

EASY REPAY FINANCE & INVESTMENT LIMITED

易還財務投資有限公司

(Continued in Bermuda with limited liability)

(Stock Code: 8079)

RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Easy Repay Finance & Investment Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, 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 document misleading.

HIGHLIGHTS

- Turnover for the six months ended 30 September 2015 was approximately HK\$51 million (six months ended 30 September 2014: HK\$29 million) representing an increase of approximately 74%, as compared with the corresponding period in 2014.
- Profit attributable to owners of the Company for the six months ended 30 September 2015 was approximately HK\$20.0 million (six months ended 30 September 2014: HK\$16.3 million).
- The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and six months ended 30 September 2015, together with the comparative figures for the corresponding period in 2014 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the three months ended 30 September		For the six months ended 30 September	
		2015	2014	2015	2014
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	2	28,453	15,921	50,777	29,141
Cost of sales		(8,866)	(1,140)	(14,019)	(1,495)
Gross profit		19,587	14,781	36,758	27,646
Investment and other income	2	353	657	757	941
Other gains and (losses), net	2	(28,919)	8,385	6,928	8,357
Servicing, selling and distribution costs		(1,823)	(999)	(2,218)	(1,681)
Reversal of/(provision for) impairment on loans		26,244	(2,800)	(1,756)	(2,800)
Administrative expenses		(8,116)	(8,059)	(19,124)	(14,333)
Operating profit		7,326	11,965	21,345	18,130
Finance costs		(385)	(504)	(854)	(852)
Share of results of associates	9	7	(482)	(339)	(912)
Profit before income tax	4	6,948	10,979	20,152	16,366
Income tax	5	–	–	–	–
Profit for the period		6,948	10,979	20,152	16,366
Other comprehensive income/(loss):					
Changes in fair value of financial assets at fair value through other comprehensive income (2014: available-for-sale financial assets)		3,015	(8,642)	4,163	(4,395)
Other comprehensive income/(loss) for the period		3,015	(8,642)	4,163	(4,395)
Total comprehensive income for the period		9,963	2,337	24,315	11,971

	<i>Notes</i>	For the three months ended 30 September		For the six months ended 30 September	
		2015	2014	2015	2014
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to:					
Owners of the Company		6,690	10,863	19,959	16,302
Non-controlling interests		258	116	193	64
		<u>6,948</u>	<u>10,979</u>	<u>20,152</u>	<u>16,366</u>
Total comprehensive income attributable to:					
Owners of the Company		9,705	2,221	24,122	11,907
Non-controlling interests		258	116	193	64
		<u>9,963</u>	<u>2,337</u>	<u>24,315</u>	<u>11,971</u>
Earnings per share attributable to owners of the Company					
Basic and diluted (2014: restated)	7	<u>HK\$3.04 cents</u>	<u>HK17.26 cents</u>	<u>HK\$9.06 cents</u>	<u>HK25.91 cents</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	8	4,554	4,194
Interests in associates	9	5,511	–
Financial assets at fair value through other comprehensive income	10	7,492	3,357
Loans and advances	11	158,586	110,746
		176,143	118,297
Current assets			
Trade receivables	12	1,595	544
Prepayments, deposits and other receivables		3,302	59,012
Loans and advances	11	160,957	177,695
Inventories		4,256	223
Financial assets at fair value through profit or loss		61,670	69,321
Amount due from a related party	13	262	262
Amounts due from associates	9	315	2,044
Pledged bank deposits		891	28,895
Cash and cash equivalents		62,144	66,403
		295,392	404,399

		As at 30 September 2015 (Unaudited) <i>HK\$'000</i>	As at 31 March 2015 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
LIABILITIES			
Current liabilities			
Trade and other payables		5,655	2,402
Amounts due to non-controlling interests		–	150
Amounts due to related parties		9,200	8,200
Borrowings		9,870	89,348
Provision for tax		57	57
Obligations under finance leases		222	203
		<u>25,004</u>	<u>100,360</u>
Net current assets		<u>270,388</u>	<u>304,039</u>
Total assets less current liabilities		<u>446,531</u>	<u>422,336</u>
Non-current liabilities			
Obligations under finance leases		192	312
		<u>192</u>	<u>312</u>
Net assets		<u><u>446,339</u></u>	<u><u>422,024</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	2,202	2,202
Reserves		444,023	419,901
		<u>446,225</u>	<u>422,103</u>
Non-controlling interests		<u>114</u>	<u>(79)</u>
Total equity		<u><u>446,339</u></u>	<u><u>422,024</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2015

