

EASY REPAY FINANCE & INVESTMENT LIMITED

易還財務投資有限公司

(Continued in Bermuda with limited liability)

(Stock code: 8079)

FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2017

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.

This announcement, for which the directors of Easy Repay Finance & Investment Limited (the “Company”) (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 announcement misleading.

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The board of Directors (the “Board”) of Easy Repay Finance & Investment Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31st March, 2017 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2017

	<i>Notes</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Revenue from money lending	4	75,571	72,357
Revenue from sale of goods	4	106,039	47,159
Cost of goods sold		(91,859)	(41,260)
Gross profit from sale of goods		14,180	5,899
Investment and other income		526	3,388
Other gains and losses, net	5	(3,412)	(194)
Servicing, selling and distribution costs		(11,238)	(7,548)
Administrative expenses		(42,602)	(38,661)
Impairment losses on loans and advances to customers, net		(321)	(2,084)
Bad debts recovery on loans and advances to customers		279	2,904
Operating profit		32,983	36,061
Finance costs	7	(1,728)	(1,780)
Share of results of associates		(145)	(339)
Profit before taxation	6	31,110	33,942
Income tax expense	8	(4,713)	(943)
Profit for the year		26,397	32,999
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Changes in fair value of financial asset at fair value through other comprehensive income		837	5,456
Other comprehensive income for the year, net of tax		837	5,456
Total comprehensive income for the year		27,234	38,455

	<i>Note</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Profit for the year attributable to:			
Owners of the Company		26,315	32,922
Non-controlling interests		82	77
		<u>26,397</u>	<u>32,999</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		27,152	38,378
Non-controlling interests		82	77
		<u>27,234</u>	<u>38,455</u>
Earnings per share	9		
Basic and diluted		<u>HK\$0.12</u>	<u>HK\$0.15</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st March, 2017

	<i>Notes</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		20,675	22,395
Interests in associates		13,073	–
Financial assets at fair value through other comprehensive income		8,361	8,813
Loans and advances to customers	11	167,303	196,348
		<u>209,412</u>	<u>227,556</u>
Current assets			
Financial assets at fair value through profit or loss		9,700	19,156
Inventories		12,356	7,026
Trade receivables	10	18,354	3,852
Deposits, prepayments and other receivables		5,784	2,375
Loans and advances to customers	11	232,864	185,993
Amounts due from associates		1,899	837
Pledged bank deposits		1,014	1,010
Cash and cash equivalents		23,324	39,989
		<u>305,295</u>	<u>260,238</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	10,741	5,577
Financial liabilities at fair value through profit or loss		–	3
Amounts due to non-controlling interests		852	746
Amount due to an associate		28	–
Amounts due to related parties		2,200	10,200
Borrowings	13	5,000	7,000
Obligation under a finance lease		105	207
Income tax payable		5,510	880
		<u>24,436</u>	<u>24,613</u>
Net current assets		<u>280,859</u>	<u>235,625</u>
Total assets less current liabilities		<u>490,271</u>	<u>463,181</u>
Non-current liabilities			
Obligation under a finance lease		–	105
		<u>–</u>	<u>105</u>
Net assets		<u>490,271</u>	<u>463,076</u>

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
EQUITY		
Equity attributable to owners of the Company		
Share capital	2,201	2,202
Reserves	484,853	457,788
	487,054	459,990
Non-controlling interests	3,217	3,086
Total equity	490,271	463,076

