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EFT Solutions Holdings Limited
俊盟國際控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8062)

**DISCLOSEABLE TRANSACTION IN RELATION TO
ACQUISITION OF 16.7% ISSUED SHARE CAPITAL OF
THE TARGET COMPANY**

THE ACQUISITION

The Board is pleased to announce that on 21 June 2024 (after trading hours), the Purchaser and the Vendor entered into the Agreement, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration of USD1,000,000 (equivalent to approximately HK\$7,850,000).

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Shareholders and potential investors of the Company should note that Completion is subject to the fulfilment of the conditions precedent as set out in the Agreement. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are therefore reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 21 June 2024 (after trading hours), the Purchaser and the Vendor entered into the Agreement, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration of USD1,000,000 (equivalent to approximately HK\$7,850,000).

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date

21 June 2024 (after trading hours)

Parties

- (i) the Vendor (as vendor); and
- (ii) the Purchaser (as purchaser).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendors and their ultimate beneficial owners are third parties independent of the Company and its connected persons as at the date of this announcement.

Assets to be acquired

The Sale Shares represent approximately 16.7% of the issued share capital of the Target Company.

Consideration

Pursuant to the Agreement, the Consideration comprises the Software Consideration of USD350,000 (equivalent to approximately HK\$2,747,500), Hardware Consideration of USD450,000 (equivalent to approximately HK\$3,532,500) and Cash Consideration of USD200,000 (equivalent to approximately HK\$1,570,000). The Consideration shall be determined and settled in the following manner:

Software consideration

Pursuant to the Agreement, the Group shall provide to the Vendor software solution services with the value equivalent to USD350,000. The Software Consideration will be financed by the internal resources of the Group.

Hardware Consideration

Pursuant to the Agreement, the Group shall provide to the Vendor EFT-POS terminals and peripheral devices with the value equivalent to USD450,000. The Hardware Consideration will be financed by the internal resources of the Group.

Cash Consideration

The cash consideration of USD200,000 shall be settled by the Purchaser to the Vendor upon Completion. The payment of the USD200,000 Cash Consideration will be financed by the internal resources of the Group.

The Consideration was arrived at based on normal commercial terms after arm's length negotiations among the Purchaser and the Vendor and was determined with reference to among others, (i) the valuation of 16.7% equity interest of the Target Company of approximately USD1,010,000 as at 31 March 2024 (the "**Valuation**") prepared by an independent valuer based on discounted cashflow approach; (ii) the business development and future prospects of the Target Group; and (iii) the reasons for and benefits of the Acquisition as stated under the section headed "REASONS FOR AND BENEFITS OF THE ACQUISITION" below.

In view of the above, the Directors consider that the Consideration is fair and reasonable, is on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is conditional upon, among other things, the fulfilment of the following conditions:

- (i) the Vendor having obtained all necessary consents, waivers, permits, approvals, orders, licenses, authorizations, registrations, qualifications, designations, declarations or filings by or with any governmental authority or any other person as may be relevant to give effect to the transactions contemplated by the Agreement and the other transaction documents, including obtaining the relevant antitrust or regulatory approval from any applicable governmental authority and such consents, waivers, permits, approvals, orders, licenses, authorizations, registrations, qualifications, designations, declarations or filings not having been revoked at or before Completion;
- (ii) there having been no event, occurrence, change or development that has had or would reasonably be expected to have a material adverse effect on the Target Company or on the Target Group taken as a whole; and

- (iii) all the representations, warranties and undertakings of the Vendor remaining true and not misleading as at Completion, for which the Vendor shall have performed or complied with at or before Completion (as the case may be).

None of the above conditions can be waived. As at the date of this announcement, none of the above conditions was fulfilled.

If the above conditions have not been fulfilled on or before the Long Stop Date, the Agreement shall, subject to certain provisions of the Agreement expressed to survive the termination, cease to have effect. The cessation of effect shall not affect any obligations accrued by one party to another arising from any antecedent breaches of the Agreement.

Completion

Subject to the conditions precedent as set out in “Conditions Precedent” above being satisfied on or before the Long Stop Date, the Completion shall take place on the Completion Date.

Upon Completion, the Target Company will be accounted for as an investment to the Company. The financial results of the Target Company will not be consolidated into the consolidated financial statements of the Company.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in Mongolia with limited liability whose principal business activity is engaging in provision of payment services in Mongolia.