	Equity attributable to the owners of the Company									
	Share capital	Share premium	Capital redemption reserve	Accumulated losses	Capital reserves	Investment revaluation reserve	Contributed surplus	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2014	6,292	246,126	278	(203,753)	28,546	(10,268)	201,218	268,439	(276)	268,163
Profit for the period	–	–	–	16,302	–	–	–	16,302	64	16,366
Changes in fair value of available-for-sale financial assets	–	–	–	–	–	(4,395)	–	(4,395)	–	(4,395)
Total comprehensive income	–	–	–	16,302	–	(4,395)	–	11,907	64	11,971
Balance at 30 September 2014	<u>6,292</u>	<u>246,126</u>	<u>278</u>	<u>(187,451)</u>	<u>28,546</u>	<u>(14,663)</u>	<u>201,218</u>	<u>280,346</u>	<u>(212)</u>	<u>280,134</u>
Balance at 1 April 2015	2,202	353,907	278	(163,029)	28,546	(20,839)	221,038	422,103	(79)	422,024
Profit for the period	–	–	–	19,959	–	–	–	19,959	193	20,152
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	4,163	–	4,163	–	4,163
Total comprehensive income	–	–	–	19,959	–	4,163	–	24,122	193	24,315
Balance at 30 September 2015	<u>2,202</u>	<u>353,907</u>	<u>278</u>	<u>(143,070)</u>	<u>28,546</u>	<u>(16,676)</u>	<u>221,038</u>	<u>446,225</u>	<u>114</u>	<u>446,339</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash generated from/(used in) operating activities	56,322	(22,188)
Net cash generated from investing activities	17,998	15,377
Net cash (used in)/generated from financing activities	(78,579)	17,109
Net (decrease)/increase in cash and cash equivalents	(4,259)	10,298
Cash and cash equivalents at the beginning of period	66,403	11,609
Cash and cash equivalents at the end of period	62,144	21,907

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

In the current period, the Group has applied, for the first time, certain new or revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are mandatorily effective for the current period. The application of the above new or revised HKFRSs has had no material effect on the Group’s financial statements.

The accounting policies used in the preparation of the unaudited condensed consolidated financial statements have been consistently applied by the Group and are consistent with those used in preparing the Company’s annual audited financial statements for the year ended 31 March 2015.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2015 have not been audited or reviewed by the Company’s auditors, but have been reviewed by the audit committee of the Company.

2. REVENUE, OTHER REVENUE AND OTHER GAINS/(LOSSES) – NET

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group’s activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group’s activities as described below:

Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Revenue arising from money lending is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

Rental income is recognised on a straight-line basis over the term of the lease.

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

Revenue arising from the sale of properties held for resale is recognised upon signing of sale and purchase agreement or the issue of an occupation permit by the relevant government authorities, whichever is the later.

Management fee income is recognised when services are rendered.

	For the three months ended 30 September		For the six months ended 30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue				
Money lending	16,695	13,842	34,626	26,435
Rental income from investment properties	18	63	18	239
Retail services income	3,343	2,016	4,069	2,467
Wholesale income	8,397	–	12,064	–
	<u>28,453</u>	<u>15,921</u>	<u>50,777</u>	<u>29,141</u>
Other revenue and other gains/(losses), plus unallocated income – net				
Dividend income from listed investments	51	429	321	647
Fair value (losses)/gains on financial assets at fair value through profit or loss	(24,993)	3,046	9,495	2,859
(Losses)/gains on disposal of financial assets at fair value through profit or loss	(3,788)	1,971	(2,567)	2,103
Gain on disposal of investment properties	–	3,350	–	3,350
Interest income from corporate coupon bonds	273	22	329	22
Bank interest income	52	10	61	17
Others	(161)	214	46	300
	<u>(28,566)</u>	<u>9,042</u>	<u>7,685</u>	<u>9,298</u>

3. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief executive directors and the management staff that are used to make strategic decisions.

