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

*(Continued into Bermuda with limited liability)*

**(Stock code: 8079)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF INTERESTS IN THE TARGET COMPANY AND THE ASSIGNMENT OF THE SALE LOAN**

#### **THE DISPOSAL**

The Board is pleased to announce that on 28 March 2023, the Vendor and the Purchaser entered into the Sales and Purchase Agreement, pursuant to which, the Purchaser agreed to acquire and the Vendor has agreed to sell the Sales Shares and assign the benefit and advantage of the Shareholder's Loan owed by the Target Company to the Purchaser, at a consideration of HK\$100,000.

Upon Completion, the Target Company will cease to be a subsidiary of the Company.

#### **GEM LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios under Chapter 19 of the GEM Listing Rule in respect of the Disposal is more than 5% but all less than 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

#### **INTRODUCTION**

The Board is pleased to announce that on 28 March 2023, the Vendor and the Purchaser entered into the Sales and Purchase Agreement, pursuant to which, the Purchaser agreed to acquire and the Vendor has agreed to sell the Sales Shares and assign the benefit and advantage of the Shareholder's Loan owed by the Target Company to the Purchaser, at a consideration of HK\$100,000. The Sale Shares represents 100% of the issued share capital of the Target Company.

## **THE SALES AND PURCHASE AGREEMENT**

Date: 28 March 2023

Parties: (i) the Vendor; and  
(ii) the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of each of the Company and their respective connected persons.

### **Assets to be disposed**

- (i) the Sale Shares, being the entire issued share capital of the Target Company; and
- (ii) the Shareholder's Loan owed by the Target Company to the Vendor as at 28 February 2023.

Upon completion, the Target Company will cease to be a subsidiary of the Company.

### **Consideration**

The Consideration shall be HK\$100,000, which shall be satisfied by the Purchaser to the Vendor in cash upon signing of the Sales and Purchase Agreement.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on an arm's length basis with reference to, including but not limited to, the unaudited net liabilities of the Target Company of approximately HK\$13.28 million as at 28 February 2023 and the assignment of the benefit and advantage of the Shareholders' Loan of approximately HK\$13.35 million as at 28 February 2023.

### **Conditions precedent**

Completion is subject to the following conditions being fulfilled or waived (as the case may be):

- (i) the board of directors and shareholders of the Vendor approving the Sales and Purchase Agreement and implementation of the transactions contemplated by the Sales and Purchase Agreement;
- (ii) the completion of the due diligence by the Purchaser and the resolution of the issues arising from the due diligence by the Vendor and the Company in manner satisfactory to the Purchaser, acting reasonably; and

The Conditions are solely for the Purchaser's benefit and the Purchaser may at its sole discretion waive any of the Conditions at any time by notice in writing to the Vendor. The Vendor shall use best endeavours to procure the fulfilment of the Conditions as soon as possible after the date of this Sales and Purchase Agreement.

## Completion

Completion shall take place on the Completion Date after all the conditions of the Sales and Purchase Agreement have been fulfilled or waived or such date as the Vendor and the Purchaser may agree in writing.

Upon Completion, the Target Company will cease to be a subsidiary of the Company.

## INFORMATION ON THE VENDOR AND THE TARGET COMPANY

The Vendor is a company incorporated in Hong Kong with limited liability and is an investment holding company.

The Target Company is a company incorporated in Hong Kong with limited liability, which is a subsidiary of the Vendor. The Target Company is principally engaged in operation of wholesale business in Hong Kong.

## FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below is a summary of the key financial data of the Target Company extracted from its audited financial statements for the year ended 31 March 2021 and 31 March 2022:

	<b>For the year ended 31 March 2022 (audited) HK\$</b>	<b>For the year ended 31 March 2021 (audited) HK\$</b>
Turnover	16,006,531	17,168,940
Profit/(loss) before taxation	(4,354,036)	(1,167,735)
Profit/(loss) after taxation	<u>(4,354,036)</u>	<u>(1,167,735)</u>

Based on the unaudited consolidated financial information of the Target Company, the net liabilities was approximately HK\$13.28 million as at 28 February 2023.

## INFORMATION OF THE PURCHASER

The Purchaser is a merchant Ms. Chow Yee Man Linda. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group is principally engaged in money lending business, financial instruments and quoted shares investment, retail and wholesale business in Hong Kong.

Due to highly competitive of the wholesale business in Hong Kong and the increase in the cost of sales and administration fee in this segment, the Company decided to streamline this business segment by reducing the market share in the wholesales business.

The Board is of the view that the operation of wholesale business in Hong Kong is not performing as expected and to continue the operation of wholesale business is going to take up too much resources of the Group which can be put on other sectors. As such, the Board considers that by disposing the Target Company, the Group can re-focus its resources to main business sectors of the Group.

The Directors consider that the terms of the Sales and Purchase Agreement (including the Consideration) and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL**

Immediately after completion of the Disposal, the Target Company will cease to be a subsidiary of the Company.

It is expected that the Group will recognize a gain in its consolidated income statement of approximately HK\$31,000 upon completion of the Disposal. Subject to audit, the actual amount of gain or loss on Disposal to be recognized by the Group will be based on the actual net asset value of the Target Company as at Completion and therefore may vary from the amount mentioned above.

The intended sales proceeds (after deducting relevant costs and expenses in connection with the Disposal) will be applied to the general working capital of the Company.

## **GEM LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios under Chapter 19 of the GEM Listing Rule in respect of the Disposal is more than 5% but all less than 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **WARNING NOTICE**

**As Completion is conditional upon fulfilment of the conditions precedent set out in the Sales and Purchase Agreement, the Disposal may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Associates”	has the same meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Easy Repay Finance & Investment Limited (Stock code: 8079), a company continued in Bermuda with limited liability, the Shares are listed on GEM
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sales and Purchase Agreement
“Completion Date”	On or before 31 March 2023 or such other date as agreed by the parties
“Connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	the consideration for the Disposal of approximately HK\$100,000
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of 100% equity interest of the Target Company pursuant to the terms and conditions of the Sales and Purchase Agreement
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the GEM Listing Rules)
“Purchaser”	Ms. Chow Yee Man Linda

“Sale Shares”	1 ordinary share of the Target Company, representing 100% of the issued share capital of the Target Company
“Sales and Purchase Agreement”	the sale and purchase agreement dated 28 March 2023 entered into among the Vendor and the Purchaser in relation to the Disposal
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder’s Loan”	the Shareholder’s Loan of approximately HK\$13.35 million owed by the Target Company to the Vendor as at 28 February 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Cool Cool Trading (International) Limited, a company incorporated in Hong Kong with limited liability
“Vendor”	Perfect Catering Group Limited, a company incorporated in Hong Kong with limited liability, a subsidiary of the Company
“%”	per cent

By Order of the Board  
**Easy Repay Finance & Investment Limited**  
**Chan Yan Tak**  
*Chairman*

Hong Kong, 28 March 2023

*As at the date of this announcement, the Board comprises Mr. Chan Yan Tak (Chairman), Mr. Lim Ming Shing Tony, Ms. Siu Yeuk Hung, Clara and Mr. Law Ka Kei as executive Directors; Mr. Lee King Fui, Mr. Joseph Rodrick Law, Mr. To Kwan and Ms. Ho Sau Ping Pia as independent nonexecutive Directors.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain com on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its publication and on the website of the Company at [www.ecrepay.com](http://www.ecrepay.com).*