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**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)**

**JOINT ANNOUNCEMENT**

**(1) AGREEMENT IN RELATION TO  
THE SALE AND PURCHASE OF SHARES IN  
EASY REPAY FINANCE & INVESTMENT LIMITED;**

**(2) 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);**

**(3) APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER;**

**AND**

**(4) RESUMPTION OF TRADING**

**Financial adviser to the Offeror**



**Offer agent to the Offeror**

 **China Securities Limited**

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



## **THE SPA**

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 this 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.

## **MANDATORY CONDITIONAL CASH OFFER**

As at the date of this joint announcement, 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 date of this joint announcement.

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, 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).

## **PRINCIPAL TERMS OF THE OFFER**

China Securities will, for and on behalf of the Offeror, make 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 the Composite Document on the following basis:

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 price per Sale Share paid by the Offeror under the SPA.

The principal terms of the Offer are set out under the section headed “MANDATORY CONDITIONAL CASH OFFER” below in this joint announcement.

## **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 this joint announcement, the entire issued share capital of the Company is valued at HK\$19,228,748.32.

As at the date of this 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 this joint announcement 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.

## **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, which is secured by, among other things, the Sale Shares and all Offer Shares that may be acquired by the Offeror pursuant to the Offer. Assuming full acceptance of the Offer, the maximum aggregate amount payable by the Offeror under the Offer is HK\$12,645,659.28.

Elstone Capital, being the financial adviser to the Offeror, 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.

## **IRREVOCABLE UNDERTAKING**

Pursuant to the Irrevocable Undertaking, Mr. Shiu has irrevocably undertaken to the Offeror that, amongst others, he (a) will accept the Offer in respect of the 1,620,000 Shares beneficially owned by himself and, (b) will not withdraw any such acceptance.

The Irrevocable Undertaking will lapse and cease to have effect if (i) this 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) upon the release of this joint announcement. 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 the section headed “MANDATORY CONDITIONAL CASH OFFER” below in this joint announcement.

## **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.

## **DESPATCH OF COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in a composite document in accordance with the Takeovers Code. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement or such later date as the Executive may approve.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:36 a.m. on 29 April 2022 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 11 May 2022.

## **WARNING**

**The Offer is conditional 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. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

## **THE SPA**

On 29 April 2022, the Offeror, Able Rich, Mr. Chan and Mr. Shiu entered into the SPA, details of which are set out below.

**Date:** 29 April 2022

**Parties:**

- (i) the Offeror, as the purchaser;
- (ii) Able Rich, as the vendor;
- (iii) Mr. Chan, as guarantor of the purchaser; and
- (iv) Mr. Shiu, as guarantor of the vendor

### **Subject matter of the SPA**

Pursuant to the SPA, the Offeror has agreed to acquire and Able Rich has agreed to sell an aggregate of 82,288,613 Shares, being the Sale Shares, representing approximately 34.24% of the issued share capital of the Company as at the date of this joint announcement, free from all Encumbrances and together with all rights then and thereafter attaching thereto on or after the completion date of the SPA. Pursuant to a share charge dated 18 October 2017 entered into between Able Rich and Mr. Cheung Siu Fai (“**Mr. Cheung**”), Able Rich has charged in favour of Mr. Cheung all its rights, title and interest in the Sale Shares.

### **Consideration for the Sale Shares**

The consideration for the Sale Shares of HK\$6,583,089.04, equivalent to HK\$0.08 per Sale Share, was determined between the Offeror and Able Rich after arm’s length negotiations. The consideration has been settled by the Offeror to Able Rich upon completion of the SPA in cash.

### **Conditions of the SPA**

The completion of the SPA is conditional upon the satisfaction (or waiver by the Offeror, where applicable) of the following conditions:

- (a) the Offeror being reasonably satisfied with the results of the due diligence review to be conducted on the Group;
- (b) Mr. Cheung having signed and delivered to Able Rich a deed of release and any other documents necessary for discharging and releasing the security interests created on the Sale Shares;

