

EASY REPAY FINANCE & INVESTMENT LIMITED

易還財務投資有限公司

(formerly known as Unlimited Creativity Holdings Limited 無限創意控股有限公司)

(Continued in Bermuda with limited liability)

(Stock code: 8079)

FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2016

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, 2016 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2016

	<i>Notes</i>	2016 HK\$'000	2015 <i>HK\$'000</i> (Restated)
Revenue	5	119,516	66,859
Cost of sales		(41,260)	(4,620)
Investment and other income		3,388	1,508
Other gains and losses, net	6	(194)	12,319
Servicing, selling and distribution costs		(7,548)	(4,300)
Administrative expenses		(38,661)	(26,221)
Impairment losses on loans and advances to customers, net		(2,084)	(1,343)
Bad debts recovery on loans and advances to customers		2,904	158
Operating profit		36,061	44,360
Finance costs	8	(1,780)	(1,913)
Share of results of associates		(339)	(1,605)
Profit before taxation	7	33,942	40,842
Income tax (expense)/credit	9	(943)	79
Profit for the year		32,999	40,921
Other comprehensive income/(loss):			
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		5,456	(10,571)
Other comprehensive income/(loss) for the year, net of tax		5,456	(10,571)
Total comprehensive income for the year		38,455	30,350

	<i>Note</i>	2016 HK\$'000	2015 HK\$'000 (Restated)
Profit for the year attributable to:			
Owners of the Company		32,922	40,724
Non-controlling interests		77	197
		<u>32,999</u>	<u>40,921</u>
Total comprehensive income			
for the year attributable to:			
Owners of the Company		38,378	30,153
Non-controlling interests		77	197
		<u>38,455</u>	<u>30,350</u>
Earnings per share			
Basic and diluted	10	<u>HK\$0.15</u>	<u>HK\$0.41</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st March, 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		22,395	4,194
Interests in associates		–	–
Financial assets at fair value through other comprehensive income		8,813	3,357
Loans and advances to customers	12	196,348	110,746
		227,556	118,297
Current assets			
Inventories		7,026	223
Trade receivables	11	2,542	544
Deposits, prepayments and other receivables		2,375	59,012
Loans and advances to customers	12	185,993	177,695
Financial assets at fair value through profit or loss		19,156	69,321
Amount due from a related company		–	262
Amounts due from associates		2,147	2,044
Pledged bank deposits		1,010	28,895
Cash and cash equivalents		39,989	66,403
		260,238	404,399
LIABILITIES			
Current liabilities			
Trade and other payables	13	5,577	2,402
Financial liabilities at fair value through profit or loss		3	–
Amounts due to non-controlling interests		746	150
Amounts due to related parties		10,200	8,200
Borrowings	14	7,000	89,348
Obligation under a finance lease		207	203
Income tax payable		880	57
		24,613	100,360
Net current assets		235,625	304,039
Total assets less current liabilities		463,181	422,336

	<i>Note</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Non-current liabilities			
Obligation under a finance lease		<u>105</u>	<u>312</u>
		<u>105</u>	<u>312</u>
Net assets		<u>463,076</u>	<u>422,024</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		2,202	2,202
Reserves		<u>457,788</u>	<u>419,901</u>
		459,990	422,103
Non-controlling interests		<u>3,086</u>	<u>(79)</u>
Total equity		<u>463,076</u>	<u>422,024</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2016

	Attributable to owners of the Company							Non-controlling interests	Total equity	
	Share capital	Share premium*	Capital redemption reserve*	Capital reserve*	Investment revaluation reserve*	Contributed surplus*	Accumulated losses*			Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
Balance at 1st April, 2014	6,292	246,126	278	28,546	(10,268)	201,218	(203,753)	268,439	(276)	268,163
Profit for the year	-	-	-	-	-	-	40,724	40,724	197	40,921
Other comprehensive loss:										
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(10,571)	-	-	(10,571)	-	(10,571)
Total comprehensive income/(loss) for the year	-	-	-	-	(10,571)	-	40,724	30,153	197	30,350
Transactions with owners:										
Rights issue of shares	15,730	110,110	-	-	-	-	-	125,840	-	125,840
Transaction cost attributable to rights issue of shares	-	(2,329)	-	-	-	-	-	(2,329)	-	(2,329)
Capital reduction	(19,820)	-	-	-	-	19,820	-	-	-	-
Total transactions with owners of the Company	(4,090)	107,781	-	-	-	19,820	-	123,511	-	123,511
Balance at 31st March, 2015 and 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 (<i>Note</i>)	-	-	-	-	-	(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	2,202	353,907*	278*	28,392*	(15,383)*	145,926*	(55,332)*	459,990	3,086	463,076