An analysis of the Group's reportable operating segments results before income tax for the period is as follows:

For the six months ended 30 September 2015

(Unaudited)

	Property investment <i>HK\$'000</i>	Securities and bonds investment <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Retail services <i>HK\$'000</i>	Wholesale business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:						
Revenue from						
external customers	18	–	34,626	4,069	12,064	50,777
Other revenue and						
other gains – net	–	7,931	11	2	12	7,956
	<u>18</u>	<u>7,931</u>	<u>34,637</u>	<u>4,071</u>	<u>12,076</u>	<u>58,733</u>
Segment results	<u>18</u>	<u>4,649</u>	<u>22,496</u>	<u>459</u>	<u>199</u>	<u>27,821</u>
Unallocated income						239
Unallocated expenses						(6,715)
Operating profit						21,345
Finance costs						(854)
Share of results of associates						(339)
Profit before income tax						20,152
Income tax						–
Profit for the period						<u>20,152</u>

For the six months ended 30 September 2014
(Unaudited)

	Property investment <i>HK\$'000</i>	Securities and bonds investment <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Retail services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:					
Revenue from external customers	239	–	26,435	2,467	29,141
Other revenue and other gains – net	3,350	5,630	–	–	8,980
	<u>3,589</u>	<u>5,630</u>	<u>26,435</u>	<u>2,467</u>	<u>38,121</u>
Segment results	<u>2,974</u>	<u>1,782</u>	<u>18,919</u>	<u>199</u>	<u>23,874</u>
Unallocated income					62
Unallocated expenses					(5,806)
Operating profit					18,130
Finance costs					(852)
Share of results of associates					(912)
Profit before income tax					16,366
Income tax					–
Profit for the period					<u>16,366</u>

Geographical information

Revenue from external customers by geographical markets:

	For the six months ended 30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	<u>50,777</u>	<u>29,141</u>

4. PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging/(crediting) the following:

	For the three months ended 30 September		For the six months ended 30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Auditors' remuneration	114	95	223	195
Cost of inventories recognised as expenses	8,866	1,140	14,019	1,495
Depreciation	124	318	504	630
Net exchange (gain)/loss	7	(18)	(131)	(45)
Minimum lease payments under operating lease	708	544	1,317	1,088
(Reversal of)/provision for impairment on loans	(26,244)	2,800	1,756	2,800
Rental income net of outgoings in respect of investment properties	9	51	18	217

5. INCOME TAX

No provision for Hong Kong Profits Tax has been made for the companies in the Group as they either have no assessable profits or have available tax losses brought forward from prior years to offset against current period's estimated assessable profits (six months ended 30 September 2014: Nil).

6. INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

7. EARNINGS PER SHARE

The calculation of basic earnings per share for the three months ended 30 September 2015 is based on the profit attributable to shareholders of approximately HK\$6,690,000 (three months ended 30 September 2014: approximately HK\$10,863,000) and the weighted average number of 220,219,354 ordinary shares in issue during the period (three months ended 30 September 2014: 62,919,816 shares).

The calculation of basic earnings per share for the six months ended 30 September 2015 is based on the profit attributable to shareholders of approximately HK\$19,959,000 (six months ended 30 September 2014: approximately HK\$16,302,000) and the weighted average number of 220,219,354 ordinary shares in issue during the period (six months ended 30 September 2014: 62,919,816 shares).

The calculation of diluted earnings per share for the three months ended 30 September 2015 is based on the profit attributable to shareholders of approximately HK\$6,690,000 (three months ended 30 September 2014: approximately HK\$10,863,000) and the weighted average number of 220,219,354 ordinary shares for the purpose of diluted earnings per share during the period (three months ended 30 September 2014: 62,919,816 shares).

