

**EASY REPAY FINANCE & INVESTMENT LIMITED**  
**易還財務投資有限公司**

*(Continued into Bermuda with limited liability)*

**(Stock code: 8079)**

**THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR  
THE NINE MONTHS ENDED 31 DECEMBER 2020**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG  
LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock 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.**

**Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange 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 GEM 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.*

## FINANCIAL HIGHLIGHTS

- Revenue of the Group for the nine months ended 31 December 2020 was approximately HK\$94.5 million (nine months ended 31 December 2019: HK\$78.2 million) representing an increase of approximately 20.84%, as compared with the corresponding period in 2019.
- Loss attributable to owners of the Company for the nine months ended 31 December 2020 was approximately HK\$26.5 million (nine months ended 31 December 2019: HK\$34.4 million).
- The Board of Directors (the “Board”) does not recommend the payment of a dividend for the nine months ended 31 December 2020 (nine months ended 31 December 2019: Nil).

## THIRD QUARTERLY RESULTS

The Board of the Company presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and nine months ended 31 December 2020, together with the comparative figures for the corresponding period in 2019 as follows:

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

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Revenue	3	32,619	27,164	94,505	78,183
Cost of sales		(15,013)	(11,571)	(39,326)	(30,193)
<b>Gross profit</b>		<b>17,606</b>	<b>15,593</b>	<b>55,179</b>	<b>47,990</b>
Investment and other income	3	38	1,152	105	2,449
Other gains and losses, net	3	5,115	2,432	5,829	3,474
Servicing, selling and distribution costs		(3,625)	(2,263)	(8,436)	(7,018)
Administrative expenses		(16,433)	(10,607)	(53,816)	(42,712)
Equity-settled share-based payment		-	(1,436)	-	(1,436)
Allowance for expected credit losses on loans and advances to customers, net		(23,563)	(35,031)	(26,298)	(36,977)
<b>Operating loss</b>		<b>(20,862)</b>	<b>(30,160)</b>	<b>(27,437)</b>	<b>(34,230)</b>
Finance costs		(28)	(256)	(77)	(917)
Share of result of a joint venture		(21)	(107)	(246)	(368)
Share of results of associates		466	298	367	887
<b>Loss before income tax</b>		<b>(20,445)</b>	<b>(30,225)</b>	<b>(27,393)</b>	<b>(34,628)</b>
Income tax	5	-	-	-	-
<b>Loss for the period</b>		<b>(20,445)</b>	<b>(30,225)</b>	<b>(27,393)</b>	<b>(34,628)</b>
<b>Other comprehensive income:</b>					
Changes in fair value of financial assets at fair value through other comprehensive income		185	-	204	-
<b>Other comprehensive income for the period</b>		<b>185</b>	<b>-</b>	<b>204</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(20,260)</b>	<b>(30,225)</b>	<b>(27,189)</b>	<b>(34,628)</b>
<b>Loss attributable to:</b>					
Owners of the Company		(20,445)	(30,149)	(26,479)	(34,404)
Non-controlling interests		-	(76)	(914)	(224)
		<b>(20,445)</b>	<b>(30,225)</b>	<b>(27,393)</b>	<b>(34,628)</b>
<b>Total comprehensive loss attributable to:</b>					
Owners of the Company		(20,260)	(30,149)	(26,275)	(34,404)
Non-controlling interests		-	(76)	(914)	(224)
		<b>(20,260)</b>	<b>(30,225)</b>	<b>(27,189)</b>	<b>(34,628)</b>
<b>Loss per share attributable to owners of the Company</b>					
Basic and diluted	7	<b>(HK8.51 cents)</b>	<b>(HK13.78 cents)</b>	<b>(HK11.02 cents)</b>	<b>(HK15.72 cents)</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended 31 December 2020