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2017

	Attributable to owners of the Company							Total	Non- controlling interests	Total equity
	Share capital	Share premium*	Capital redemption reserve*	Capital reserve*	Investment revaluation reserve*	Contributed surplus*	Accumulated losses*			
Balance at 1st April, 2015	2,202	353,907*	278*	28,546*	(20,839)*	221,038*	(163,029)*	422,103	(79)	422,024
Profit for the year	-	-	-	-	-	-	32,922	32,922	77	32,999
Other comprehensive income:										
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	5,456	-	-	5,456	-	5,456
Total comprehensive income for the year	-	-	-	-	5,456	-	32,922	38,378	77	38,455
Transactions with owners:										
Acquisition of non-controlling interests in subsidiaries	-	-	-	(154)	-	-	(337)	(491)	(109)	(600)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	3,197	3,197
Reduction of contributed surplus to set off against accumulated losses	-	-	-	-	-	(75,112)	75,112	-	-	-
Total transactions with owners of the Company	-	-	-	(154)	-	(75,112)	74,775	(491)	3,088	2,597
Balance at 31st March, 2016 and 1st April, 2016	2,202	353,907*	278*	28,392*	(15,383)*	145,926*	(55,332)*	459,990	3,086	463,076
Profit for the year	-	-	-	-	-	-	26,315	26,315	82	26,397
Other comprehensive income:										
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	837	-	-	837	-	837
Total comprehensive income for the year	-	-	-	-	837	-	26,315	27,152	82	27,234
Reclassification of investment reserve upon disposal of all financial assets in a subsidiary	-	-	-	-	35	-	(35)	-	-	-
Transactions with owners:										
Buy-back of shares										
– Purchase of shares	-	-	(88)	-	-	-	-	(88)	-	(88)
– Cancellation of shares	(1)	-	1	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	49	49
Total transactions with owners of the Company	(1)	-	(87)	-	-	-	-	(88)	49	(39)
Balance at 31st March, 2017	2,201	353,907*	191*	28,392*	(14,511)*	145,926*	(29,052)*	487,054	3,217	490,271

* These reserve accounts comprise the consolidated reserves of approximately HK\$484,853,000 (2016: HK\$457,788,000) in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2017

1. GENERAL INFORMATION

Easy Repay Finance & Investment Limited (the “Company”) was an exempted company continued into Bermuda with limited liability with effect from 30th April, 2008. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, 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 in Hong Kong is 7th Floor, Zung Fu Industrial Building, 1067 King’s Road, Hong Kong. The Company’s shares are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Group is principally engaged in the money lending business, financial instruments and quoted shares investment, retail and wholesale business.

These consolidated financial statements were approved and authorised for issue by the board of directors on 23rd June, 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of compliance and basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and accounting principles generally accepted in Hong Kong and the disclosure requirement of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”).

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The consolidated financial statements for the year ended 31st March, 2017 comprise the financial statements of the Company, its subsidiaries and the Group’s interests in associates.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments, which are measured at fair values at the end of each reporting period.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The consolidated financial statements are presented in Hong Kong dollars ("HKD" or "HK\$"), which is the same as the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousand except where otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following new and revised HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10 HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Joint Arrangements: Accounting for Acquisitions of Interests
HKFRS 14	Regulatory Deferral Accounts

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior year and/or on the disclosures set out in these consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from money lending	75,571	72,357
Retail sales of grocery products, coupon and frozen food	18,546	9,992
Wholesale of grocery products and frozen food	87,493	37,167
Revenue from sale of goods	106,039	47,159
	181,610	119,516

(b) Segment information

The chief operating decision makers have been identified as the executive directors of the Company (the “Executive Directors”). The Executive Directors review the Group’s internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

Management assesses the performance based on the nature of the Group’s businesses which are principally located in Hong Kong, and comprises (i) money lending; and (ii) groceries, frozen food and coupons retail and groceries and frozen food wholesale business. The retail business and wholesale business have been combined in the year ended 31st March, 2017 as the Executive Directors considered the nature of these businesses to be similar. The financial instruments and quoted shares investment business is not reported to the Executive Directors during the year ended 31st March, 2017 due to the Group has scaled down the investment business.

Comparative information for the Group’s operating segments have been restated as a result of these changes in the composition of the Group’s reportable and operating segments.

Segment results represent the profit/(loss) generated by each segment without allocation of central administration costs, investment and other income, other gains and losses, finance costs, share of results of an associate and taxation. This is the measure reported to the Executive Directors for the purposes of resources allocation and assessment of segment performance.

Segment assets include all assets, other than unallocated corporate assets. Segment liabilities include all liabilities, other than unallocated corporate liabilities, current and deferred tax liabilities.