* These reserve accounts comprise the consolidated reserves of approximately HK\$457,788,000 (2015: HK\$419,901,000) in the consolidated statement of financial position.

Note: Pursuant to a special resolution passed at a special general meeting held on 23rd March 2015, the directors are authorised to apply any credit balance in the contributed surplus account of the Company in accordance with the bye-laws of the Company and all applicable laws. The directors of the Company resolved to set-off and eliminate the accumulated losses of the Company as at 31st March, 2016 in the amount of approximately HK\$75,112,000 with the contributed surplus account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2016

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, groceries retail and wholesale business. The Group was also engaged in property investment in Hong Kong for the year ended 31st March, 2015.

Pursuant to a special resolution passed at the special general meeting held on 23rd March, 2015 and approved by the Registrar of Companies in Bermuda and Hong Kong on 1st April, 2015 and 27th April, 2015 respectively, the Company has changed its name from “Unlimited Creativity Holdings Limited” to “Easy Repay Finance & Investment Limited” and its new Chinese name “易還財務投資有限公司” has also been adopted as the new secondary name of the Company to replace “無限創意控股有限公司”.

These consolidated financial statements were approved and authorised for issue by the board of directors on 21st June, 2016.

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, 2016 comprise 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 investment properties and 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 amendments to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The application of the amendments to 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. NEW AND REVISED HKFRSs NOT YET ADOPTED

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective in these consolidated financial statements.

		Effective for accounting periods beginning on or after
HKAS 1 Amendments	Disclosure Initiatives	1st January, 2016
HKAS 16 and HKAS 38 Amendments	Clarification of Acceptable Methods of Depreciation and Amortisation	1st January, 2016
HKAS 16 and HKAS 41 Amendments	Agriculture: Bearer Plants	1st January, 2016
HKAS 27 Amendments	Equity Method in Separate Financial Statements	1st January, 2016
HKFRS 10 and HKAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined*
HKFRS 10, HKFRS 12 and HKAS 28 Amendments	Investment Entities: Applying the Consolidation Exception	1st January, 2016
HKFRS 11 Amendments	Accounting for Acquisitions of Interests in Joint Operations	1st January, 2016
HKFRS 14**	Regulatory Deferral Accounts	1st January, 2016
Amendments to HKFRSs	Annual Improvements to IFRSs 2012 – 2014 Cycle	1st January, 2016
HKFRS 9 (2014)	Financial Instruments	1st January, 2018
HKFRS 15	Revenue from Contracts with Customers	1st January, 2018
HKFRS 16	Leases	1st January, 2019

- * On 6th January, 2016, the HKICPA issued “Effective Date of Amendments to HKFRS 10 and HKAS 28”, following the International Accounting Standards Board’s equivalent amendments. This update defers/removes the effective date of the amendments in “Sale or Contribution of Assets between an Investor or its Associate or Joint Venture” that the HKICPA issued on 7th October, 2014. Early application of these amendments continues to be permitted.
- ** HKFRS 14 applies to first annual HKFRS financial statements for a period beginning on or after 1st January, 2016 and therefore is not applicable to the Group.

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application.

5. REVENUE AND 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; (ii) financial instruments and quoted shares investment; (iii) groceries retail business; (iv) wholesale business and (v) property investment.

Segment results represent the profit/(loss) generated by each segment without allocation of central administration costs, gain on disposal of property, plant and equipment, 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.