The calculation of diluted earnings per share for the six months ended 30 September 2015 is based on the profit attributable to shareholders of approximately HK\$19,959,000 (six months ended 30 September 2014: approximately HK\$16,302,000) and the weighted average number of 220,219,354 ordinary shares for the purpose of diluted earnings per share during the period (six months ended 30 September 2014: 62,919,816 shares).

8. PROPERTY, PLANT AND EQUIPMENT

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
At beginning of the period/year	4,194	3,951
Additions	864	1,414
Depreciation	(504)	(1,171)
	<u>4,554</u>	<u>4,194</u>

9. INTERESTS IN ASSOCIATES

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Unlisted shares, at cost	7,740	1,890
Share of post-acquisition losses	(2,229)	(1,890)
	<u>5,511</u>	<u>—</u>

The amounts due from associates are unsecured, interest free and repayable on demand.

Particulars of the associates as at 30 September 2015 are as follows:

Name of associates	Particulars of issued and fully paid capital	Country of incorporation	Proportion of ownership interest		Principal activities
			Group's effective interest	Held by a subsidiary	
One Dollar Movies Productions Limited	10 ordinary shares of HK\$1 each	Hong Kong	40%	40%	Movies production
One Dollar Distribution Limited	10,000 ordinary shares of HK\$1 each	Hong Kong	40%	40%	Movies distribution
Perfect Talent Limited	1 ordinary share of HK\$1 each	Hong Kong	40%	40%	Movies production
Smart Investment Development Limited	10,000 ordinary shares of HK\$1 each	Hong Kong	45.65%	45.65%	Operation of a dispensary
Vision Lion Limited	1,000 ordinary shares of HK\$1 each	Hong Kong	45%	45%	Holding of a cruiser

The movement in loans to associates during the period/year is as follows:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Loans to associates:		
Balance at the beginning of the period/year	14,644	500
Additions	831	14,144
Balance at the end of the period/year	<u>15,475</u>	<u>14,644</u>

The movement in the provision for impairment of loans to associates is as follows:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Balance at the beginning of the period/year	12,600	12,600
Additions	<u>2,560</u>	<u>—</u>
Balance at the end of the period/year	<u><u>15,160</u></u>	<u><u>12,600</u></u>

The summarised financial information of the Group's associates extracted from their management accounts is as follows:

	For the six months ended 30 September 2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Total revenue	<u><u>9,038</u></u>	<u><u>8,348</u></u>
Total loss for the period	<u><u>(1,806)</u></u>	<u><u>(1,947)</u></u>
The Group's share of loss of associates	<u><u>(339)</u></u>	<u><u>(912)</u></u>

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Listed shares, at fair value (<i>Note a</i>)	6,442	2,279
Real Estate funds, at fair value (<i>Note b</i>)	<u>1,050</u>	<u>1,078</u>
	<u><u>7,492</u></u>	<u><u>3,357</u></u>

Note a: The amount represents 0.36% equity interests in the issued ordinary shares of China 3D Digital Entertainment Limited (“China 3D”). The principal activities of China 3D and its subsidiaries are engaged in the entertainment business, with a focus in television programme and film production, distribution, distribution licensing, cinema operation and management in both Hong Kong and the PRC, artists management, money lending activities and acquisition of corporate bonds, preference shares as well as investment in securities.

Note b: The unlisted investment funds represent the Group’s investment in China Real Estate Development II Fund, which invested in private equity real estate development projects in the People’s Republic of China through CAPITALAND China Development Fund II Limited, managed by CAPITALAND China Development Fund Management PTE Ltd. The fair value of the investment is determined by reference to the net asset values at the end of the reporting period.