(c) **Segment results, assets and liabilities**

	Money lending		Retail and wholesale		Total	
	2017	2016	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)		(Restated)		(Restated)
Reportable segment revenue from external customers	75,571	72,357	106,039	47,159	181,610	119,516
Reportable segment profit/(loss) before taxation	49,371	54,275	(2,102)	214	47,269	54,489
Depreciation	301	–	1,293	238	1,594	238
Impairment losses on trade receivables	–	–	93	–	93	–
Impairment losses on loans and advances to customers, net	321	2,084	–	–	321	2,084
Bad debts recovery	(279)	(2,904)	–	–	(279)	(2,904)
Reportable segment assets	417,352	399,015	43,310	21,383	460,662	420,398
Additions to non-current segment assets – other capital expenditure	483	410	1,703	5,274	2,186	5,684
Reportable segment liabilities	4,537	807	8,133	4,280	12,670	5,087

(d) **Reconciliations of reportable segment revenue, profit before taxation, assets and liabilities**

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
Revenue		
Reportable segment revenue and consolidated revenue	181,610	119,516

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i> (Restated)
Profit before taxation		
Reportable segment profit before taxation	47,269	54,489
Unallocated head office corporate expenses	(11,400)	(19,325)
Investment and other income	526	3,388
Other gains and losses, net	(3,412)	(194)
Share of results of associates	(145)	(339)
Finance costs	(1,728)	(1,780)
Impairment loss on amount due from an associate	–	(2,035)
Write-off of amount due from a related party	–	(262)
	<u>31,110</u>	<u>33,942</u>
Consolidated profit before taxation	<u><u>31,110</u></u>	<u><u>33,942</u></u>

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i> (Restated)
Assets		
Reportable segment assets	460,662	420,398
Unallocated corporate assets	54,045	67,396
	<u>514,707</u>	<u>487,794</u>
Consolidated total assets	<u><u>514,707</u></u>	<u><u>487,794</u></u>

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i> (Restated)
Liabilities		
Reportable segment liabilities	12,670	5,087
Unallocated corporate liabilities	11,766	19,631
	<u>24,436</u>	<u>24,718</u>
Consolidated total liabilities	<u><u>24,436</u></u>	<u><u>24,718</u></u>

(e) Information about major customers

No single customer contributed 10% or more to the Group's revenue for the years ended 31st March, 2017 and 2016.

(f) Geographical information

All of the Group's operations and assets are located in Hong Kong, in which all of its revenue was derived.

5. OTHER GAINS AND LOSSES, NET

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss on disposal of property, plant and equipment, net	–	(297)
Exchange losses, net	–	(495)
Fair value (losses)/gains on financial assets at fair value through profit or loss, net	(3,432)	598
Others	20	–
	<u>(3,412)</u>	<u>(194)</u>

6. PROFIT BEFORE TAXATION

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation is arrived at after charging:		
Auditors' remuneration	600	480
Impairment losses on trade receivables	93	–
Impairment loss on amount due from an associate	–	2,035
Write-off of an amount due from a related party	–	262
Minimum lease payments in respect of operating lease of land and buildings	4,196	5,517
Employee benefit expenses	24,638	19,073
	<u>4,822</u>	<u>2,176</u>
Depreciation of property, plant and equipment		
– Owned assets	4,628	1,982
– Held under a finance lease	194	194
	<u>4,822</u>	<u>2,176</u>
Carrying amount of inventories sold	91,446	41,260
Write-down of inventories	413	–
	<u>91,859</u>	<u>41,260</u>

7. FINANCE COSTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interest expenses on:		
Bank loan and overdrafts	1	144
Other borrowings	<u>1,723</u>	<u>1,628</u>
	1,724	1,772
Finance charge on obligation under a finance lease	<u>4</u>	<u>8</u>
Total interest expenses for financial liabilities that are not at fair value through profit or loss	<u><u>1,728</u></u>	<u><u>1,780</u></u>

8. INCOME TAX EXPENSE

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current tax: Hong Kong		
– Charge for the year	4,713	823
– Under-provision in prior years	<u>–</u>	<u>120</u>
Income tax expense	<u><u>4,713</u></u>	<u><u>943</u></u>

The provision for Hong Kong Profits Tax for the year ended 31st March, 2017 is calculated at 16.5% (2016: 16.5%) of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year of assessment 2016-17 subject to a maximum reduction of HK\$20,000 for each subsidiary.

No income tax expense in relation to any component of other comprehensive income for the years ended 31st March, 2017 and 2016 was included in other comprehensive income.

The Hong Kong Inland Revenue Department (the “IRD”) initiated tax inquiries for the years of assessment 2009/10 to 2014/15 on a subsidiary of the Group. Protective assessments for additional taxes of HK\$292,000 and HK\$293,000 were issued by the IRD on 22nd April, 2016 and 6th December, 2016, respectively.

