolio.

#### **4. INDEBTEDNESS**

As at the close of business on 31 March 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had total outstanding borrowings of approximately HK\$15,205,000, comprising borrowings of approximately HK\$3,000,000 and lease liabilities of approximately HK\$12,205,000.

Save as aforesaid and apart from intra-group liabilities, the Group did not, at the close of the business on 31 March 2022, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, loans or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptance (other than normal trade bills and payables), acceptance credits, or any guarantees or other material contingent liabilities.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the applicable rates of exchange prevailing at the close of business on 31 March 2022.

## 1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those opinions expressed by the ultimate beneficial owner and the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. SHARE CAPITAL OF THE COMPANY

### Authorized and issued share capital

As at the Latest Practicable Date, the authorized and issued share capital of the Company were as follows:

<i>Authorized</i>	<i>HK\$</i>
30,000,000,000 Shares of HK\$0.01 each	300,000,000.00
<i>Issued and fully paid</i>	
240,359,354 Shares of HK\$0.01 each	2,403,593.54

All of the existing issued Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to rights in respect of capital, dividends and voting.

Since 31 March 2022 (being the end of the last financial year) and up to and including the Latest Practicable Date, no Shares have been issued by the Company.

As at the Latest Practicable Date, the Company had no outstanding options, warrants, derivatives or convertible securities affecting the Shares.

## 3. DISCLOSURE OF INTERESTS

## (a) Directors' and chief executives' interests in securities

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares, debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange; or (iv) to be disclosed in this Composite Document pursuant to the Takeovers Code, were as follows:

*Long position – ordinary shares of HK\$0.01 each of the Company*

Name of director	Number of shares held	Percentage of the Company's issued share capital
Mr. Law Ka Kei	2,185,000 (Note 1)	0.91%

*Long position – ordinary shares of Bright Zone Corporation Limited, a subsidiary of the Company*

Name of director	Number of shares held	Percentage of the subsidiary's issued share capital
Ms. Siu Yeuk Hung, Clara	1 (Note 2)	0.0001%

*Long position – ordinary shares of Perfect Catering Group Limited, a subsidiary of the Company*

Name of director	Number of shares held	Percentage of the subsidiary's issued share capital
Ms. Siu Yeuk Hung, Clara	1 (Note 2)	0.0001%

*Long position – ordinary shares of Yvonne Credit Service Co., Limited, a subsidiary of the Company*

Name of director	Number of shares held	Percentage of the subsidiary's issued share capital
Ms. Siu Yeuk Hung, Clara	1 (Note 2)	0.0001%

*Long position – ordinary shares of US\$1.00 each of Rainbow Cosmetic (BVI) Limited, a subsidiary of the Company*

Name of director	Number of shares held	Percentage of the subsidiary's issued share capital
Ms. Siu Yeuk Hung, Clara	1 (Note 2)	0.002%

*Notes:*

1. Mr. Law Ka Kei is an executive Director.
2. Ms. Siu Yeuk Hung, Clara is an executive Director.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange; or (iv) to be disclosed in this Composite Document pursuant to the Takeovers Code.

**(b) Substantial Shareholders' interests in securities**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as was known to the Directors, the persons (other than a Director and chief executive of the Company) or entities who had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group, or in any options in respect of such share capital were as follows:

<b>Name</b>	<b>Capacity</b>	<b>Number of shares held/ interested</b>	<b>Percentage of the Company's issued share capital</b>
The Offeror	Beneficial owner	83,908,613 <i>(Note 1)</i>	34.91%
Mr. Chan	Interest of a controlled corporation	83,908,613 <i>(Note 2)</i>	34.91%
Ms. Bai Yu	Beneficial owner	26,093,500	10.86%

*Notes:*

1. Pursuant to the Irrevocable Undertaking, Mr. Shiu irrevocably undertakes to the Offeror that, amongst others, he (a) will accept the Offer in respect of the 1,620,000 Shares beneficially owned by himself within two Business Days after the despatch date of this Composite Document and, (b) will not withdraw any such acceptance. Therefore, the Offeror has an interest in the 1,620,000 Shares. In addition, as at the Latest Practicable Date, the Offeror holds 82,288,613 Shares. The Offeror therefore has an interest in a total of 83,908,613 Shares.
2. As at the Latest Practicable Date, the Offeror is wholly owned by Mr. Chan. Mr. Chan is deemed to be interested in the Shares in which Offeror is interested under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than a Director and chief executive of the Company) who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

