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**EFT Solutions Holdings Limited**  
**俊盟國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8062)**

**MAJOR TRANSACTION**  
**ACQUISITION OF 70% OF THE ISSUED SHARE CAPITAL OF**  
**THE TARGET COMPANY**

**THE ACQUISITION**

Reference is made to the announcement of the Company dated on 13 November 2017 in relation to the memorandum of understanding in respect of the Acquisition.

The Board is pleased to announce that on 19 January 2018 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, which represent 70% of the entire issue share capital of the Target Company. The consideration for the Acquisition is HK\$210,000,000 which shall be payable by the Purchaser as to HK\$16,000,000 by cash and HK\$194,000,000 by issuance of the Promissory Notes.

Upon Completion, the Target Company will become a subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

**GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) exceed 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under the GEM Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules. For the purpose of applying the percentage ratios under the GEM Listing Rules, the Company proposed, and the Stock Exchange accepted, that a comparison of gross profit be used as an alternative to the profits ratio. The reason for using the alternative test is that the Company was listed in December 2016 and listing expenses accounted for in the results for the year ended 31 March 2017, which affected the Group's net profit, were of a one-off nature and were not incurred in the ordinary course of business of the Group.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition and therefore, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition. As at the date of this announcement, LCK held 360,000,000 Shares, representing 75% of the issued share capital of the Company, and has given irrevocably and unconditional written approval of the Acquisition and the transactions contemplated thereunder on 19 January 2018. The written approval granted by LCK can be accepted in lieu of holding a general meeting for approving the Acquisition pursuant to Rule 19.44 of the GEM Listing Rules. Accordingly, no extraordinary general meeting of the Company will be convened for the purpose of the approval of the Acquisition and the transactions contemplated thereunder.

A circular containing, among other matters, (i) further details of the Acquisition; (ii) financial information of the Target Group; and (iii) other information as required under the GEM Listing Rules, will be despatched to the Shareholders. As it is expected that additional time will be required to prepare the relevant information to be included in the circular, the Company will apply to the Stock Exchange for an extension of time for despatch of the circular by no later than 28 February 2018.

**Completion is subject to fulfillment of the terms and conditions precedent set out in the Sale and Purchase Agreement, and the Acquisition may or may not proceed to the Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

Principal terms of the Sale and Purchase Agreement are set out below.

## **SALE AND PURCHASE AGREEMENT**

Date: 19 January 2018 (after trading hours)

Parties:

- (i) The Vendor; and
- (ii) The Purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

## Assets to be acquired

Pursuant to the Sale and Purchase Agreement and subject to the conditions, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase from the Vendor, free from any encumbrances whatsoever, the Sale Shares, representing 70% of the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement and Completion.

## Consideration

The Consideration for the Sale Shares shall be HK\$210,000,000 payable by the Purchaser to the Vendor in the following manner:

1. HK\$16,000,000 shall be payable in cash, of which:
  - (a) HK\$3,200,000 shall be payable on 15 April 2018, or one (1) month after the date of Completion, whichever is later;
  - (b) HK\$3,200,000 shall be payable on 15 July 2018 or four (4) months after the date of Completion, whichever is later;
  - (c) HK\$3,200,000 shall be payable on 15 October 2018 or seven (7) months after the date of Completion, whichever is later;
  - (d) HK\$3,200,000 shall be payable one (1) year after the date of Completion; and
  - (e) HK\$3,200,000 shall be payable two (2) years after the date of Completion.
2. HK\$194,000,000 shall be settled by the issuance of the Promissory Notes by the Company upon Completion as to the following amount:
  - (a) Promissory Note in the amount of HK\$60,000,000 which shall mature on 30 June 2019 (the “**1st Promissory Note**”);
  - (b) Promissory Note in the amount of HK\$32,000,000 which shall mature on 30 June 2020 (the “**2nd Promissory Note**”);
  - (c) Promissory Note in the amount of HK\$32,000,000 which shall mature on 30 June 2021 (the “**3rd Promissory Note**”); and
  - (d) Promissory Note in the amount of HK\$70,000,000 which shall mature on 30 June 2022 (the “**4th Promissory Note**”).