The Group had lodged objection with the IRD against the additional taxes of HK\$292,000 and HK\$293,000 in respect of the years of assessment 2009/10 and 2010/11 respectively.

The IRD agreed to hold over the tax claims for the years of assessment 2009/10 and 2010/11, amounts held over on the condition that tax reserve certificates in the amounts of HK\$292,000 and HK\$293,000 were purchased on 4th May, 2016 and 24th January, 2017 respectively. As at 31st March, 2017, the Group has cumulatively purchased the tax reserve certificates of HK\$585,000, such amount is included in deposits, prepayments and other receivables.

Subsequent to the end of the reporting period, the IRD has issued a revised notice of assessment to that subsidiary for the year of assessment 2009/10, which stated that there are no profits chargeable to Hong Kong Profits Tax. The tax previously held over conditionally for the year of assessment 2009/10 is completely discharged and the tax reserve certificate in the amount of HK\$292,000 can be redeemed in accordance with the redemption instructions.

In the opinion of the directors of the Company, the subsidiary has valid grounds to support the tax computation submitted, hence, the payment of the additional taxes for the years of assessment 2010/11 to 2014/15 is not probable and thereto, no provision for any tax liabilities from the assessments, that may result, has been made.

9. EARNINGS PER SHARE

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

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Earnings		
Profit for the year attributable to owners of the Company	26,315	32,922
	2017	2016
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	220,157,642	220,219,354

Diluted earnings per share for the years ended 31st March, 2017 and 2016 were the same as the basic earnings per share as there were no potential ordinary shares outstanding for both years.

10. TRADE RECEIVABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade receivables		
– an associate	2,971	1,310
– third parties	15,476	2,542
Allowance for impairment	(93)	–
	<u>18,354</u>	<u>3,852</u>
Trade receivables	<u><u>18,354</u></u>	<u><u>3,852</u></u>

The Group maintains credit terms of cash on delivery for retail sales for both years ended 31st March, 2017 and 2016. The credit term for certain wholesale customers is 30 to 90 days from the date of billing for the years ended 31st March, 2017 and 31st March, 2016. The Group did not hold any collateral as security or other credit enhancements over the trade receivables.

At the end of the reporting period, the ageing analysis of the trade receivables based on the invoiced dates is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Within three months	12,236	1,944
Over three months and within one year	3,425	1,433
Over one year	2,693	475
	<u>18,354</u>	<u>3,852</u>
	<u><u>18,354</u></u>	<u><u>3,852</u></u>

11. LOANS AND ADVANCES TO CUSTOMERS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Loans and advances to customers	407,582	389,435
Allowance for impairment	(7,415)	(7,094)
	<u>400,167</u>	<u>382,341</u>
	<u><u>400,167</u></u>	<u><u>382,341</u></u>
Analysed for reporting purpose as:		
Current portion	232,864	185,993
Non-current portion	167,303	196,348
	<u>400,167</u>	<u>382,341</u>
	<u><u>400,167</u></u>	<u><u>382,341</u></u>

As at 31st March, 2017, loans and advances to customers of approximately HK\$125,541,000 (2016:

HK\$154,592,000) and HK\$30,189,000 (2016: nil) are secured by the customers' pledged properties and listed equity securities respectively. As at 31st March, 2017, total value of the customers' pledged properties as collaterals for these loans and advances to customers was approximately HK\$154,540,000 (2016: HK\$220,600,000) based on the market value of the customers' pledged properties and the fair value of pledged listed equity securities was HK\$105,958,000 (2016: nil) as at the end of the reporting period.

All loans and advances to customers are denominated in HK\$. The Group's loans and advances to customers related to a large number of diversified customers. The loans and advances to customers carry fixed effective interest rate with credit terms mutually agreed with the customers.

The maturity profile of loans and advances to customers net of allowance for impairment loss at the end of reporting period, analysed by the remaining periods to their contractual maturity dates is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Within one year	232,864	185,993
Over one year but within five years	54,761	193,735
Over five years	112,542	2,613
	<u>400,167</u>	<u>382,341</u>

12. TRADE AND OTHER PAYABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade payables	6,439	2,337
Other payables and accruals (<i>note</i>)	3,929	2,901
Receipts in advance	373	339
	<u>10,741</u>	<u>5,577</u>

Note: Consideration payable for acquisition of interest in an associate amounting to HK\$2,000,000 was included in other payables and accruals.