	Attributable to the owners of the Company										
	Share capital <i>HKS'000</i>	Share premium <i>HKS'000</i>	Share based payment reserve <i>HKS'000</i>	Accumulated losses <i>HKS'000</i>	Capital reserves <i>HKS'000</i>	Investment revaluation reserve <i>HKS'000</i>	Share option reserve <i>HKS'000</i>	Contributed surplus <i>HKS'000</i>	Total <i>HKS'000</i>	Non-controlling interests <i>HKS'000</i>	Total equity <i>HKS'000</i>
Balance at 1 April 2019	2,189	353,125	-	(112,597)	28,392	-	-	145,926	417,035	2,868	419,903
<b>Loss for the period</b>	-	-	-	(34,404)	-	-	-	-	(34,404)	(224)	(34,628)
Share-based payment	-	-	1,436	-	-	-	-	-	1,436	-	1,436
Total comprehensive income/(loss)	-	-	1,436	(34,404)	-	-	-	-	(32,968)	(224)	(33,192)
<b>Balance at 31 December 2019</b>	<b>2,189</b>	<b>353,125</b>	<b>1,436</b>	<b>(147,001)</b>	<b>28,392</b>	<b>-</b>	<b>-</b>	<b>145,926</b>	<b>384,067</b>	<b>2,644</b>	<b>386,711</b>
Balance at 1 April 2020	2,404	360,009	-	(176,038)	28,392	-	25	145,926	360,718	2,374	363,092
Loss for the period	-	-	-	(26,479)	-	-	-	-	(26,479)	(914)	(27,393)
Other comprehensive income:											
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	204	-	-	204	-	204
Total comprehensive income/(loss)	-	-	-	(26,479)	-	204	-	-	(26,275)	(914)	(27,189)
Lapse of share options	-	-	-	25	-	-	(25)	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	760	-	-	-	760	(1,460)	(700)
<b>Balance at 31 December 2020</b>	<b>2,404</b>	<b>360,009</b>	<b>-</b>	<b>(202,492)</b>	<b>29,152</b>	<b>204</b>	<b>-</b>	<b>145,926</b>	<b>335,203</b>	<b>-</b>	<b>335,203</b>

# NOTES TO THE UNAUDITED CONDENSED THIRD QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

## 1. General information

The Company was an exempted company continued into Bermuda with limited liability with effect from 30 April 2008. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda.

The principal places of business of the Company and its subsidiaries (collectively referred to as the “Group”) are in Hong Kong. The Company’s principal place of business is Unit A, 8/F, D2 Place Two, 15 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Group is principally engaged in the money lending business, retail and wholesale business.

## 2. Basis of preparation

The unaudited quarterly financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and the applicable disclosure requirements of the GEM Listing Rules. The accounting policies used in the preparation of the unaudited condensed consolidated results are consistent with those used in the audited financial statements and notes thereto for the year ended 31 March 2020.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards. For those which are effective for accounting periods beginning on 1 April 2020, the adoption has no material impact on the reported results and the financial position of the Group for the current or prior accounting periods; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group’s results and financial position.

The third quarterly results have not been audited but have been reviewed by the Group’s audit committee.

### 3. Revenue

Revenue represents the aggregate of the net amounts received and receivable from third parties for the nine months ended 31 December 2020. There is no seasonality and cyclicity of the operations of the Group. The performance obligation is part of a contract that has an original expected duration of one year or less. Disaggregation revenue from contracts with the customers are as follow:

	For the three months ended		For the nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue from contracts with customers not within the scope of HKFRS 15</b>				
Revenue from money lending	8,406	12,146	29,847	36,970
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>				
Sales of grocery products, coupons, operating a restaurant and frozen food – retail and wholesale	24,213	15,018	64,658	41,213
	<u>32,619</u>	<u>27,164</u>	<u>94,505</u>	<u>78,183</u>
<b>Other revenue and other gains/(losses), – net</b>				
Net exchange loss	(44)	(5)	(33)	(26)
Fair value gains on financial assets at fair value through profit or loss	2,426	525	1,880	482
(Losses)/gains on disposal of financial assets at fair value through profit or loss	(457)	1,087	(468)	1,941
Bank interest income	–	89	71	181
Government grants	1,808	–	5,108	–
Loss on disposal of non-current assets	–	–	(1,740)	–
Loss on disposal of an associate	–	–	(1,291)	–
Others	1,420	1,888	2,407	3,345
	<u>5,153</u>	<u>3,584</u>	<u>5,934</u>	<u>5,923</u>

