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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)

ANNOUNCEMENT PURSUANT TO RULES 3.2 AND 3.7 OF THE TAKEOVERS CODE, RULE 13.09 OF THE LISTING RULES AND PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE

This announcement is made by Easy Repay Finance & Investment Limited (the “**Company**”) pursuant to Rules 3.2 and 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement of 13 March 2020 and the offer document of 3 April 2020 both issued by Beta Dynamic Limited (i.e. the Offeror) in relation to the voluntary conditional cash offers made by Kingsway Financial Services Group Limited (i.e. Kingsway Financial) on behalf of the Offeror to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror) and to cancel all the outstanding Options (i.e. the Offers); and (ii) the announcement of 20 March 2020 and the response document of 17 April 2020 both issued or despatched (as the case may be) by the Company in response to the Offers (i.e. the Response Document). Capitalised terms used in this announcement shall have the same meanings as those defined in the Response Document unless the context requires otherwise.

BACKGROUND

The Offer Period commenced on 13 March 2020 and the Offers are being made by Kingsway Financial on behalf of the Offeror on 3 April 2020. Principal terms of the Offers are set out in the Offer Document despatched by the Offeror on 3 April 2020. In response to the Offers, on 17 April 2020, the Board despatched the Response Document setting out the executive summary of the Company, the independent advice from the IBC and the IFA as to the terms of the Offers, and their blanket recommendations to the Shareholders to **REJECT** the Offers.

The Board would like to draw your attention that the main legal proceedings over the beneficial ownership of the Controlling Block (which is now held under the Purported Receivers) under HCA280/2020 and the Substantial Block (which is now held under Ms. Bai) under HCA80/2020 are still ongoing as at the date of this announcement. The beneficial ownerships of the Subject Shares as a whole (which represented approximately 45.06% of the total Shares in issue) are currently under serious disputes.

Shareholders are strongly advised to read the aforesaid with the Offer Document before determining their decisions as to the acceptance or rejection of the Offers.

POSSIBLE OFFER

On 16 April 2020, the Company received a letter from the Purported Receivers that (i) the Purported Receivers have embarked upon the process to invite potential purchasers who are interested in purchasing the Controlling Block (representing approximately 34.2% of the total Shares in issue) in one lot (the “**Intended Sale**”) to submit their offers to the Purported Receivers for their consideration; (ii) thereafter, it is contemplated that the Purported Receivers and the selected purchaser (the “**Purchaser**”) will enter into the definitive sale and purchase agreement in respect of the Controlling Block in due course; and (iii) as of 16 April 2020, no discussion nor negotiation has been commenced nor any agreement has been entered into in respect of any possible disposal of the Controlling Block.

The Intended Sale, if materialised and completed, will trigger the Purchaser’s obligation to make a mandatory general offer to all the issued Shares (other than those already owned or agreed to be acquired by the purchaser of the Intended Sale and the parties acting in concert with it) and for cancellation of all the Options pursuant to Rule 26.1 of the Takeovers Code.

Pursuant to Rule 3.7 of the Takeovers Code, the Company will make announcement(s) setting out the progress of the Intended Sale until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Possible Offer.

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

Hong Kong, 17 April 2020

As at the date of this announcement, the Board comprises Mr. Shiu Yeuk Yuen and Ms. Siu Yeuk Hung, Clara as executive Directors; Mr. Siu Chi Yiu Kenny, Mr. Lee King Fui 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 and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement 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. The Directors only take responsibility for the correctness and fairness of the reproduction or presentation of the information relating to the terms of the Offers which is extracted from the Offer Announcement.

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.