- (c) all necessary consents, licenses and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Offeror in respect of the SPA and the sale and purchase contemplated in the SPA having been obtained and remain in full force and effect;
- (d) all necessary consents, licenses and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of Able Rich and the Company in respect of the SPA and the sale and purchase contemplated in the SPA having been obtained and remain in full force and effect;
- (e) the Shares remaining listed and traded on the GEM at all times from the date of the SPA to and including the completion of the SPA, save for (i) the suspension of trading due to any act or omission on the part of the Offeror, (ii) suspension of less than ten (10) consecutive Business Days in the period of fourteen (14) days immediately preceding the completion of the SPA, and (iii) suspension of trading or trading halt of the Shares in connection with the clearance of any announcements or other documents in relation to the SPA and the Offer;
- (f) no written or verbal indication or evidence of any indication having been received on or before the completion of the SPA by any party of the SPA or the Company from the Stock Exchange or the SFC that the listing of the Shares on the GEM will be withdrawn, cancelled or revoked as a result of or in connection with the transactions contemplated under the SPA; and
- (g) the warranties given by Able Rich having remained true and accurate, and not misleading in all material respects, at all times from the date of the SPA up to and including the completion date of the SPA.

Save as the conditions set out in paragraph (a) above of which the Offeror may at any time waive by notice in writing to Able Rich, all other conditions are incapable of being waived. Able Rich has no right to waive any of the above conditions. If the above conditions are not satisfied or waived by the Offeror on or before 12:00 noon on 4 May 2022 or on or before 9:00 a.m. on the date of completion of the SPA, the SPA shall automatically terminate without liability to any parties in the SPA, save for any antecedent breaches of the terms of the SPA.

### **Completion**

As at the date of this announcement, the conditions have been fulfilled and completion took place on 4 May 2022.

## MANDATORY CONDITIONAL CASH OFFER

As at the date of this joint announcement, 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 date of this joint announcement.

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, 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).

### **The Offer**

China Securities will, for and on behalf of the Offeror, make 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 the Composite Document on the following basis:

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 same as 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 the 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 the 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.**

## Comparison of value

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;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) 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;



- (vi) 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 date of this joint announcement) as at 31 March 2021, being the date to which the latest published audited financial results of the Group were made up; and
- (vii) 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 date of this joint announcement) 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 period commencing six months preceding the commencement of the offer period (as defined under the Takeovers Code), i.e. the date of this joint announcement (being 10 May 2022), were HK\$0.180 per Share (on 12 January 2022 and 13 January 2022) and HK\$0.085 per Share (on 21 February 2022), respectively.

### **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.

### **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 this joint announcement, the entire issued share capital of the Company is valued at HK\$19,228,748.32.

As at the date of this 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 this joint announcement 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.

## **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, which is secured by, among other things, the Sale Shares and all Offer Shares that may be acquired by the Offeror pursuant to the Offer.

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 the 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 date of this joint announcement, (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).

## **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.

## **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 date of this joint announcement.

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 the offer document and, (b) will not withdraw any such acceptance.

The Irrevocable Undertaking will lapse and cease to have effect if (i) this 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) upon the release of this joint announcement. 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.

## **DEALING AND INTERESTS IN THE COMPANY'S SECURITIES**

Save for the Sale Shares, none of the Offeror 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) of the Company during the six months period prior to the commencement of the offer period (as defined under the Takeovers Code), i.e. the date of this joint announcement (being 10 May 2022).

As at the date of this joint announcement, the Offeror confirms that:

- (i) save for the Sale Shares held by the Offeror, none 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) 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;
- (iv) 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;
- (v) 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;
- (vi) 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;

- (vii) 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; and
- (viii) 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.

The Company and the Offeror confirm that, as at the date of this joint announcement, 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; and (ii) (a) the Offeror and any party acting in concert with it; or (b) the Company, its subsidiaries or associated companies.

#### **INFORMATION ON THE OFFEROR**

The Offeror is incorporated in Hong Kong with limited liabilities, and is an investment holding company wholly and beneficially owned by Mr. Chan, who is also the sole director of the Offeror. As at the date of this joint announcement, save for entering into of the SPA, the Offeror did not engage in any other business activities.

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 date of this joint announcement, he is a substantial shareholder of Shunten.