#### 4. 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 revenue from external customers by geographical segments for the period is as follows:

Revenue from external customers by geographical markets:

	For the three months ended		For the nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	<u>32,619</u>	<u>27,164</u>	<u>94,505</u>	<u>78,183</u>

#### 5. Income tax

	Nine months ended	
	31 December	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax:		
Hong Kong		
– Charge for the period	<u>–</u>	<u>–</u>
Taxation charge	<u>–</u>	<u>–</u>

No provision for Hong Kong Profits Tax has been made for the nine months ended 31 December 2020 as the Group have no assessable profits for Hong Kong Profits tax purpose (nine months ended 31 December 2019: Nil).

#### 6. Dividend

The Board do not recommend the payment of a dividend for the nine months ended 31 December 2020 (nine months ended 31 December 2019: Nil).

## 7. Loss per share

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Nine months ended 31 December	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period attributable to owners of the Company	<u>26,479</u>	<u>34,404</u>
<i>Number of ordinary shares</i>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>240,359</u>	<u>218,894</u>

Both the weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share for the period ended 31 December 2020 and 2019 have been adjusted.

Diluted earnings per share for the period ended 31 December 2020 and 2019 were the same as the basic earnings per share. The Company's outstanding share options were not included in the calculation of diluted earnings per share because the effects of the exercise of the Company's outstanding share options were anti-dilutive.

## 8. Share option schemes

On 4 January 2011, the shareholders of the Company approved to terminate the old share option scheme and adopted a new share option scheme (the "New Scheme"). The major terms of the New Scheme are summarized as follows:

1. The purpose of the New Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group.
2. The Board of Directors may, at its discretion, offer the options to any 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, shareholders of any member of the Group, consultants to subscribe for shares of the Company.
3. The maximum number of ordinary 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% of the share capital of the Company in issue from time to time.

The total number of ordinary shares which may be issued upon exercise of all options to be granted under the New Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the ordinary shares in issue on the date of approval of the New Scheme (the "Scheme Limit") or as at the date of the Shareholders' approval of the refreshed Scheme Limit.



## 8. Share option schemes (Continued)

4. The total number of ordinary shares issued and which may fall to be issued upon exercise of the options and the options granted under any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.
5. The exercise period of any option granted under the New Scheme shall be determined by the Board but such period shall not exceed 10 years from the date of grant.
6. The New Scheme does not specify any minimum holding period.
7. The acceptance of an offer of the grant of the option under the New Scheme (“Offer”) must be made within 21 days from the date on which the letter containing the Offer is delivered to that participant together with a non-refundable payment of HK\$1.00 from each grantee.
8. The subscription price will be determined by the Board of Directors of the Company and shall not be less than 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, and expired on 4 January 2021.

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 nine months ended 31 December 2020, no option was granted and has 385,000 options were lapsed under the New Scheme.

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

## 9. Contingent liabilities

As at 31 December 2020, except for as disclosed below, the Company did not provide any corporate guarantee to third parties.

### *Performance Guarantee*

The Company provided a performance guarantee for Keep Choice Limited (“KCL”), an associate of the Company, regarding the management, operation and maintenance of New Kowloon Bay Vehicle Examination Centre and the relevant Hong Kong government tender. The letter of guarantee contains no specific amount and until the expiry of such contract. A counter-guarantee of 100% of the guarantee liability was provided by one of the ultimate shareholders of KCL.

The associate was being disposed on 15 September 2020.

## 10. Comparative figures

Certain comparative figures have been reclassified to conform with the current period’s presentation to align with the financial statements presentation of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The money lending business continues to be the core business of the Group and to generate stable income to the Group.

