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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)

BETA DYNAMIC LIMITED

*(Incorporated in the British Virgin Islands with
limited liability)*

JOINT ANNOUNCEMENT

SPECIAL DEAL RELATING TO THE PROPOSED SETTLEMENT

Reference is made to (i) the announcement dated 13 March 2020 issued by Beta Dynamic Limited (the “**Offeror**”) in relation to the voluntary conditional offers for the issued shares and outstanding options of Easy Repay Finance & Investment Limited (the “**Company**”); (ii) the offer document (the “**Offer Document**”) issued by the Offeror dated 3 April 2020; and (iii) the response document (the “**Response Document**”) issued by the Company dated 17 April 2020. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Response Document.

SPECIAL DEAL RELATING TO THE PROPOSED SETTLEMENT

The Company was informed by Mr. Shiu that, on 29 May 2020 (after trading hours), Popland Investments Limited as the borrower (“**Borrower**”), Mr. Cheung as the lender (“**Lender**”), Shiu Junior, Mr. Shiu, Able Rich and Rich Treasure entered into a deed supplemental to the Popland Loan Agreement (as amended by a waiver letter dated 29 May 2020 (“**Waiver Letter**”) to vary the date of the despatch of a shareholders circular, the date of the SGM as described below and the last day the Supplemental Deed may become effective, the “**Supplemental Deed**”) which provides for, among other things, the settlement proposals (“**Proposed Settlement**”) on the amounts due and unpaid from Popland Investments Limited to Mr. Cheung under the Popland Loan Agreement. The loan under the Popland Loan Agreement (“**Popland Loan**”) matured on 18 October 2018. Under the Popland Loan Agreement, interest accrues at the rate of 15% per annum payable quarterly or at the rate of 24% per annum upon the occurrence of an event of default as specified in the Popland Loan Agreement. As at 1 May 2020, the total outstanding principal amount of the Popland Loan and interest thereon due and remaining unpaid to the Lender was HK\$233,747,447 (“**Settlement Sum**”), comprising HK\$210,869,546 of principal and HK\$22,877,901 of accrued and unpaid interest, including interest calculated at the default rate from 18 October 2018.

The principal terms of the Supplemental Deed are set out below:

Date	29 May 2020
Parties	<ul style="list-style-type: none"> (i) Popland Investments Limited (as the borrower) (ii) Mr. Cheung (as the lender) (iii) Shiu Junior (the sole shareholder of the Borrower) (iv) Mr. Shiu (a security provider and the sole shareholder of Rich Treasure) (v) Rich Treasure (a security provider and the sole shareholder of Able Rich); and (vi) Able Rich (a security provider and the beneficial owner of the Controlling Block)

Rescheduled payments and security

The Borrower has agreed to pay on or before the dates specified below the Settlement Sum in five instalments, on which interest shall accrue from 1 May 2020 at the rates as set out in the Popland Loan Agreement up to and including the date of repayment of principal and be payable quarterly and on the date of repayment of principal. The payment obligations under the Popland Loan Agreement as amended by the Supplemental Deed and all related finance documents are secured by the security described in the table below:

No.	Payment date (on or before)	Principal amount (the "Payment Instalment")	Security
1	11 May 2020 ¹	HK\$31,000,000	The Alleged Share Charges; a second mortgage by Mr. Shiu over a property located in Hong Kong; a personal guarantee from Mr. Shiu and Shiu Junior
2	8 June 2020	HK\$31,000,000	
3	30 September 2020	HK\$60,000,000	

No.	Payment date (on or before)	Principal amount (the “Payment Instalment”)	Security
4	30 April 2021	HK\$63,000,000	As above, provided that: after settlement of Payment Instalments 1 to 3 and interest accrued thereon, the personal guarantee provided by Mr. Shiu will be released, and in addition, the Alleged Share Charges and the additional second mortgage provided by Mr. Shiu will also be released upon provision of alternative security acceptable to the Lender.
5	11 May 2030	HK\$48,747,447	Personal guarantee from Shiu Junior only

Note:

1. As at the date of this announcement, the principal amount of Payment Instalment 1 has been received by the Lender.

The Lender may declare that all or any amounts outstanding and unpaid be immediately due and payable upon the occurrence of acceleration events specified in the Supplemental Deed. These events include (i) non-payment by the Borrower; (ii) non-compliance with or breach of any terms of the Supplemental Deed or the related finance documents by any obligor; (iii) the total shareholding held by Able Rich in the Company falling below 34.236% at any time; (iv) cross default, insolvency events or material adverse effect relating to any obligor; (v) any change of ownership of the Borrower, Rich Treasure or Able Rich; (vi) suspension of trading in the Shares for 25 or more consecutive trading days, or suspension of trading in the Shares for three or more consecutive trading days and the Borrower fails to provide information in relation to such suspension for the Lender to make an informed assessment; (vii) delisting of the Shares.

