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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)

**DESPATCH OF THE RESPONSE DOCUMENT
RELATING TO THE VOLUNTARY CASH OFFERS**

**ON THE ADVICE OF THE IFA, THE IBC RECOMMENDS YOU
NOT TO ACCEPT
THE VOLUNTARY CONDITIONAL CASH OFFERS**

Financial adviser to the Company



Independent financial adviser to the IBC



Reference is made to (i) the announcement dated 13 March 2020 and the offer document dated 3 April 2020 issued by Beta Dynamic Limited (i.e. the Offeror) in relation to the voluntary conditional cash offers made by Kingsway Financial Services Group Limited 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 dated 20 March 2020 and the response document dated 17 April 2020 issued 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.

DESPATCH OF THE RESPONSE DOCUMENT

The Response Document has been despatched to the Shareholders and the Optionholder on 17 April 2020 in accordance with the Takeovers Code.

EXECUTIVE SUMMARY

The IFA considers that the Offers are **NOT FAIR AND REASONABLE** and not in the interests of the Shareholders, the Optionholder and the Company as a whole, and therefore advises the IBC to recommend the Shareholders and the Optionholder **NOT TO ACCEPT** the Offers.

The Board concurs with the IBC and the IFA and is of the view that the Offers are not fair and reasonable, and therefore recommends the Shareholders and the Optionholder to **REJECT** the Offers.

The Offers should be **REJECTED** because:

- (i) **The Share Offer is only in the interest of the Offeror, not the Company nor the Shareholders.** The Share Offer Price represented a deep discount of approximately 83.1% and 81.9% to the unaudited NAV as at 30 September 2019 and 31 December 2019 respectively. It also represented approximately 27.5% discount to the closing price of the Shares on the Last Trading Day. To accept the Share Offer, it would imply that the underlying value of the Company is worth not more than 17% of the unaudited NAV as at 30 September 2019. Without a careful scrutiny of the assets and liabilities of the Company, such pricing is grossly unfair. Details of the analysis on the net assets backing of the Group is set out in the Response Document.
- (ii) **The Offers are highly conditional and uncertain.** It is worth noting that the Offers are conditional on, among other customary conditions, (a) no relevant authority(ies) in any jurisdiction having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offers or the acquisition of any of the Offer Shares and/or Options under the Offers void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to the Offers (other than such items or events as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offers); and like other customary conditions, (b) valid acceptances of the Share Offer resulting in the Offeror Concert Group holding more than 50% of the voting rights in the Company.

Despite the inter-partes injunction application in HCA280/2020 (as an interlocutory proceeding) was withdrawn by Mr. Shiu after considering the legal advice, the main legal proceedings relating to the ownerships of the beneficial interests in the Controlling Block (i.e. HCA280/2020) and the Substantial Block (i.e. HCA80/2020) (which together represented approximately 45.09% of the total Shares in issue), as well as the potential investigations by the Hong Kong Police Force into possible criminal activities detailed in the section “Disputes over the Beneficial Ownership of the Subject Shares” in the letter from the Board in the Response Document, are still ongoing as at the Latest Practicable Date. The Offeror Concert Group allegedly held only approximately 10.86% of the total issued Shares as at 13 March 2020. The Board (excluding the IBC members whose recommendation is set out in the letter from the IBC in the Response Document) considers that the ongoing legal proceedings and potential police investigations cast serious doubts as to the fulfilment of the aforesaid conditions, making the Offers highly conditional and uncertain.

- (iii) **The motives of the Offeror as to the Offers are dubious.** The Board (excluding the IBC members whose recommendation is set out in the letter from the IBC in the Response Document) strongly advises the Shareholders to have a full and careful scrutiny of the events surrounding the Offers, including the unattractive terms of the Offers, the uncertainties as to the fulfilment of the conditions of the Offers, and the ongoing legal proceedings and potential police investigations over the beneficial ownerships of the Subject Shares, before determining whether or not to accept the Offers.

Shareholders and Optionholder are advised to read the Response Document in conjunction with the Offer Document carefully before taking any action in respect of the Offers. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

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 of directors of the Company comprises Mr. Shiu Yeuk Yuen and Ms. Siu Yeuk Hung, Clara as executive directors; 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 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.

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.