The Company reviewed that the E-commerce is a part of the modern urban lifestyle in Hong Kong. The Group has been developing the retails and online sales business since year 2015. The Group will continue to develop self-own brand products, namely Master Chef Series and FRESHNESSMART, Dawooyeon Hanwoo, 李朝, 月姐滋養湯 and 老蕭燉湯 and source different types of products from local or overseas suppliers to satisfy the ever-changing conditions of our customers.

The outbreak of novel coronavirus disease (COVID-19) seriously undermined the economies of Hong Kong and further weakened the catering industry in 2020. The Government's efforts to control the virus had a particularly notable impact on the catering industry. At different times in the period, restaurants were subject to mandatory social distancing and seating restrictions, reduced dining hours and other constraints. The pandemic remains not yet fully under control and the future is uncertain.

On the other hand, in view of the COVID-19, the shift of consumers' behaviour to shop online instead of physical shops as consumers stay at homes and avoid going to crowded areas in the wake of the novel coronavirus, which may in turn stimulate the Group's existing online retail business, mitigating the potential adverse impact on the Group's retail business. Although it is difficult to estimate how long the novel coronavirus will remain, consumers currently have a higher tendency and frequency to shop online than before. It is expected that after experiencing online shopping for several months, certain consumers may change their shopping behaviour from offline to online. This may provide potential opportunities for retailers with an online presence.

### Operation Review

Revenue for the nine months ended 31 December 2020 (the "Nine-month Period") was approximately HK\$94.5 million, representing an increase of approximately 20.84% when compared with the same period last year. Loss attributable to owners of the Company for the nine months ended 31 December 2020 was approximately HK\$26.5 million and the loss of corresponding period in 2019 was HK\$34.4 million.

### *Money Lending Business*

The Group has actively participating in money lending business for more than eight years. It has built up a wide solid client base. For the Nine-month Period, revenue for this segment under review was approximately HK\$29.8 million. The Group expects this segment would continue generating sustainable income in the future.

The economic activities and business sentiment have been affected by COVID-19. Many enterprises suffer from a plunge in business turnover, resulting in a liquidity problem, in particular those small and medium enterprises which have difficulty in obtaining commercial bank loans due to their scale of operation. This may provide potential opportunities for licensed money lenders, particularly when banks' attitudes have become more conservative under the worsened economic environment, notwithstanding that the Group has become more cautious in its lending business given the weakening economy in Hong Kong which may give rise to more bad debts in the industry. The Group also adopted some predefined measures and procedures to minimize credit risk.

### *Retail and Wholesale Business*

The Group is operating 4 retail shops which located in Wanchai, Lai Chi Kok, Tai Po and Kowloon Bay and online business for the sales of grocery products. Beyond the general products like frozen food, the Group will focus more the in-house ready-to-eat products for the public.

The Group has also been developing the wholesale business since year 2015. However, the wholesale business is highly competitive and the Group is streamlining the business segment.

Revenue for this segment for the nine months ended 31 December 2020 was approximately HK\$64.7 million, being 57.04% increase when compared with the corresponding period in 2019.

### *Disposal of 22% Equity Interest in an Associate*

On 15 September 2020, Century Forever Limited, a wholly-owned subsidiary of the Company (the "Vendor"), Topwise Global Holdings Limited (the "Purchaser") and Mr. Wong Hei Yan (the "Guarantor") entered into the sale and purchase agreement ("SPA") in respect of the disposal of 2,200 shares of the Purchaser, representing 22% of the issued share capital of the Purchaser ("Sale Shares"). Pursuant to the SPA, the Vendor agreed to sell, and the Purchaser agreed to repurchase, the Sale Shares at a consideration of HK\$7,180,000 ("Disposal").

The Guarantor agrees to provide unconditional and irrevocable guarantee for the full performance of all obligations of the Purchaser under the SPA and all losses suffered and expenses incurred by the Vendor arising from any breach of the SPA by the Purchaser.