Conditions precedent

The Proposed Settlement will take effect only after:

- (i) the settlement of the Payment Instalments 1 and 2 and interest accrued thereon;
- (ii) the due execution of documents for the Proposed Settlement and perfection of security;
- (iii) the Company holding a special general meeting on or before 29 May 2020 as required by Bermuda laws in response to the most recent requisition by Ms. Bai, details of which are set out in the circular of the Company dated 11 May 2020;
- (iv) the grant of consent by the Executive on the application by the Offeror under Rule 25 of the Takeovers Code and the despatch of a circular with respect to the Proposed Settlement to Shareholders on or before 1 June 2020 (as agreed by the Lender in the Waiver Letter) and the approval of disinterested Shareholders of the Proposed Settlement under Rule 25 of the Takeovers Code;
- (v) discontinuance of all existing legal proceedings involving the parties to the Supplemental Deed; and
- (vi) the provision of corporate documents, identification documents and evidence of filing of disclosure of interests forms as required under Part XV of the SFO and appointment of process agent by the obligors, payment of HK\$1,000,000 to the Lender as partial payment for the costs and expenses (including legal fees) incurred by the Lender in connection with the Supplemental Deed and the related documents, issue of legal opinions and satisfactory results of various searches in Hong Kong, evidence of the state of occupancy of the property subject to the said second mortgage provided by Mr. Shiu.

After the Proposed Settlement becoming effective, the Purported Receivers appointed over the Able Rich Shares and the Controlling Block will be discharged.

Termination

If the Proposed Settlement does not take effect on or before 19 June 2020 (as agreed by the Lender in the Waiver Letter, or such other date as may be agreed by the Lender), the Supplemental Deed will terminate and cease to have any effect, save for certain provisions otherwise specified.

IMPLICATIONS UNDER THE TAKEOVERS CODE

The Proposed Settlement is an arrangement between Mr. Cheung (being the beneficial owner of the Offeror) and, among other parties, Able Rich (being an existing Shareholder), Rich Treasure and Mr. Shiu (being the direct and indirect shareholders of Able Rich), which is not capable of being extended to all Shareholders. As such, the Proposed Settlement constitutes a special deal under Rule 25 of the Takeovers Code (“**Special Deal**”) which is subject to consent of the Executive.

The Company understands from Mr. Shiu that the Offeror has applied to the Executive for consent to the Special Deal and such consent, if granted, will be subject to (i) an independent financial adviser to the Company publicly states that in its opinion the terms of the Proposed Settlement are fair and reasonable; and (ii) the Proposed Settlement is approved at a general meeting (“**SGM**”) of the Company’s shareholders who are not involved in or interested in the Proposed Settlement (“**Independent Shareholders**”).

THE IBC AND THE IFA

The IBC comprising all the independent non-executive Directors, namely Mr. Siu Chi Yiu Kenny, Mr. Lee King Fui and Mr. Ho Siu King, Stanley, has been formed pursuant to the requirements of the Takeovers Code to advise the Independent Shareholders on the Offers and the Special Deal.

Rainbow Capital (HK) Limited has been appointed as the independent financial adviser with the approval of the IBC to advise the IBC on matters in relation to the Offers and the Special Deal.

GENERAL

The SGM is expected to be held by the Company on 19 June 2020. For determining the Shareholders’ entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 16 June 2020 to Friday, 19 June 2020 (both dates inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the SGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 15 June 2020.

A circular containing, among other things, (i) further details of the Proposed Settlement; (ii) a letter from the IBC to the Independent Shareholders; (iii) a letter from the IFA to the IBC; and (iv) information as required under Rule 8.5 of the Takeovers Code on matters in relation to the Special Deal is expected to be despatched to the Shareholders on 1 June 2020.

As at the date of this announcement, the Offeror and its associates and parties acting in concert with it (i.e. Ms. Bai) hold 26,093,500 Shares (representing approximately 10.86% of the total Shares in issue), the Purported Receivers hold 82,288,613 Shares (representing approximately 34.24% of the total Shares in issue) and Mr. Shiu and parties acting in concert with him (including his spouse) hold 1,620,007 Shares (representing approximately 0.67% of the total Shares in issue). All of the aforementioned Shareholders will abstain from voting on the proposed resolution(s) in respect of the Proposed Settlement at the SGM.

By Order of the Board
Easy Repay Finance & Investment Limited
Shiu Yeuk Yuen
Chairman

By Order of the board of
Beta Dynamic Limited
Cheung Siu Fai
Sole Director

Hong Kong, 29 May 2020

As at the date of this announcement, the Board comprises Mr. Shiu Yeuk Yuen and Ms. Siu Yeuk Hung, Clara as executive Directors; and Mr. Lee King Fui, Mr. Siu Chi Yiu, Kenny and Mr. Ho Siu King, Stanley as independent non-executive Directors.

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

As at the date of this announcement, the sole director of Beta Dynamic Limited is Mr. Cheung. The sole director of Beta Dynamic Limited accepts full responsibility for the accuracy of the information relating to the Offeror and parties acting in concert with it and the Proposed Settlement contained in this announcement and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed by the sole director of the Offeror and parties acting in concert with the Offeror in this announcement have been arrived at upon due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the website of the GEM at www.hkgem.com for at least seven days from the date of its posting and on the Company’s website at www.ecrepay.com.