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

At the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0 – 30 days	4,803	2,252
31 – 90 days	848	55
91 – 365 days	788	30
	<u>6,439</u>	<u>2,337</u>

13. BORROWINGS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Other loan – unsecured – repayable within one year	<u>5,000</u>	<u>7,000</u>

The other loan is denominated in HK\$ and is borrowed from an independent third party. The loan is unsecured, interest-bearing at the rate of 10% (2016: 10%) per annum and repayable within one year.

The maturity profile of the borrowings based on the scheduled repayment dates set out in the loan agreements is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Within one year	<u>5,000</u>	<u>7,000</u>

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

Revenue from money lending and revenue from sale of goods have been separately shown on the consolidated statement of comprehensive income for the year ended 31st March, 2016.

Trade receivables from an associate of HK\$1,310,000 were reclassified from amounts due from associates to trade receivables on the consolidated statement of financial position.

15. DIVIDEND

No dividend was paid or proposed during the year ended 31st March, 2017 nor has any dividend been proposed since the end of reporting period (2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

Revenue for the financial year ended 31st March, 2017 was approximately HK\$181.6 million, representing an increase of approximately 52% when compared with the same period last year. Profit attributable to owners of the Company for the year ended 31st March, 2017 was approximately HK\$26.3 million and the corresponding period in 2016 was profit of HK\$32.9 million.

Money Lending Business

After actively participating in money lending business for more than six years, a solid client base has been built. In the financial year, revenue for this segment under review was approximately HK\$75.6 million, representing 4% increase when compare with the operations in 2016. The Group expects this segment to grow steadily and generate sustainable income in the coming future.

Retail and Wholesale Business

The Group has been developing the retails and online sales business for the sales of grocery products (including frozen soup, frozen seafood, personal care products, stationery, electrical appliances and etc.) to the public.

The Group has also been developing the wholesale business in 2016. The wholesale business is a fine supplement to our retail business and it will certainly strengthen our overall business.

Revenue for this segment in the financial period under review was approximately HK\$106 million, representing 125% increase when compare with the same period in 2016. We will continue to monitor the operation and develop new market in order to increase the revenue and market share. The Group expects this segment to grow steadily and generate sustainable income in the coming future.

Outlook

The Group will continue to look for ways to further improve its existing business and explore new investment opportunities 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 31st March, 2017, the Group had cash and cash equivalents of approximately HK\$23 million (2016: HK\$40 million).

As at 31st March, 2017, the Group had borrowings of HK\$5 million (2016: HK\$7 million) which were used to finance the operation of the Group.

As at 31st March, 2017, 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 (2016: nil).

CHARGES ON GROUP'S ASSETS

As at 31st March, 2017, except for the pledged bank deposits, financial instruments of approximately HK\$17 million (2016: HK\$23.9 million) was pledged as collateral to securities brokers for margin financing granted to the Group. As at 31st March, 2017, no margin financing was utilised by the Group.

TREASURY POLICIES

Cash and bank deposits of the Group are mainly denominated in HK dollars ("HK\$").

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 31st March, 2017, the Group had around 97 (2016: 73) full-time employees. The total employee remuneration, including that of the Directors, for the year ended 31st March, 2017 amounted to approximately HK\$24.6 million (2016: HK\$19.1 million). The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

CAPITAL STRUCTURE

During the year ended 31st March, 2017, the capital structure of the Company was changed as follows:

The Company repurchased an aggregate of 125,000 shares through the Stock Exchange on 28th September, 2016 and 4th October, 2016 and those shares were cancelled on 17th October, 2016. The total issued share capital of the Company as at 31st March, 2017 is 220,094,354 shares.

EVENTS AFTER THE REPORTING PERIOD

On 17th May, 2017, a wholly-owned subsidiary of the Group entered into an agreement with the existing shareholders of Keep Choice Limited ("Keep Choice"), an associate of the Company, for the formation of Topwise Global Holdings Limited ("Topwise Global") in which the Group has 22% equity interest. An investment holding company, Power Moto Holdings Limited ("Power Moto") was formed by Topwise Global and an independent third party. Topwise Global is interested in 90% of the issued share capital of Power Moto. Power Moto and its subsidiaries will be engaged in the vehicle maintenance business.