(a) Segment results, assets and liabilities

	Financial instruments											
	Money lending		and quoted shares investment		Groceries retail		Wholesale		Property investment		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue from external customers	72,357	60,427	-	-	9,992	6,211	37,167	-	-	221	119,516	66,859
Inter-segment revenue	-	-	-	-	-	-	301	-	-	-	301	-
Reportable segment revenue	72,357	60,427	-	-	9,992	6,211	37,468	-	-	221	119,817	66,859
Investment and other income	70	36	1,437	1,376	3	5	1	-	-	2	1,511	1,419
Other gains and losses, net	-	-	103	8,952	-	-	-	-	-	3,339	103	12,291
	72,427	60,463	1,540	10,328	9,995	6,216	37,469	-	-	3,562	121,431	80,569
Reportable segment profit/(loss) before taxation	54,345	48,510	1,200	6,980	873	590	(655)	-	-	3,223	55,763	59,303
Depreciation	-	69	-	-	-	24	238	-	-	308	238	401
Impairment losses on loans and advances to customers	2,084	1,343	-	-	-	-	-	-	-	-	2,084	1,343
Bad debts (recovery)/ written off	(2,904)	(158)	-	-	-	20	-	-	-	-	(2,904)	(138)
Interest income from bank balances	(11)	(5)	(58)	(443)	-	-	-	-	-	(2)	(69)	(450)
Reportable segment assets	399,015	313,134	45,802	203,071	4,437	3,982	16,946	-	-	1,613	466,200	521,800
Additions to non-current segment assets												
- Investment in an associate	-	-	-	-	-	540	-	-	-	-	-	540
- Other capital expenditure	410	250	-	1,050	335	128	4,939	-	-	-	5,684	1,428
Reportable segment liabilities	807	16,287	1,791	83,904	534	176	3,746	-	-	-	6,878	100,367

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue		
Reportable segment revenue	119,817	66,859
Elimination of inter-segment revenue	(301)	–
	<hr/>	<hr/>
Consolidated revenue	119,516	66,859
	<hr/> <hr/>	<hr/> <hr/>
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Profit before taxation		
Reportable segment profit before taxation	55,763	59,303
Unallocated head office corporate expenses	(17,108)	(14,957)
Share of results of associates	(339)	(1,605)
(Loss)/gain on disposal of properties, plant and equipment	(297)	14
Finance costs	(1,780)	(1,913)
Impairment loss on amount due from an associate	(2,035)	–
Write-off of amount due from a related party	(262)	–
	<hr/>	<hr/>
Consolidated profit before taxation	33,942	40,842
	<hr/> <hr/>	<hr/> <hr/>
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Assets		
Reportable segment assets	466,200	521,800
Unallocated corporate assets	21,594	896
	<hr/>	<hr/>
Consolidated total assets	487,794	522,696
	<hr/> <hr/>	<hr/> <hr/>
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Liabilities		
Reportable segment liabilities	6,878	100,367
Unallocated corporate liabilities	17,840	305
	<hr/>	<hr/>
Consolidated total liabilities	24,718	100,672
	<hr/> <hr/>	<hr/> <hr/>

(c) **Information about major customers**

No single customers contributed 10% or more to the Group's revenue for the years ended 31st March, 2016 and 2015.

(d) **Geographical information**

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

6. OTHER GAINS AND LOSSES, NET

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i> (Restated)
(Loss)/gain on disposal of property, plant and equipment	(297)	14
Gain on disposal of investment properties	–	3,353
Exchange losses, net	(495)	(296)
Fair value gains on financial assets at fair value through profit or loss, net	<u>598</u>	<u>9,248</u>
	<u>(194)</u>	<u>12,319</u>

7. PROFIT BEFORE TAXATION

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Profit before taxation is arrived at after charging:		
Auditors' remuneration	480	445
Write-off of trade receivables	–	20
Impairment loss on amount due from an associate	2,035	–
Write-off of amount due from a related party	262	–
Operating leases payments in respect of land and buildings	5,517	2,064
Employee benefit expenses	<u>19,073</u>	<u>15,552</u>
Depreciation of property, plant and equipment		
– Owned assets	1,982	977
– Held under a finance lease	<u>194</u>	<u>194</u>
	<u>2,176</u>	<u>1,171</u>
Carrying amount of inventories sold	41,260	4,611
Write-down of inventories	<u>–</u>	<u>9</u>
Cost of inventories recognised as expenses	<u>41,260</u>	<u>4,620</u>