11. LOANS AND ADVANCES

	As at 30 September 2015 (Unaudited) HK\$’000	As at 31 March 2015 (Audited) HK\$’000
Loans and advances to customers	328,198	295,340
Less: impairment allowances	(8,655)	(6,899)
Loans and advances to customers – net	319,543	288,441

Ageing analysis of loans and advances to customers:

	As at 30 September 2015 (Unaudited) HK\$’000	As at 31 March 2015 (Audited) HK\$’000
Within one year	160,957	177,695
Over one year but within five years	41,950	32,524
Over five years	116,636	78,222
	319,543	288,441

Reconciliation of provision for impairment on loans and advances to customers:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Balance at the beginning of the period/year	6,899	11,656
Provision for impairment on loans	1,756	2,074
Reversal of impairment recognised in prior year	–	(731)
Amount written off during the period/year	–	(6,100)
	<u>8,655</u>	<u>6,899</u>
Balance at the end of the period/year	<u>8,655</u>	<u>6,899</u>
Recovery of loan and advances to customers directly written off in previous years	–	(158)
	<u>–</u>	<u>(158)</u>

12. TRADE RECEIVABLES

The aging analysis of trade receivables is as follows:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Neither past due nor impaired	<u>1,595</u>	<u>544</u>

13. AMOUNT DUE FROM A RELATED PARTY

Particulars of the amount due from a related party is as follows:

	Highest balance outstanding during the period HK\$'000	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Name			
One Dollar Productions Limited	<u>262</u>	<u>262</u>	<u>262</u>

Amount due from a related party is unsecured, interest free and repayable on demand.

14. SHARE CAPITAL

	As at 30 September 2015 (Unaudited)		As at 31 March 2015 (Audited)	
	No. of shares	HK\$'000	No. of shares	HK\$'000
Authorized:				
Ordinary shares of HK\$0.01 each	<u>30,000,000,000</u>	<u>300,000</u>	<u>30,000,000,000</u>	<u>300,000</u>
Issued and fully paid:				
Ordinary shares of HK\$0.01 each	<u>220,219,354</u>	<u>2,202</u>	<u>220,219,354</u>	<u>2,202</u>

15. SHARE OPTION SCHEMES

On 24 September 2001, the shareholders of the Company approved a share option scheme (the "Scheme") under which its board of directors may, at its discretion, offer full-time or part time employees and executive, non-executive and independent non-executive directors of the Company and/or any of its subsidiaries, options to subscribe for shares in the Company. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 30% of the issued share capital of the Company. The subscription price will be determined by the Company's board of directors and will be the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company's shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company's shares on the five trading days immediately preceding the date of offer of the options.

On 4 January 2011, the shareholders of the Company approved to terminate the Scheme and adopted a new share option scheme ("the New Scheme") under which its Board of Directors may, at its discretion, offer full-time or part time employees and executive, non-executive and independent non-executive directors of the Company and/or any of its subsidiaries, suppliers, customers, advisors or consultants options to subscribe for shares of the Company. The maximum number of shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme adopted by the Group shall not exceed 30 per cent. of the share capital of the Company in issue from time to time. The subscription price will be determined by the Company's Board of Directors and will be the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company's shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company's shares on the five trading days immediately preceding the date of offer of the options.

The New Scheme is valid for ten years from the date of adoption.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options.

For the six months ended 30 September 2015, no option was granted under the New Scheme.

The fair values of options granted were determined using the Black-Scholes valuation model.

For the six months ended 30 September 2015, no employee compensation expense has been included in the unaudited condensed consolidated statement of profit or loss and other comprehensive income (six months ended 30 September 2014: Nil).

No liabilities were recognised due to share-based payment transactions.

16. COMMITMENTS

Operating lease commitments – where the Group as lessee

As at 30 September 2015, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Within one year	5,277	3,550
In the second to fifth years, inclusive	6,119	822
	<u>11,396</u>	<u>4,372</u>

17. RELATED PARTY TRANSACTIONS

During the financial period under review, the Group had transactions with related parties as follows:

	For the three months ended 30 September		For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Rental income	<u>9</u>	<u>9</u>	<u>18</u>	<u>18</u>

For the six months ended 30 September 2015, rental income of approximately HK\$18,000 was received from the Company controlled by the family member of Mr. Leung Ge On, Andy, an Executive Director.