**4. SHAREHOLDINGS AND DEALINGS IN SECURITIES**

As at the Latest Practicable Date:

- (a) none of the Company nor the Directors had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror, and none of the Company nor the Directors had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror during the Relevant Period;
- (b) save for Mr. Law Ka Kei's interests in the Company as disclosed in the paragraph headed "3. DISCLOSURE OF INTERESTS" in this appendix, none of the Directors had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, and none of the Directors had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;
- (c) none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group, or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers (as defined under the Takeovers Code) had owned or controlled any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (d) no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate had owned or controlled any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (e) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company, and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (f) save for Mr. Law Ka Kei who will accept the Offer, no Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer; and
- (g) neither the Company nor any of the Directors had borrowed or lent any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for any borrowed Shares which had been either on-lent or sold.

## 5. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date,

- (a) no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (b) there was no agreement or arrangement between any Director and any other person which was conditional or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (c) there was no material contract entered into by the Offeror in which any Director had a material personal interest.

## 6. SERVICE CONTRACTS AND LETTERS OF APPOINTMENT WITH DIRECTORS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries or associated companies which:

- (a) was entered into or amended (including both continuous and fixed term contracts) within six months prior to the commencement of the Offer Period;
- (b) is a continuous contract with a notice period of 12 months or more; or
- (c) is a fixed term contract with more than 12 months to run irrespective of the notice period.

Director	Commencement date of the service contract/letter of appointment	Expiry date of the service contract/letter of appointment	Amount of fixed annual remuneration/fee payable under the service contract/letter of appointment	Amount of variable remuneration/fee (e.g. commission on profit) payable under the service contract/letter of appointment
Ms. Siu Yeuk Hung, Clara	9 August 2017	renewable automatically for successive terms of one year from 9 August 2018	HK\$741,000 with effect from 1 March 2020	Discretionary bonus <sup>(Note)</sup>
Mr. Law Ka Kei	2 July 2020	renewable automatically for successive terms of one year from 2 July 2021	HK\$720,000 with effect from 1 April 2022 (adjusted from previous annual salary of HK\$600,000)	Discretionary bonus <sup>(Note)</sup>

*Note:* The discretionary bonus of Ms. Siu Yeuk Hung, Clara and Mr. Law Ka Kei is determined in line with normal market practice in Hong Kong, which is approximately the equivalent of their respective monthly salary.



## 7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or the members of the Group after the date two years before the commencement of the Offer Period up to and including the Latest Practicable Date and which are or may be material:

- (a) On 17 January 2022, Yvonne Credit Service Co., Limited, a subsidiary of the Company (“**Yvonne Credit**”), as subscriber, entered into a subscription agreement, pursuant to which Yvonne Credit agreed to subscribe for the Class A Shares in the Albany Creek Bond Series Segregated Portfolio, a segregated portfolio of Albany Creek Fund SPC (the “**Segregated Portfolio**”), up to approximately HK\$10,000,000;
- (b) On 10 September 2021, Long Rich Limited, a subsidiary of the Company (“**Long Rich**”), as tenant, and Ms. Kam Ha Ping, as landlord, entered into a tenancy agreement in respect of the lease of the premises located at Shop B, G/F, Thomson Building, Nos. 93-103 Thomson 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);
- (c) On 17 May 2021, Long Rich, as tenant, and Mr. Wu Wing Tai, as landlord, entered into a tenancy agreement in respect of the lease of the premises located at Shop C, G/F, Kam Fook Building, Nos. 29-39 Tai Ming Lane, No. 24 Kwong Fuk Square, Tai Po, New Territories, Hong Kong for operation of a retail shop for a term of three years commencing on 16 June 2021 and ending on 15 June 2024 under the trade name of “People’s Market” at a monthly rent of HK\$100,000 (inclusive of government rent, rates and management fees);
- (d) On 12 May 2021, Top Euro Limited, a subsidiary of the Company (“**Top Euro**”), as tenant, and Peak Gain Limited as landlord entered into a tenancy agreement in respect of the lease of the premises located at Unit 1101B and Unit 1102, 11/F, The Eastmark, 21 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong for a term of three years commencing on 17 May 2021 and ending on 16 May 2024 at a monthly rent of HK\$149,971.50 (exclusive of government rent, rates, management fees and other service charges) for office use;
- (e) On 24 March 2021, Perfect Catering Group Limited (“**Perfect Catering**”), a subsidiary of the Company as vendor entered into an agreement with Widely Investment Development Limited as purchaser in relation to a disposal of 100% equity interest in Head Captain Limited at the consideration of HK\$2,100,000. Immediately after completion of the disposal, Head Captain Limited ceased to be a subsidiary of the Company;