The Consideration has been negotiated between the parties on an arm's length basis with reference to the amount of profit guarantees and the valuation of 70% equity interest of the Target Group at HK\$217,700,000 as at 30 November 2017 prepared by an independent valuer based on income approach. The valuation method used for the preliminary valuation of the Target Group was based on discounted cash flow using the income-based approach, which is regarded as profit forecast under Rule 19.61 of the GEM Listing Rules. Details of the valuation report together with the letters from the Board and the auditors of the Company in respect of the valuation will be set out in the circular to be despatched to the Shareholders.

### **The Promissory Notes**

The principal terms are summarised below:

Issuer	:	The Company
Principal amount to be issued	:	HK\$194,000,000 in aggregate, as to:  HK\$60,000,000 for the 1st Promissory Note  HK\$32,000,000 for the 2nd Promissory Note  HK\$32,000,000 for the 3rd Promissory Note  HK\$70,000,000 for the 4th Promissory Note
Maturity Date	:	30 June 2019 for the 1st Promissory Note  30 June 2020 for the 2nd Promissory Note  30 June 2021 for the 3rd Promissory Note  30 June 2022 for the 4th Promissory Note
Interest	:	4% per annum on the outstanding principal amount of the Promissory Notes, payable on the respective maturity dates
Transferability	:	Subject to the prior written consent of the Company, the Promissory Notes are freely transferrable
Early redemption	:	At the sole discretion of the Company, the Promissory Notes may at any time prior to the respective maturity dates be redeemed by the Company in full or in part with interest on the redeemed amount accrued up to the date of redemption calculated pro rata on a 365-day basis at 4% per annum, by serving thirty (30) days prior written notice to the holder of the relevant Promissory Notes

Status	:	The Promissory Notes will constitute direct, unsubordinated and unsecured contractual obligations of the Company which will at all times rank at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Company
Condition	:	The payment obligation of the Company under the Promissory Notes is subject to the profit guarantees having been fulfilled and the shortfall (where relevant) having been settled
Listing	:	No application will be made for listing of, or permission to deal in, the Promissory Notes on the Stock Exchange or any other stock exchange

### **Conditions precedent**

Completion is conditional upon the following conditions being satisfied to the satisfaction of the Purchaser or waived:

- (a) the Purchaser being satisfied with the results of the due diligence review conducted on the Target Group;
- (b) all necessary consents, approvals, permits, authorisations, waivers or notices required to be obtained on the part of the Vendor having obtained from the relevant third parties (if required) in connection with the transactions contemplated under the Sale and Purchase Agreement;
- (c) the warranties remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Sale and Purchase Agreement and Completion and the Vendor having fully performed and complied with its obligations, agreements and covenants under the Sale and Purchase Agreement;
- (d) there having been no change, event, circumstance or other matter that has or would reasonably be expected to have, either individually or in the aggregate, a material adverse effect on (i) the ability of the Vendor to perform its obligations under the Sale and Purchase Agreement; or (ii) the business, operation, assets and liabilities, condition (financial or otherwise), results of operations or prospects of the Group;
- (e) irrevocable and unconditional written approval of shareholders who hold more than 50% of the voting rights of the Company having obtained in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder as required by the GEM Listing Rules;
- (f) a deed of indemnity having executed by the Vendor in favour of the Purchaser; and

- (g) all liabilities of the Target Group (including the outstanding loan owed to Industrial and Commercial Bank of China (Asia) Limited by BOSS and the amounts due to director, related company and shareholder, as applicable) having been settled and repaid.

The Purchaser may waive all or any of the conditions (other than condition (e) above) at any time by notice in writing to the Vendor. In the event that any of the conditions precedent mentioned above shall not have been fulfilled (or waived) prior to 30 June 2018 (or such other date as the parties may agree) then the Purchaser shall not be bound to proceed with the purchase of the Sale Shares and the Sale and Purchase Agreement shall cease to be of any effect except certain clauses therein which shall remain in force and save in respect of claims arising out of any antecedent breach of the Sale and Purchase Agreement.

### **Completion**

Completion shall take place on the date of the fulfilment or waiver of the conditions mentioned above, or such other date as the parties may mutually agree in writing.