18. CONTINGENT LIABILITIES

As at 30 September 2015 and 2014, the Company did not provide any corporate guarantees to third parties.

On 20 October 2015, a new tenancy agreement was jointly entered between Wit Way, as landlord and Top Euro Limited, an indirect wholly-owned subsidiary of the Company and Mark Glory International Enterprise Limited, an indirect wholly-owned subsidiary of China 3D Digital Entertainment Limited, both as tenants, in relation to the lease of the premises. The duration of the new tenancy agreement is for two years commencing from 1 November 2015 to 31 October 2017 with a monthly rental of HK\$325,000 inclusive of management charges (equivalent to HK\$3,900,000 per annum), but exclusive of government rates and all other outgoings. The rent, government rates and all outgoings of the premises shall be paid by the tenants in equal shares.

If either party fails to fulfill their leasing obligations under the agreement, the other party will obligate to pay the other's party outstanding contingent rental liability amounting to HK\$1,950,000 per annum. The taking up of the contingent rental liability constitutes a provision of financial assistance under the GEM Listing Rules.

19. COMPARATIVE FIGURES

Certain comparative figures have been re-stated to conform with the current period presentation to align with the financial statements presentation of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

Turnover for the six months ended 30 September 2015 (“Six-month Period”) was approximately HK\$51 million, representing an increase of approximately 74% when compared with the corresponding period of last year. Profit attributable to owners of the Company for the Six-month Period was approximately HK\$20.0 million and the corresponding period in 2014 was HK\$16.3 million.

Securities and bonds Investment

During the Six-month Period, an amount of approximately HK\$2.6 million has been recorded as loss on disposal of financial assets at fair value through profit or loss.

In view of the volatility of the global economic environment driven by the European sovereign debt crises and the economic downturn in the United States continues in the financial year, the Group will take more conservative step to invest in securities and bonds investment. Focus will be placed on corporate bonds with higher credit rating instead of listed securities in the volatile stock market.

Money Lending

After actively participating in money lending business for more than four years, the Group has built up a wide solid client base and made satisfactory profit. For the Six-month Period, turnover for this segment under review was approximately HK\$34.6 million, representing 31% increased when compared with the corresponding period in 2014. By the end of September and October 2015, the Group had built up a lending portfolio of HK\$320 million and HK\$369 million respectively and it would continue to grow steadily and generate sustainable income in the coming future.

Retail Business

Turnover for this segment for the Six-month Period under review was approximately HK\$4.1 million, being 65% increased when compared with that of 2014. We will continue to monitor the operation and develop new market in order to increase the turnover and market share.

Wholesale Business

The Group has also been developing the wholesale business since January, 2015. The wholesale business is a fine supplement to our retail business and it has contributed HK\$12.1 million to the turnover of the Group during the Six-month Period. The Board believes that it will certainly strengthen our overall business in future.

Outlook

The Group will continue to look for opportunities to further improve its existing business and explore new investments to broaden the business scope of the Group with the ultimate goal to maximise the return to shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally financed its operations with internally generated cash flows. As at 30 September 2015, the Group had cash and cash equivalents of approximately HK\$62 million (31 March 2015: HK\$66 million).

As at 30 September 2015, the Group had borrowings of HK\$9.9 million (31 March 2015: HK\$89.3 million) which were used to finance the money lending business, marketable securities and bonds investment.

As at 30 September 2015, the Group's gearing ratio, expressed as a percentage of total borrowings, (comprising amounts due to related parties, borrowings and obligation under a finance lease) less cash and cash equivalents then divided by total equity, was nil (31 March 2015: 7.5%).

CHARGES ON GROUP'S ASSET

As at 30 September 2015, except for the pledged bank deposits and financial instruments of approximately HK\$16.4 million to secure short term bank borrowings, bank guarantees and other general banking facilities granted to the Group, the Group has no other asset pledged to bank to secure the bank borrowings granted to the Group. Also, financial instruments of approximately of HK\$52.6 million was pledged as collateral to securities brokers for margin financing granted to the Group. As at 30 September 2015, no margin financing was utilised by the Group.