As agreed among the shareholders of Keep Choice, Keep Choice has been transferred to Power Moto and hence became a wholly-owned subsidiary of Power Moto. The Group's capital contribution made to Keep Choice previously was deemed as part of the required capital contribution to Topwise Global.

CONTINGENT LIABILITIES

Contingent rental liabilities

As at 31st March, 2017, except for as disclosed below, the Company did not provide any corporate guarantee to third parties.

On 20th October, 2015, a new tenancy agreement was jointly entered by Top Euro Limited ("Top Euro"), an indirect wholly-owned subsidiary of the Company and Mark Glory International Enterprise Limited ("Mark Glory"), an indirect wholly-owned subsidiary of China 3D Digital Entertainment Limited (now known as "HMV Digital China Group Limited") with Wit Way Enterprises Limited in relation to the lease of the premises. The duration of the tenancy agreements is for two years commencing from 1st November, 2015 to 31st 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 Top Euro and Mark Glory in equal shares.

If either party fails to fulfill their leasing obligations under the agreement, the other party will obligate to pay the other party's outstanding contingent rental liability amounting to HK\$1,180,000 per annum. The taking up of the contingent rental liability constitutes a provision of financial assistance under the GEM Listing Rules.

Performance Guarantee

The Company provided a performance guarantee for Keep Choice Limited ("Keep Choice"), 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 78% of the guarantee liability was provided by a shareholder of one of the shareholders of Keep Choice.

SHARE OPTION SCHEMES

On 4th January, 2011, the shareholders of the Company approved to terminate the Old Scheme (“the Old 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 10 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 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.

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 year ended 31st March, 2017, no option was granted and outstanding under the New Scheme.

There is no employee compensation expense which was included in the consolidated statement of comprehensive income for the year ended 31st March, 2017 (2016: Nil). No liabilities was recognised due to share-based payment transactions.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions (“Code”) set out in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited) (“GEM Listing Rules”) that are considered to be relevant to the Company and has complied with the Code save as disclosed below.

Mr. Shiu Yeuk Yuen currently holds the offices of Chairman and Chief Executive Officer of the Company. The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board also believes that the current structure provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

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

For the year ended 31st March, 2017, the Company repurchased its own shares through the Stock Exchange as follows:

Date of Repurchase	Number of shares repurchased	Aggregate Consideration	Price per share repurchased
28th September, 2016	<u>25,000</u>	<u>HK\$17,250</u>	HK\$0.69
4th October, 2016	<u>100,000</u>	<u>HK\$71,000</u>	HK\$0.71
Total:	<u><u>125,000</u></u>	<u><u>HK\$88,250</u></u>	

The above shares were cancelled on 17th October, 2016.

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. Currently, it consists of three Independent Non-executive Directors, Mr. Kam Tik Lun, chairman of the Audit Committee, Dr. Siu Yim Kwan, Sidney and Mr. Ho Siu King, Stanley. Four meetings were held during the financial year ended 31st March, 2017. Attendance of the members of the Audit Committee is set out below:

Name of Directors	Number of meeting attended/Number of meeting held
Mr. Kam Tik Lun	4/4
Dr. Siu Yim Kwan, Sidney	4/4
Mr. Ho Siu King, Stanley (appointed on 1st July, 2016)	3/4
Mr. Lau Gar Hung, Christopher (resigned on 30th June, 2016)	1/4

The Company's annual results for the year ended 31st March, 2017, have been reviewed by the Audit Committee.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company maintained the prescribed public float under the GEM Listing Rules.

COMPETING INTEREST

None of the Directors or the controlling shareholder (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 for the financial year ended 31st March, 2017.

SCOPE OF WORK PERFORMED BY AUDITOR

The financial figures in respect of the preliminary announcement of the Group’s results for the year ended 31st March, 2017 have been compared by the Company’s auditor, Moore Stephens CPA Limited, to the amounts set out in the Group’s draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by Moore Stephens CPA Limited in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

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. Kam Tik Lun	–	Independent Non-executive Director
Mr. Ho Siu King, Stanley	–	Independent Non-executive Director

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

Hong Kong, 23rd June, 2017

This announcement will remain on the Company’s website at www.ecrepay.com and at the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.