Upon Completion, the Target Company will become a subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

### **The Profit Guarantees and the Put Option**

The Vendor irrevocably and unconditionally warrants and guarantees to the Purchaser that the audited consolidated net profit after tax (the “**Audited Profit**”) of the Target Group for the financial years ending 31 March 2018 and 31 March 2019 (the “**Relevant Periods**”) as stated in the audited consolidated financial statements of the Target Group for the Relevant Periods (the “**Audited Accounts**”) to be prepared by the auditors (as nominated by the Purchaser) under the Hong Kong Financial Reporting Standards shall not be less than HK\$11,700,000 and HK\$15,000,000 respectively (the “**Relevant Guaranteed Amounts**”, and in aggregate, the “**Total Relevant Guaranteed Amounts**”). The Vendor shall procure that the Audited Accounts will be issued within three months from the end of the Relevant Periods.

In the event that the Audited Profit of any Relevant Period is less than the Relevant Guaranteed Amount in the Relevant Period (the “**Shortfall**”):

- (a) for any one financial year, the Vendor shall pay to the Purchaser a compensation within thirty (30) Business Days upon the written request of the Purchaser. The amount of such compensation (the “**Compensation**”) for a year during the Relevant Period shall be calculated as follows:

$$\begin{array}{l} \text{Amount of compensation} \\ \text{for a year during the} \\ \text{Relevant Period} \end{array} = \frac{\text{Consideration}}{\text{Total Relevant Guaranteed Amounts}} \times \text{Shortfall}$$

Such Compensation shall be deductible from the principal amount of the Promissory Notes, in which case the Vendor shall cause the relevant Promissory Note (the “**Relevant Promissory Note**”) to be returned to the Company for cancellation, whereupon the Company shall deduct the amount of Compensation from the principal amount of the Relevant Promissory Note and issue a new promissory note in the balance amount to the Vendor. In the event the principal amount of the Promissory Notes is less than the amount of the Compensation, the Purchaser shall be entitled to demand for the payment of the difference from the Vendor in cash. For the avoidance of doubt, the Compensation shall be deducted from the Promissory Notes in the sequence starting from the Promissory Note with the earliest maturity date; or

- (b) the Purchaser shall have the right during the period from the issue of the Audited Accounts in the Relevant Periods to three months from the end of the Relevant Periods (both days inclusive) and at its full discretion to sell the Sale Shares to the Vendor at the price equivalent to the Consideration already settled by the Purchaser as at the date of sale, whereupon the Vendor shall have the obligation to purchase the Sale Shares at such price (the “**Put Option**”).

For the avoidance of doubt, if a loss is recorded in the Audited Accounts, the Audited Profit shall be deemed as zero for the purpose of calculating the Shortfall.

## **INFORMATION OF THE TARGET GROUP**

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly owned by the Vendor. Upon Completion, the Purchaser and the Vendor will hold 70% and 30% of the entire issued share capital of the Target Company respectively. The Target Company owns 100% of the issued share capital of BOSS, which in turn owns 55% shareholding interest in BOSS HK and 99% equity interest in BOSS GZ. The remaining 1% equity interest of BOSS GZ is controlled by the Vendor’s brother and others. Save for its interests in BOSS, the Target Company has no material operation and assets. The Target Group has been in the information technology industry for more than ten years. It is principally engaged in the provision of software solution in retail, distribution and accounting sectors including point of sales system, ordering and inventory system and accounting system, with the objective of providing commercial software applications and retail and distribution solutions which are suitable for global operation.

The following is a summary of the unaudited consolidated financial information of BOSS together with BOSS HK and BOSS GZ:

	<b>For the year ended 31 March 2016</b>	<b>For the year ended 31 March 2017</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	11,535	11,155
Profit before tax	649	5,021
Profit after tax attributable to equity holders of BOSS	392	3,989
Net assets	624	4,650

## **INFORMATION OF THE VENDOR**

Based on the information provided by the Vendor, the Vendor is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by an individual, being an Independent Third Party. The Vendor is principally engaged in investment holding and currently holds the entire issued share capital of the Target Company.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the provision of electronic fund transfer at point-of-sale (“EFT-POS”) solutions focusing on providing EFT-POS terminal and peripheral device sourcing and EFT-POS system support services in Hong Kong.

The Company has been actively looking for opportunities to maximize return to the Company and the Shareholders by investing in businesses or projects that have promising outlooks and prospects, in particular, the complementary business or software developer business. The Directors consider that the Acquisition could provide an opportunity to the Company to enlarge the market share of the software solutions business and to explore more business opportunities in payment solutions so as to strengthen the Company’s financial position and maintain its growth in Hong Kong. The Board is of the view that the Acquisition will allow opportunities to integrate software solutions developed by the Target Group with EFT-POS terminals and peripherals of the Company. Accordingly, the Acquisition will provide synergy effect for the Company as the business of the Target Group will complement the services offered by the Company.