8. FINANCE COSTS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interest expenses on:		
Bank loan and overdrafts	144	223
Other borrowings	1,628	1,678
	<u>1,772</u>	<u>1,901</u>
Finance charge on obligation under a finance lease	8	12
	<u>8</u>	<u>12</u>
Total interest expenses for financial liabilities that are not at fair value through profit or loss	<u>1,780</u>	<u>1,913</u>

9. INCOME TAX EXPENSE/(CREDIT)

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current tax: Hong Kong		
– Charge for the year	823	–
– Under-provision in prior years	120	–
	<u>943</u>	<u>–</u>
Deferred tax:		
– Credit for the year	–	(79)
	<u>–</u>	<u>(79)</u>
Income tax expenses/(credit)	<u>943</u>	<u>(79)</u>

The provision for Hong Kong Profits Tax for the year ended 31 March 2016 is calculated at 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 2015-16 subject to a maximum reduction of HK\$20,000 for each business (2015: No provision for Hong Kong Profits Tax has been made for the companies in the Group as they either have no assessable profits or have available tax losses brought forward from prior years to offset against estimated assessable profits).

No income tax expense in relation to any component of other comprehensive income for the years ended 31st March, 2016 and 2015 was included in other comprehensive income.

10. EARNINGS PER SHARE

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Earnings		
Profit for the year attributable to owners of the Company	<u>32,922</u>	<u>40,724</u>
	2016	2015
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>220,219,354</u>	<u>98,689,300</u>

Diluted earnings per share for the years ended 31st March, 2016 and 2015 were the same as the basic earnings per share as there were no potential ordinary shares outstanding for both years.

11. TRADE RECEIVABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	<u>2,542</u>	<u>544</u>

The Group maintains credit terms of cash on delivery for retail sales for both years 2016 and 2015. The credit term for certain wholesale customers is 30 days from the date of billing for the year ended 31st March, 2016. At the end of the reporting period, the ageing analysis of the trade receivables based on the invoice dates is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Within three months	1,633	528
Over three months and within one year	<u>909</u>	<u>16</u>
	<u>2,542</u>	<u>544</u>

At the end of each reporting period, the Group reviews trade receivables for evidence of impairment on both an individual and collective basis. Based on these assessments, no impairment loss has been recognised for both years. The Group did not hold any collateral as security or other credit enhancements over the trade receivables.

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Neither past due nor impaired	310	–
Within three months past due	1,582	528
Over three months but within six months past due	650	–
Over six months and within one year	–	16
	2,232	544
	2,542	544

Trade receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

12. LOANS AND ADVANCES TO CUSTOMERS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Loans and advances to customers	389,435	295,340
Allowance for impairment	(7,094)	(6,899)
	382,341	288,441
Analysed for reporting purpose as:		
Current portion	185,993	177,695
Non-current portion	196,348	110,746
	382,341	288,441

As at 31st March, 2016, certain loans and advances to customers of approximately HK\$218,702,000 (2015: HK\$118,294,000) are secured by the customers' pledged properties. As at 31st March, 2016, total value of the customers' pledged properties as collaterals for these loans and advances to customers was approximately HK\$569,260,000 (2015: HK\$446,900,000) based on the market value of the customers' pledged properties as at the end of the reporting period.

All loans and advances to customers are denominated in HK\$. The loans and advances to customers carry fixed effective interest ranging from 2% to 48% (2015: 5% to 48%) per annum with credit terms mutually agreed with the customers. The Group's loans and advances to customers related to a large number of diversified customers and there is no significant concentration of credit risk.

- (a) 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:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Within one year	185,993	177,695
Over one year but within five years	193,735	32,524
Over five years	2,613	78,222
	382,341	288,441

- (b) The movements in allowance for impairment of loans and advances to customers:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Balance at the beginning of year	6,899	11,656
Impairment losses charged to profit or loss	2,459	2,074
Impairment losses reversed to profit or loss	(375)	(731)
Uncollectible amounts written off	(1,889)	(6,100)
Balance at the end of year	7,094	6,899
Recovery of loans and advances to customers directly written off in previous years	(2,904)	(158)

Included in the above provision for impairment of trade receivables are allowances for individually impaired trade receivables of HK\$6,103,000 (2015: HK\$6,899,000). The individually impaired receivables related to customers that were in financial difficulties or customers that were in default or delinquency in interest or principal payments and only a portion of the receivables is expected to be recovered.

