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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

THE ACQUISITIONS

On 2 March 2020, the Purchaser (a wholly-owned subsidiary of the Company) entered into three agreements with three independent third parties respectively. Agreement A was entered into between the Purchaser and Vendor A in relation to an acquisition of a 20% equity interest in Target A for a consideration of HK\$3.85 million. Agreement B and Agreement C was entered into by the Purchaser with Vendor B and Vendor C respectively in respect of an acquisition of a 20% equity interest in Target B and Target C respectively for the same consideration of HK\$4.1 million. Target A, Target B and Target C is principally engaged in the operation of a HK-style restaurant under the same brand name “Times Cafe 時代冰室” in Kowloon Bay, Shatin and North Point respectively.

The Considerations have been fully settled in cash on 5 March 2020. Completion of the Acquisitions took place on the same date.

IMPLICATIONS UNDER THE GEM LISTING RULES

While all applicable percentage ratios set out in Rule 19.17 of the GEM Listing rules in respect of each of the Acquisitions on a standalone basis are less than 5%, the Acquisitions are required to be aggregated as one transaction under Rule 19.22 of the GEM Listing Rules given one of the Vendors are associated with another. As the percentage ratios of the Acquisitions, if aggregated, exceed 5% but are less than 25%, the Acquisitions constitute a discloseable transaction for the Company and are subject to the reporting and disclosure requirements under Chapter 19 of the GEM Listing Rules.

THE ACQUISITIONS

The principal terms of the Agreements are set out as follows:

Date	:	2 March 2020
Parties	:	Purchaser: Perfect Catering Group Limited (a s wholly-owned subsidiary of the Company)
		Vendors: (a) Vendor A, vendor under Agreement A
		(b) Vendor B, vendor under Agreement B
		(c) Vendor C, vendor under Agreement C

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, each of the Vendors are Independent Third Parties, and Vendor B is the daughter of Vendor A.

Subject Matter	:	A 20% equity interest in Target A, Target B and Target C (as the case may be)
Consideration	:	HK\$3,850,000 under Agreement A
		HK\$4,100,000 under Agreement B
		HK\$4.100.000 under Agreement C

The considerations were arrived at after arm's length negotiations between each of the Vendors and the Purchaser with reference to the prospects of the Targets' business, recent increasing demands for signature Hong Kong-style cuisine and the prime location of the restaurants. Details of the reasons for the Acquisitions are set out in the section headed "**Reasons for and the benefits of the Acquisitions**" below.

Completion of : 5 March 2020
the Acquisitions

Upon completion of the Acquisitions, the Company is interested in 20% of the issued share capital of each of the Targets, which will be equity accounted for as investment in associate on the consolidated financial statements of the Company.

INFORMATION OF THE TARGETS

Each of Target A, B and C was incorporated in Hong Kong with limited liability on 5 July 2019, 23 March 2018 and 30 September 2019 respectively. The principal business of each of them is operation of a HK-style restaurant. Target A's restaurant is located in Kowloon Bay. Target B's restaurant is located in Shatin. Target C's restaurant is located in North Point. All three restaurants are operated under the brand name of "Times Cafe 時代冰室".

Set out below is the unaudited financial information of the Targets for the period from their respective date of incorporation to 31 December 2019 and as at 31 December 2019:

(unaudited) <i>HK\$'000</i>	From date of incorporation to 31 December 2019		
	Target A <i>(for 5 months)</i>	Target B <i>(for 21 months)</i>	Target C <i>(for 3 months)</i>
Revenue	4,300	10,735	332
Profit/(loss) before tax	(798)	798	(483)
Profit/(loss) after tax	(798)	798	(483)
	As at 31 December 2019		
	Target A	Target B	Target C
Net asset value/(net liabilities)	(799)	798	(483)

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group is principally engaged in (i) money lending business; and (ii) wholesale and retail business.

The Group currently operates a Korean restaurant in Hong Kong and considers that the Acquisitions provide a good opportunity for the Company to further enter into the restaurant business in Hong Kong. Despite the social distancing measures recently adopted by the HK government to curb the COVID-19 pandemic, the Board believes that the measures are for the interim period only. In the long run, the Board believes that the prospects of the food and beverage market in Hong Kong remain positive in a long run taking into account that in 2017 and 2018, the total value of the restaurants receipts in Hong Kong amounted to HK\$112.7 billion and HK\$119.6 billion respectively, with around 5% year-on-year increase. In 2019, the figure slightly dropped back to the level in 2017 due to the social movements but the Board considers that its expertise in sourcing quality grocery products including but not limited to frozen seafood, frozen meat and other food and beverage products would be an advantage for it to operate restaurants in a more cost-effectively way, and is expected to achieve vertical integration of the Group's businesses. Further, despite relatively short operating history of the restaurants, three of them in total generated revenue of approximately HK\$15.0 million and one of them already recorded a profit before and after tax after 21 months of operations.

In view of the above, the Directors consider that the terms of the Agreements are fair and reasonable and the Acquisitions are in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisitions”	the acquisition of 20% equity interests in each of the Targets
“Agreement A”	the sale and purchase agreement dated 2 March 2020 entered into between Vendor A and the Purchaser for the sale and purchase of a 20% equity interest in Target A

“Agreement B”	the sale and purchase agreement dated 2 March 2020 entered into between Vendor B and the Purchaser for the sale and purchase of a 20% equity interest in Target B
“Agreement C”	the sale and purchase agreement dated 2 March 2020 entered into between Vendor C and the Purchaser for the sale and purchase of a 20% equity interest in Target C
“Board”	the board of Directors
“Company”	Easy Repay Finance & Investment Limited (Stock code: 8079), an exempted company continued in Bermuda with limited liability and the issued Shares of which are listed on the GEM
“Director(s)”	the director(s) of the Company
“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 People’s Republic of China
“Independent Third Party(ies)”	third parties independent of the Company and its connected persons
“Purchaser”	Perfect Catering Group Limited, a company incorporated in Hong Kong with limited liability, which is a subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target A”	Big Max Limited, a company incorporated in Hong Kong with limited liability

“Target B”	Diamond Brave Limited, a company incorporated in Hong Kong with limited liability
“Target C”	Wing Way Limited, a company incorporated in Hong Kong with limited liability
“Targets”	Big Max, Diamond Brave and Wing Way
“Vendor A”	Ms. Poon Oi King
“Vendor B”	Ms. Yeung Hang Yu
“Vendor C”	Ms. Yuen Ming Yan
“Vendors”	Vendor A, Vendor B and Vendor C
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

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

Hong Kong, 9 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.

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.