Immediately after completion of the Disposal, the Purchaser will cease to be an associate of the Company and the financial results of the Purchaser will no longer be consolidated into the Group's financial statements.

Details of the Disposal was disclosed in the announcement dated 15 September 2020.

## Disposal of Assets

On 14 August 2020, Vision Lion Limited (the “Vendor”), a subsidiary of the Company and Mr. John Anthony Lim (the “Purchaser”) signed an agreement (“Agreement”), pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase a Vessel at consideration of US\$500,000 (after setting off against the repairing fee, the final consideration was adjusted to US\$450,000) (“Disposal”).

Details of the Disposal was disclosed in the announcement dated 14 August 2020.

## Outlook

The Group believes that even in tough times, a great life is still possible with the right mindset, the right support and the right spirit.

The Group will take cautious and conservative approaches in managing its business segments with the aim to reduce market risks and achieve a better return to the Group and shareholders.

## 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 31 December 2020, 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	Approximate percentage to the issued share capital of the Company as at
		31 December 2020
Mr. Law Ka Kei ( <i>note</i> )	2,185,000	0.91%

*Note:* Mr. Law Ka Kei is the Executive Director of the Company.

## 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 31 December 2020, the Directors were not aware of any other person (other than the Directors and chief executive of the Company as disclosed above) 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 5% 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 31 December 2020
Bai Yu	26,093,500	10.86%
Able Rich Consultants Limited ( <i>Note</i> )	82,288,613	34.23%

*Note:* 82,288,613 shares of the Company are held by Able Rich Consultants Limited (“Able Rich”), a wholly-owned subsidiary of Rich Treasure Group Limited (“Rich Treasure”), of which Mr. Shiu Yeuk Yuen is the sole director and shareholder of that company.

As confirmed by a supplemental deed dated 29 May 2020 entered into between, among others, Popland Investments Limited as borrower, Able Rich, Rich Treasure and Cheung Siu Fai as lender relating to a HK\$327,000,000 term loan facility agreement dated 18 October 2017 (the “Supplemental Deed”), whereby the parties thereto agreed that the share charge dated 18 October 2017 shall be effective upon satisfaction of all conditions precedent stated in the Supplemental Deed. Details of the Supplemental Deed was disclosed in the circular dated 1 June 2020.

## PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the nine months ended 31 December 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **COMPETING INTEREST**

None of the Directors or the controlling shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) 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 enquiries have been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the nine months ended 31 December 2020.

As of the date of this report, the Board of Directors of the Company comprises Executive Directors who are Ms. Siu Yeuk Hung, Clara and Mr. Law Ka Kei; and Independent Non-executive Directors who are Mr. Lee King Fui, Mr. Ho Tak Yin and Mr. Lee Wing Lun.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

Throughout the Nine-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 (the “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 reports and quarterly reports and to provide advices and comments 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 QUARTERLY RESULTS**

The unaudited consolidated results of the Group for the Nine-month ended 31 December 2020 have not been audited nor reviewed by the Company’s auditor, Moore Stephens 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. Lee King Fui, chairman of the Audit Committee, Mr. Ho Tak Yin and Mr. Lee Wing Lun.

## **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 Nine-month Period.

The Company has established written guidelines on no less exacting terms than the required standard of dealings for securities transactions by employees who are likely to be in possession of any unpublished inside information of the Company.

## LIST OF DIRECTORS

Ms. Siu Yeuk Hung, Clara	–	Executive Director
Mr. Law Ka Kei	–	Executive Director
Mr. Lee King Fui	–	Independent Non-executive Director
Mr. Ho Tak Yin	–	Independent Non-executive Director
Mr. Lee Wing Lun	–	Independent Non-executive Director

On behalf of the Board  
**Easy Repay Finance & Investment Limited**  
**Siu Yeuk Hung, Clara**  
*Chairman*

Hong Kong, 8 February 2021