- (f) On 15 September 2020, Century Forever Limited, a subsidiary of the Company (“**Century Forever**”), as vendor, Topwise Global Holdings Limited (“**Topwise**”) as purchaser and Mr. Wong Hei Yan as guarantor entered into a sale and purchase agreement in respect of the disposal of 2,200 shares of Topwise, representing 22% of the issued share capital of Topwise. Pursuant to the sale and purchase agreement, Century Forever agreed to sell, and Topwise agreed to repurchase, 2,200 shares of Topwise at a consideration of HK\$7,180,000. Mr. Wong Hei Yan agreed to provide unconditional and irrevocable guarantee for the full performance of all obligations of Topwise under the sale and purchase agreement and all losses suffered and expenses incurred by Century Forever arising from any breach of the sale and purchase agreement by Topwise;
- (g) On 31 August 2020, Yvonne Credit, as subscriber, entered into a subscription agreement, pursuant to which Yvonne Credit agreed to subscribe for the Class A Shares in the Segregated Portfolio, up to approximately HK\$16,000,000; and
- (h) On 14 August 2020, Vision Lion Limited, a subsidiary of the Company (“**Vision Lion**”), as vendor, and Mr. John Anthony Lim as purchaser signed an agreement, pursuant to which Vision Lion agreed to sell and Mr. John Anthony Lim agreed to purchase a vessel at consideration of US\$500,000 (after setting off against the repairing fee, the final consideration was adjusted to US\$450,000).

## 8. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

## 9. QUALIFICATION AND CONSENTS OF EXPERTS

The following is the qualifications of the expert who has given its opinion or advice which are contained in this Composite Document:

<b>Name</b>	<b>Qualification</b>
Rainbow Capital (HK) Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Rainbow Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter and reference to its name in the form and context in which they are included.

**10. MISCELLANEOUS**

- (a) The company secretary of the Company is Mr. To Chi. Mr. To holds a Master of Finance from RMIT University. He is a member of The Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (b) The registered office of the Company is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.
- (c) The head office and principal place of business of the Company in Hong Kong is at Unit 02, 11/F, Eastmark, 21 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The English text of this Composite Document and the accompanying Form(s) of Acceptance shall prevail over the Chinese text in the case of any inconsistency.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection (i) on the websites of the SFC at <http://www.sfc.hk> and the Company at <http://www.ecrepay.com>; and (ii) at the Company's head office and principal place of business in Hong Kong at Unit 02, 11/F, Eastmark, 21 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. (Hong Kong time) (other than Saturday, Sunday and public holidays) from the date of this Composite Document up to and including the Final Closing Date or the date on which the Offer lapses or is withdrawn, whichever is earlier:

- (a) the memorandum of continuance and bye-laws of the Company;
- (b) the annual reports of the Group for the three financial years ended 31 March 2019, 2020 and 2021;
- (c) the interim report of the Company for the six months ended 30 September 2021;
- (d) the subscription agreement dated 17 January 2022 entered into by Yvonne Credit as subscriber, pursuant to which Yvonne Credit agreed to subscribe for the Class A Shares in the Segregated Portfolio, up to approximately HK\$10,000,000;
- (e) the tenancy agreement dated 10 September 2021 entered into between Long Rich as tenant and Ms. Kam Ha Ping as landlord in respect of the lease of the premises located at Shop B, G/F, Thompson Building, Nos. 93-103 Thomson Road, Wanchai, Hong Kong for operation of a retail shop;
- (f) the tenancy agreement dated 17 May 2021 entered into between Long Rich as tenant and Mr. Wu Wing Tai as landlord in respect of the lease of the premises located at Shop C, G/F, Kam Fook Building, Nos. 29-39 Tai Ming Lane, No. 24 Kwong Fuk Square, Tai Po, New Territories, Hong Kong for operation of a retail shop;