#### **INFORMATION ON THE GROUP**

The Company is a company incorporated in 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:

	<b>For the year ended</b>		<b>For the six months ended</b>	
	<b>31 March</b>		<b>30 September</b>	
	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited and restated)	(audited)	(unaudited)	(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)	(6,948)	(9,692)
	<b>As at 31 March</b>		<b>As at 30 September</b>	
	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited and restated)	(audited)	(unaudited)	(unaudited)
Total assets	378,796	278,695	374,241	282,520
Shareholders' equity	363,092	267,694	355,463	258,002

## SHAREHOLDING STRUCTURE OF THE COMPANY

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 date of this joint announcement:

	Immediately prior to the completion of the SPA		Immediately after the completion of the SPA and as at the date of this joint announcement	
	Number of Shares	Approximately %	Number of Shares	Approximately %
Offeror and its concert parties ( <i>Note 1</i> )	–	–	82,288,613	34.24
Able Rich ( <i>Note 2</i> )	82,288,613	34.24	–	–
Mr. Shiu and his spouse ( <i>Note 2</i> )	1,620,007	0.67	1,620,007	0.67
Ms. Bai Yu ( <i>Note 3</i> )	26,093,500	10.86	26,093,500	10.86
Mr. Law Ka Kei ( <i>Note 4</i> )	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>
Total	<u>240,359,354</u>	<u>100.00</u>	<u>240,359,354</u>	<u>100.00</u>

Notes:

1. The Offeror is a company incorporated in Hong Kong with limited liability and is wholly and beneficially owned by Mr. Chan.
2. 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 latest 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.
3. There has been no relationship between the Offeror and Ms. Bai Yu.
4. Mr. Law Ka Kei is an executive Director.

## **INTENTION OF THE OFFEROR ON THE COMPANY**

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 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 Listing Rules.

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

The Offeror intends to nominate new director(s) to the Board with effect from the earliest time permitted under the Takeovers Code. As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new director(s) of the Company. Any 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.

## **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.

The Offeror intends 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.



## **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.

## **DESPATCH OF COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in a composite document in accordance with the Takeovers Code. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement or such later date as the Executive may approve.

The Composite Document will contain, among other things, details of the Offer (accompanied by the acceptance and transfer forms), the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser and other relevant information on the Offeror and the Group as required under the Takeovers Code.

**The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.**

## **DEALINGS DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code, including a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company pursuant to Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

### ***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:36 a.m. on 29 April 2022 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Wednesday 11 May 2022.

## WARNING

**The Offer is conditional 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. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“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
“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
“Company”	Easy Repay Finance & Investment Limited, a company continued in Bermuda with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8079)

“Composite Document”	the composite offer and response document proposed to be jointly issued by or on behalf of the Offeror and the Company to the Shareholders in accordance with the Takeovers Code in respect of the Offer containing, among other things, the 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
“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
“First Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offer, which is 21 calendar days after the date of the despatch of the Composite Document, or any subsequent closing date of the Offer as may be extended in accordance with the Takeovers Code
“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 PRC
“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
“Independent Financial Adviser”	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 given by Mr. Shiu in favour of the Offeror and entered into on 4 May 2022
“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 this joint announcement
“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 sole shareholder 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

“Offeror”	Best Richest Management Company Limited, a company incorporated in the Hong Kong with limited liabilities which is ultimately wholly and beneficially owned by Mr. Chan
“Offer”	the mandatory conditional cash offer to be made by China Securities on behalf of the Offeror to acquire all the Offer Shares
“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)
“Overseas Shareholders”	Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“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

“Stock Exchange”                      The Stock Exchange of Hong Kong Limited

“Takeovers Code”                      the Code on Takeovers and Mergers

“%”    per cent.

By order of the Board  
**BEST RICHEST MANAGEMENT  
COMPANY LIMITED**  
**Chan Yan Tak**  
*Sole Director*

By order of the Board  
**EASY REPAY FINANCE &  
INVESTMENT LIMITED**  
**Siu Yeuk Hung Clara**  
*Chairman*

Hong Kong, 10 May 2022

*As at the date of this joint announcement, the Board comprising Ms. Siu Yeuk Hung, Clara and Mr. Law Ka Kei as executive Directors; and Mr. Lee King Fui, Mr. Ho Tak Yin and Mr. Lee Wing Lun as independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (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 joint announcement (other than those expressed by 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 joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, the sole director of the Offeror is Mr. Chan.*

*The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (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 joint announcement the omission of which would make any statement in this joint announcement misleading.*