The terms of the Sale and Purchase Agreement were arrived at after arm's length negotiations between the Purchaser and the Vendor. The Board considers that the terms of the Sale and Purchase Agreement are normal commercial terms and fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) exceed 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under the GEM Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules. For the purpose of applying the percentage ratios under the GEM Listing Rules, the Company proposed, and the Stock Exchange accepted, that a comparison of gross profit be used as an alternative to the profits ratio. The reason for using the alternative test is that the Company was listed in December 2016 and listing expenses accounted for in the results for the year ended 31 March 2017, which affected the Group's net profit, were of a one-off nature and were not incurred in the ordinary course of business of the Group.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition and therefore, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition. As at the date of this announcement, LCK held 360,000,000 Shares, representing 75% of the issued share capital of the Company, and has given irrevocably and unconditional written approval of the Acquisition and the transactions contemplated thereunder on 19 January 2018. The written approval granted by LCK can be accepted in lieu of holding a general meeting for approving the Acquisition pursuant to Rule 19.44 of the GEM Listing Rules. Accordingly, no extraordinary general meeting of the Company will be convened for the purpose of the approval of the Acquisition and the transactions contemplated thereunder.

A circular containing, among other matters, (i) further details of the Acquisition; (ii) financial information of the Target Group; and (iii) other information as required under the GEM Listing Rules, will be despatched to the Shareholders. As it is expected that additional time will be required to prepare the relevant information to be included in the circular, the Company will apply to the Stock Exchange for an extension of time for despatch of the circular by no later than 28 February 2018.

**Completion is subject to fulfillment of the terms and conditions precedent set out in the Sale and Purchase Agreement, and the Acquisition may or may not proceed to the Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors
“BOSS”	Business Operating Software Solution Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by the Target Company
“BOSS GZ”	Guangzhou Boss Software Limited* (廣州寶仕軟件有限公司), a company established in the PRC with limited liability, the equity interest of which is owned as to 99% by BOSS and as to 1% by a company controlled by the Vendor’s brother and others
“BOSS HK”	M3 Hong Kong Limited, a company incorporated in Hong Kong with limited liability and is owned by BOSS and an Independent Third Party as to 55% and 45% respectively
“Business Day(s)”	a day on which banks are generally open for business in Hong Kong, except Saturday, Sunday or public holiday
“Company”	EFT Solutions Holdings Limited 俊盟國際控股有限公司, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the GEM
“Completion”	the completion of the Acquisition and transactions contemplated under the Sale and Purchase Agreement in accordance with the terms therein
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	the consideration of HK\$210,000,000 for the Acquisition pursuant to the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons
“LCK”	LCK Group Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling Shareholder (as defined under the GEM Listing Rules) of the Company, which is wholly owned by Mr. Lo Chun Kit Andrew, the Chairman and Chief Executive Officer of the Company
“Promissory Note(s)”	the 1st Promissory Note, the 2nd Promissory Note, the 3rd Promissory Note and the 4th Promissory Note to be issued by the Company in favour of the Vendor to satisfy part of the Consideration
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Rich Giant Group Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 19 January 2018 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Sale Shares”	70% of the issued share capital of the Target Company as at the date of the Sale and Purchase Agreement and Completion
“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Earn World Development Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company, BOSS, BOSS GZ and BOSS HK
“Vendor”	Earn World Enterprises Limited, a company incorporated in the British Virgin Island and is wholly owned by an individual being an Independent Third Party
“%”	per cent

By Order of the Board  
**EFT Solutions Holdings Limited**  
**Lo Chun Kit Andrew**  
*Chairman and Chief Executive Officer*

Hong Kong, 19 January 2018

\* *For identification purpose only*

*As at the date of this announcement, the Board comprises executive Directors Mr. Lo Chun Kit Andrew, Mr. Lo Chun Wa and Mr. Chan Lung Ming; non-executive Directors Ms. Lam Ching Man and Mr. Lui Hin Weng Samuel; and independent non-executive Directors Mr. Lam Keung, Ms. Yang Eugenia and Mr. Ng Ming Fai.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least seven days from the date of its posting and be posted on the website of the Company at [www.eftsolutions.com](http://www.eftsolutions.com).*