- (g) the tenancy agreement dated 12 May 2021 entered into between Top Euro as tenant and Peak Gain Limited as landlord in respect of the lease of the premises located at Unit 1101B and Unit 1102, 11/F, The Eastmark, 21 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong for office use;
- (h) an agreement dated 24 March 2021 entered into between Perfect Catering as vendor and Widely Investment Development Limited as purchaser in relation to a disposal of 100% equity interest in Head Captain Limited;
- (i) the sale and purchase agreement dated 15 September 2020 entered into between Century Forever as vendor, Topwise as purchaser and Mr. Wong Hei Yan as guarantor in respect of the disposal of 2,200 shares of Topwise;
- (j) a subscription agreement dated 31 August 2020 entered into by Yvonne Credit as subscriber, pursuant to which Yvonne Credit agreed to subscribe for the Class A Shares in the Segregated Portfolio, up to approximately HK\$16,000,000;
- (k) the agreement dated 14 August 2020 entered into between Vision Lion as vendor and Mr. John Anthony Lim as purchaser, pursuant to which Vision Lion agreed to sell and Mr. John Anthony Lim agreed to purchase a vessel;
- (l) the letter of appointment entered into between the Company and Ms. Siu Yeuk Hung, Clara dated 9 August 2017;
- (m) the letter of appointment entered into between the Company and Mr. Law Ka Kei dated 2 July 2020;
- (n) the letter from China Securities, the text of which is set out in this Composite Document;
- (o) the letter from the Board, the text of which is set out in this Composite Document;
- (p) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;
- (q) the letter from Rainbow Capital, the text of which is set out in this Composite Document;
- (r) the letter of consent referred to in the section headed “9. QUALIFICATION AND CONSENTS OF EXPERTS” in this appendix;
- (s) the Irrevocable Undertaking;
- (t) the Joint Announcement;
- (u) the SPA; and
- (v) this Composite Document and the accompanying Form(s) of Acceptance.

**1. RESPONSIBILITY STATEMENT**

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any such statement contained in this Composite Document misleading.

**2. DISCLOSURE OF INTERESTS AND DEALINGS OF THE OFFEROR IN THE COMPANY**

As at the Latest Practicable Date, the Offeror and parties acting in concert with it is interested in 82,288,613 Shares, representing approximately 34.24% of the total issued share capital of the Company. Save for the above, the Offeror and parties acting in concert with it did not have any other interest in any shares, warrants, options, derivatives or securities carrying conversion of subscription rights into Shares.

During the Relevant Period, save for the Sale Shares acquired by the Offeror pursuant to the terms and conditions of the SPA, none of the Offeror, Mr. Chan and parties acting in concert with it has dealt in nor owned any Share or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

As at the Latest Practicable Date, the Offeror confirms that:

- (i) save for the Sale Shares held by the Offeror, none of the Offeror, its ultimate beneficial owner, the sole director of the Offeror and parties acting in concert with it holds, owns or has control or direction over any voting rights or rights over any Shares, convertible securities, warrants, options or derivatives of the Company;
- (ii) there is no outstanding derivative in respect of securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) save for the sale and purchase of the Sale Shares, none of the Offeror, its ultimate beneficial owner, the sole director of the Offeror nor any parties acting in concert with any of them has dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the Relevant Period;
- (iv) save for the sale and purchase of the Sale Shares, Mr. Shiu had not dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the Relevant Period;
- (v) save for the 1,620,007 Shares held by Mr. Shiu and his spouse, none of Mr. Shiu and his spouse hold, own or have control or direction over any voting rights or rights over any Shares, convertible securities, warrants, options or derivatives of the Company;
- (vi) none of the Offeror and parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