- (c) Loans and advances to customers disclosed in note (a) above include amounts HK\$17,848,000 (2015: HK\$31,298,000) which are past due but not impaired.

Loans and advances to customers past due but not impaired:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Past due within 6 months	12,220	27,790
Past due 6 to 12 months	5,628	3,508
	17,848	31,298

The Group has not made impairment on these loans and advances to customers because, in the opinion of directors of the Company, there is either no significant change in credit quality of the customers or sufficient collaterals to recover the outstanding loans receivables, therefore the amounts are still considered recoverable.

- (d) The Group's loans and advances to customers of approximately HK\$364,493,000 (2015: HK\$257,143,000) that are neither past due nor impaired mainly represented loans granted to creditworthy customers for whom there was no recent history of default or secured by the collaterals which the value was higher than the carrying value of the loans and advances to customers.

13. TRADE AND OTHER PAYABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade payables	2,337	60
Other payables and accruals	2,901	2,065
Receipts in advance	339	277
	5,577	2,402

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 creditors and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0 – 30 days	2,252	60
31 – 90 days	55	–
91 – 365 days	30	–
	<u>2,337</u>	<u>60</u>

14. BORROWINGS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Bank overdrafts secured (<i>notes (i) and (ii)</i>)	–	12,473
Bank loans – secured (<i>notes (i) and (ii)</i>) – repayable within one year	–	15,611
	–	28,084
IPO loan from securities broker (<i>note (iii)</i>)	–	54,264
Other loan – unsecured – repayable within one year (<i>note (iv)</i>)	7,000	7,000
	<u>7,000</u>	<u>89,348</u>

Notes:

- (i) As at 31st March, 2015, bank overdrafts and bank loan are secured by (i) all monies guarantee given by a director of the Company, Mr. Shiu Yeuk Yuen, (ii) certain financial assets at fair value through profit or loss with the aggregate fair value of approximately HK\$28,274,000 and (iii) certain pledged bank deposits of approximately HK\$15,661,000.
- (ii) As at 31st March, 2015, the Group's bank borrowings are bearing interest at the rate ranging from 1.28% to 4% per annum.
- (iii) The IPO loan from securities broker amounted to approximately HK\$54,264,000 for financing an application of an entity's IPO shares. The IPO loan carried interest at the rate of 1.2% per annum, and was unsecured and repaid on 9th April, 2015.
- (iv) 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% (2015: 10%) per annum and repayable within one year.

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Bank overdrafts and bank loan:		
Within one year	–	28,084
IPO loan from securities broker:		
Within one year	–	54,264
Other loan:		
Within one year	<u>7,000</u>	<u>7,000</u>
	<u>7,000</u>	<u>89,348</u>

15. COMPARATIVE FIGURES

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

Reclassification for the consolidated statement of comprehensive income for the year ended 31st March, 2015:

Certain rental expenses of HK\$595,000 were reclassified from administrative expenses to servicing, selling and distribution expenses in the consolidated statement of comprehensive income for the year ended 31st March, 2015.

16. DIVIDEND

No dividend was paid or proposed during the year ended 31st March, 2016 nor has any dividend been proposed since the end of reporting period (2015: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

Turnover for the financial year ended 31st March, 2016 was approximately HK\$119.5 million, representing an increase of approximately 78.7% when compared with the same period last year. Profit attributable to owners of the Company for the year ended 31st March, 2016 was approximately HK\$32.9 million and the corresponding period in 2015 was profit of HK\$40.7 million.

Securities and bonds Investment

In view of the volatility of the global economic environment driven by the economic downturn in Hong Kong continues in the financial year, the Group will take more conservative step to invest in securities and bonds investment. Focus will be placed on corporate bonds with higher credit rating instead of listed securities in the volatile stock market. For the financial year ended 31st March, 2016, the segment profit before taxation was approximately HK\$1.2 million.