TREASURY POLICIES

Cash and bank deposits of the Group are mainly in HK dollars ("HK\$"), Renminbi ("RMB") and US dollar ("USD").

Since most of the transactions of the Group are denominated in Hong Kong dollars, no hedging or other arrangements to reduce the currency risk have been implemented.

EMPLOYEES

As at 30 September 2015, the Group had around 52 (30 September 2014: 50) full-time and part-time employees. The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 September 2015, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange were as follows:

Name	Personal Interests	Family Interests	Other Interests	Total	Approximate percentage to the issued share capital of the Company as at 30 September 2015
Mr. Shiu Yeuk Yuen (note 1)	4,177,670	1 (note 2)	78,110,943 (note 3)	82,288,614	37.37%
Mr. Leung Ge On, Andy (note 1)	22,050	–	–	22,050	0.01%

Notes:

1. Mr. Shiu Yeuk Yuen and Mr. Leung Ge On, Andy are the Executive Directors of the Company.
2. 1 share is held by Ms. Hau Lai Mei, the spouse of Mr. Shiu Yeuk Yuen.
3. Able Rich Consultants Limited is wholly-owned by Rich Treasure Group Limited, of which Mr. Shiu is the sole director and shareholder holding it on trust for certain family members.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as known to the Directors, as at 30 September 2015, the Directors were not aware of any other person who had an interests or short position in the shares or underlying shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

Name	No. of Shares	Approximate percentage to the issued share capital of the Company as at 30 September 2015
China 3D Digital Entertainment Limited (<i>note</i>)	23,098,500	10.49%

Note: 23,098,500 Shares refer to the aggregate of (a) 18,514,075 Shares held by China 3D Digital Entertainment Limited and (b) 4,584,425 Shares held by New Smart International Creation Limited, a directly wholly-owned subsidiary of China 3D Digital Entertainment Limited.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the Six-month Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

RELATED PARTY TRANSACTIONS

Details of the related party transactions for the period are set out in note 17 to the unaudited condensed consolidated interim financial statements.

Save as disclosed therein, there were no other transactions to be disclosed as related party transactions in accordance with the requirements of the GEM Listing Rules.

COMPETING INTEREST

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company has an interest in a business, which competes or may compete with the business of the Group.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the “Required Standard of Dealings”) of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the Six-month Period.

As of the date of this report, the Board of Directors of the Company comprises Executive Directors who are Mr. Shiu Yeuk Yuen and Mr. Leung Ge On, Andy; and Independent Non-executive Directors who are Dr. Siu Yim Kwan, Sidney, Mr. Kam Tik Lun and Mr. Lau Gar Hung, Christopher.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the Six-month Period, the Company has complied with the code provisions (“Code”) set out in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules, except for the following deviation of Code A.2.1.

Code A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The positions of Chairman of the Board and Chief Executive Officer (“CEO”) of the Company are both currently carried on by the same person. The Board considers that this structure does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and there is a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). Given the composition of the Board, the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company’s annual report and financial statements, half-yearly report and quarterly reports and to provide advice and comment thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

REVIEW OF INTERIM RESULTS

The unaudited consolidated results of the Group for the Six-month Period have not been audited nor reviewed by the Company's auditor, Ting Ho Kwan & Chan CPA Limited, but have been reviewed by the Audit Committee of the Company, who is of the opinion that the preparation of such results has complied with the applicable accounting standards and requirements and that adequate disclosures have been made. As at the date hereof, the Audit Committee comprises the three Independent Non-executive Directors of the Company, namely Mr. Kam Tik Lun, chairman of the Audit Committee, Dr. Siu Yim Kwan, Sidney and Mr. Lau Gar Hung, Christopher.

REMUNERATION COMMITTEE

A remuneration committee (the "Remuneration Committee"), consisting of three Independent Non-executive Directors and two Executive Directors, was set up by the Company in accordance with the Code. The Remuneration Committee is responsible for reviewing and developing the remuneration policies of the Directors and senior management, having regard to the Group's operating results, individual performance and comparable market practices.