- (vii) save for the Loan Facility and the Irrevocable Undertaking, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares which might be material to the Offer;
- (viii) save for the SPA, there is no agreement or arrangement to which the Offeror or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a precondition or condition to the Offer;
- (ix) save for the Irrevocable Undertaking, none of the Offeror and parties acting in concert with it has received any irrevocable commitment(s) to accept or reject the Offer;
- (x) save for the Loan Facility, there is no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;
- (xi) there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, its ultimate beneficial owner or any parties acting in concert with any of them and any of the Directors, recent Directors, Shareholders or recent Shareholders of the Company having any connection with or dependence upon the Offer;
- (xii) save for the SPA and the Irrevocable Undertaking, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between Able Rich, its ultimate beneficial owner and parties acting in concert with any of them on one hand and the Offeror and parties acting in concert with it on the other hand;
- (xiii) save for the consideration for the Sale Shares under the SPA, there is no other consideration or benefit in whatever form paid or payable by the Offeror and parties acting in concert with it to Able Rich, its ultimate beneficial owner and parties acting in concert with any of them.
- (xiv) no benefits will be given to any Directors as compensation for loss of office or otherwise in connection with the Offer;
- (xv) save for the sale and purchase of the Sale Shares and the Irrevocable Undertaking, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any shareholder of the Company; and (ii)(a) the Offeror and parties acting in concert with it, or (b) the Company, its subsidiaries or associated companies; and
- (xvi) no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which exist between the Offeror, or any person acting in concert with it and any other person.

## APPENDIX IV GENERAL INFORMATION OF THE OFFEROR

### 3. MARKET PRICES

The table below shows the closing price of the Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

<b>Date</b>	<b>Closing price per Share (HK\$)</b>
30 November 2021	0.145
31 December 2021	0.167
31 January 2022	0.169
28 February 2022	0.140
31 March 2022	0.099
28 April 2022 (the Last Trading Day)	0.100
29 April 2022 (trading halted from 9:36 a.m.)	0.100
30 May 2022 (the Latest Practicable Date)	0.230

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.238 on 27 May 2022 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.085 on 21 February 2022.

### 4. QUALIFICATION AND CONSENTS OF EXPERTS

The following are the names and qualifications of the experts who have given their opinions or advice which are contained in this Composite Document:

<b>Name</b>	<b>Qualification</b>
Elstone Capital	A corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity under the SFO
China Securities	A corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities, which makes the Offer for and on behalf of the Offeror

Each of Elstone Capital and China Securities has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of text of its letter, advice and/or references to its name included herein in the form and context in which it respectively appears.

**5. MISCELLANEOUS**

- (a) The Offeror is beneficially and wholly owned by Mr. Chan, who is the ultimate beneficial owner and the sole director of the Offeror.
- (b) The registered office and the correspondence address of the Offeror and Mr. Chan is situated at Room 1404, 14/F, Tung Ning Building, No. 249-253 Des Voeux Road Central, Hong Kong.
- (c) The registered office of Elstone Capital is situated at Suite 1601-04, 16/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.
- (d) The registered office of China Securities is situated at Suite 4206, 42/F, Lippo Centre Tower 1, 89 Queensway, Admiralty, Hong Kong; and
- (e) The English text of this Composite Document and the Form of Acceptance shall prevail over the Chinese text, in case of any inconsistency.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection on (i) the websites of the SFC at <http://www.sfc.hk> and the Company at <http://www.ecrepay.com>; and (ii) at the Company's head office and principal place of business in Hong Kong at Unit 02, 11/F, Eastmark, 21 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturday, Sunday and public holidays) from the date of this Composite Document up to and including the Final Closing Date or the date on which the Offer lapses or is withdrawn, whichever is earlier:

- (a) the articles of association of the Offeror;
- (b) the letter from China Securities, the text of which is set out in the section headed "Letter from China Securities" in this Composite Document;
- (c) the letters of consent referred to under the paragraph headed "Experts and consents" in this appendix;
- (d) the SPA; and
- (e) the Irrevocable Undertaking.