Money Lending Business

After actively participating in money lending business for more than five years, a solid client base has been built. In the financial year, turnover for this segment under review was approximately HK\$72.4 million, representing 20% increase when compare with the continuing operations in 2015. The Group expects this segment to grow steadily and generate sustainable income in the coming future.

Retail Business

The Group's current distribution office in Taikoo was opened in January, 2013 and moved to Kwai Hing in February 2016 for the purpose of catering online sales and its online shopping service continuously in Hong Kong for the sales of grocery products (including frozen soup, frozen seafood, personal care products, stationery, electrical appliances and etc.) to the public.

Turnover for this segment in the financial period under review was approximately HK\$10 million, representing 61% increase when compare with the same period in 2015. We will continue to monitor the operation and develop new market in order to increase the turnover and market share.

Wholesale Business

The Group has also been developing the wholesale business in 2015. The wholesale business is a fine supplement to our retail business and it will certainly strengthen our overall business. In the financial year, turnover for this segment under review was approximately HK\$37.2 million. 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, 2016, the Group had cash and cash equivalents of approximately HK\$40 million (2015: HK\$66.4 million).

As at 31st March, 2016, the Group had borrowings of HK\$7 million (2015: HK\$89 million) which were used to finance the operation of the Group.

As at 31st March, 2016, 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, decreased to nil (2015: 7.5%).

CHARGES ON GROUP'S ASSETS

As at 31st March, 2016, except for the pledged bank deposits, financial instruments of approximately of HK\$23.9 million (2015: HK\$42.4 million) was pledged as collateral to securities brokers for margin financing granted to the Group. As at 31st March, 2016, 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, 2016, the Group had around 73 (2015: 48) full-time employees. The total employee remuneration, including that of the Directors, for the year ended 31st March, 2016 amounted to approximately HK\$19.1 million (2015: HK\$15.6 million). The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

CAPITAL STRUCTURE

During the year ended 31st March, 2016, the capital structure of the Company has no changed.

ACQUISITION OF 75% EQUITY INTERESTS IN VISION LION LIMITED

On 16th June 2015, the Company acquired 45% of the entire issued share capital of Vision Lion Limited (the “Target Company”) from ex-shareholder of the Target Company at the consideration of HK\$5,850,000 (the “Prior Transaction”).

On 22nd January 2016, the Company entered into a Sale and Purchase Agreement with Vendor A, an independent third party, an individual and the shareholder of the Target Company, pursuant to which the Company acquired and Vendor A disposed its shares, representing 30% of the entire issued share capital of the Target Company (the “Acquisition”). The consideration for the Acquisition is HK\$3,900,000, which was settled in cash.

The Acquisition plus the Prior Transaction acquired in the Target Company within a 12-month period is HK\$9,750,000.

Upon completion of the Acquisition, the Company is directly interested in 75% of the entire issued share capital of the Target Company and the Target Company is accounted for as a subsidiary of the Company.

The Target Company is the registered owner of a cruiser together with an open cruiser in Hong Kong. Details of the Acquisition were disclosed in the announcement dated 22nd January 2016.

CONTINGENT LIABILITIES

As at 31st March, 2016, 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 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\$1,950,000 per annum. The taking up of the contingent rental liability constitutes a provision of financial assistance under the GEM Listing Rules.

SHARE OPTION SCHEMES

On 24th September, 2001, the shareholders of the Company approved a share option scheme (“the Old Scheme”) under which its Board of Directors may, at its discretion, offer full-time or part-time employees and Executive, Non-executive and Independent Non-executive Directors of the Company and/or any of its subsidiaries, options to subscribe for shares of the Company. The subscription price will be determined by the Company’s Board of Directors and will be the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company’s shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company’s shares on the five trading days immediately preceding the date of offer of the options (“the Old Scheme”).

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, 2016, 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, 2016 (2015: 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, 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

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. Lau Gar Hung, Christopher. Six meetings were held during the financial year ended 31st March, 2016. 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	6/6
Dr. Siu Yim Kwan, Sidney	6/6
Mr. Lau Gar Hung, Christopher	6/6

The Company’s annual results for the year ended 31st March, 2016, 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, 2016.

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. Lau Gar Hung, Christopher	–	Independent Non-executive Director

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

Hong Kong, 21st June, 2016

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.