Since establishment in 2015, the Target Company has focused on and specialised in payment services, specifically in the areas of payments card issuing and acquiring of merchants in usage of Point-of-Sales terminals for payment transactions. Its customers include retail stores, restaurants, cafes, pharmacies and hospitals.

FINANCIAL INFORMATION OF THE TARGET GROUP

The audited financial statements have been prepared by the Target Company as there is statutory audit requirement under the relevant rules and regulations in Mongolia.

According to the unaudited financial statements of the Target Company as at 31 March 2024, the net assets of the Target Company was approximately USD990,000 and loss before and after tax of approximately USD48,000 for the 3 month period ended 31 March 2024 of the Target Company. The Target Company recorded audited loss before and after tax of approximately USD215,000 and approximately USD87,000 for the year ended 31 December 2023 and 31 December 2022 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the provision of EFT-POS solutions focusing on providing EFT-POS terminal and peripheral device sourcing, EFT-POS system support services and software solution services. The Purchaser is a wholly-owned subsidiary of the Company and its principal activity is investment holding.

The Company has been actively looking for opportunities to maximise return to the Company and the Shareholders by investing in businesses or projects that have promising outlooks and prospects, in particular, complementary business or new geographical markets. The Directors consider that the Acquisition could provide an opportunity to the Group to enter into the payments market in Mongolia.

The terms of the Agreement were arrived at after arm's length negotiations between the Purchaser and the Vendor. In view of the above, the Directors (including the independent non-executive Directors) consider that, terms of the Agreement and the transaction contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceeds 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements, but is exempt from shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Shareholders and potential investors of the Company should note that Completion is subject to the fulfilment of the conditions precedent as set out in the Agreement. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are therefore reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Shares pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 21 June 2024 entered into among the Purchaser and the Vendor in relation to the Acquisition

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“Cash Consideration”	consideration of USD200,000 to be paid by the Purchaser to the Vendor upon Completion
“Company”	EFT Solutions Holdings Limited (俊盟國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM (Stock Code: 8062)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Agreement
“Connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	together, the Cash Consideration, Hardware Consideration, and the Software Consideration
“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
“Hardware consideration”	provision of hardware with the value equivalent to USD450,000 to be provided by the Group to the Vendor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Long Stop Date”	31 August 2024
“Parties”	the parties of the Agreement and “Party” means any of them
“Purchaser”	Golden Trophy Limited, a company incorporated in BVI with limited liability, a wholly owned subsidiary of the Company
“Sale Shares”	935,500 ordinary shares of the Target Company, being newly issued but unallotted ordinary shares on the date of the Agreement, representing approximately 16.7% of the issued share capital of the Target Company
“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Software Consideration”	provision of software services with the value equivalent to USD350,000 to be provided by the Group to the Vendor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Bonum LLC, a company incorporated in Mongolia with limited liability, which was owned by Multimedia Entertainment Platform LLC, Nubi Soft LLC and Shinezaya Batbold as to approximately 64.4%, 33.2% and 2.5%, respectively, immediately prior to the issue of the Sale Shares and as to approximately 53.6%, 27.6% and 2.1%, respectively, immediately after the issued of the Sale Shares
“Target Group”	the Target Company and its subsidiaries

“Vendor” the Target Company, who was the beneficial owner of the Sale Shares immediately prior to the Completion

“%” per cent.

In this announcement, USD has been converted to HK\$ at the rate of USD1 = HK\$7.850 for illustration purpose only.

By order of the Board
EFT Solutions Holdings Limited
Lo Chun Kit Andrew
Chairman

Hong Kong, 21 June 2024

As of the date of this announcement, the Board comprises executive Director Mr. Lo Chun Kit Andrew; non-executive Directors Ms. Lam Ching Man and Mr. Lui Hin Weng Samuel; and independent non-executive Directors Dr. Wu Wing Kuen, B.B.S., Mr. Wong Ping Yiu and Mr. Chow Ka Wo Alex.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 announcement misleading.

This announcement will remain in the “Latest Company Announcements” page of the Stock Exchange website at www.hkexnews.hk for at least seven days from the date of its posting and on the website of the Company at www.eftsolutions.com