NOMINATION COMMITTEE

A nomination committee (the "Nomination Committee") consisting of three Independent Non-executive Directors and two Executive Directors was set up by the Company in accordance with the Code. The Nomination Committee is responsible for reviewing and making recommendations to the Board regarding any proposed changes, selection of directorships.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the "Required Standard of Dealings") of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the Six-month Period.

The Company also has established written guidelines on no less exacting terms than the Required Standard of Dealings (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of any unpublished inside information of the Company.

CONTINUING CONNECTED TRANSACTIONS

On 20 October 2015 (“Date of Agreement”), a new tenancy agreement was jointly entered into between Wit Way, as landlord and Top Euro, an indirect wholly-owned subsidiary of the Company and Mark Glory, an indirect wholly-owned subsidiary of China 3D, both as tenants, in relation to the lease of a premises. The terms of the new tenancy agreement is for two years commencing from 1 November 2015 to 31 October 2017, both days inclusive, with a monthly rental of HK\$325,000 inclusive of management charges (equivalent to HK\$3,900,000 per annum), but exclusive of government rates and all other outgoings. The rent, government rates and all outgoings of the premises shall be paid by the tenants in equal shares.

China 3D is a substantial shareholder of the Company as at the Date of Agreement. Accordingly, China 3D are regarded as connected person of the Company under the GEM Listing Rules. Therefore, the new tenancy agreement (including the contingent rental liability, being a provision of financial assistance) constitutes continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

The applicable percentage ratio (as defined in the GEM Listing Rules) on an annual basis for the new tenancy agreement (including the contingent rental liability, being a provision of financial assistance) for the Company and China 3D exceed 5% but are less than 25% and the annual caps under the new tenancy agreement are less than HK\$10,000,000. Accordingly, pursuant to Rule 20.74(2) of the GEM Listing Rules, the new tenancy agreement (including the contingent rental liability, being a provision of financial assistance) is subject to reporting and announcement requirements but exempted from independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

Auditor’s letter on continuing connected transactions

The Board has engaged Ting Ho Kwan & Chan CPA Limited, the auditor of the Company to report the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to the Practice Note 740 “Auditor’s Letter on Continuing Connected Transaction under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing their findings and conclusions in respect of the continuing connected transaction of the Group disclosed above in accordance with Rule 20.54 of the GEM Listing Rules. The auditor has confirmed to the Company that nothing has come to their attention that causes them to believe that the continuing connected transactions of the Group for year ended 31st March 2015 disclosed above:

- (1) have not been approved by the Company’s board of directors;
- (2) were not, in all material respects, in accordance with the pricing policies of the Group;

- (3) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) have exceeded the maximum aggregate annual value for the year ended 31st March, 2015 as disclosed in the previous announcement dated 9th October, 2012 made by the Company in respect of the disclosed continuing connected transactions.

Confirmation of Independent Non-executive Directors

The Independent Non-executive Directors have reviewed the continuing connected transactions and the report of the auditor and have confirmed that the transactions have been entered by the Group in the ordinary and usual course of its business, on normal commercial terms, and in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

There being no contracts of significance to which the Company, or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the period ended 30 September 2015 or at any time during the period.

LIST OF DIRECTORS

Mr. Shiu Yeuk Yuen	–	Executive Director
Mr. Leung Ge On Andy	–	Executive Director
Dr. Siu Yim Kwan, Sidney	–	Independent Non-executive Director
Mr. Lau Gar Hung, Christopher	–	Independent Non-executive Director
Mr. Kam Tik Lun	–	Independent Non-executive Director

On behalf of the Board
Easy Repay Finance & Investment Limited
Shiu Yeuk Yuen
Chairman

Hong Kong, 12 November 2015

As at the date of this announcement, the board of directors of the Company comprises Mr. Shiu Yeuk Yuen and Mr. Leung Ge On Andy as executive directors; Dr. Siu Yim Kwan, Sidney, Mr. Kam Tik Lun and Mr. Lau Gar Hung, Christopher as independent non-executive 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 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.