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

DISCLOSEABLE TRANSACTION
DISPOSAL OF EQUITY INTEREST IN AN ASSOCIATE

THE DISPOSAL

The Board announces that on 29 January 2021 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the Sale Shares at the consideration of AUD2,707,162.50 (equivalent to approximately HK\$16,242,975) in cash. Upon the Completion, the Company will cease to hold any equity interest in the Disposal Company, which will cease to be an associate of the Company.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE DISPOSAL

The Board announces that on 29 January 2021 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement in respect of the Disposal.

The Sale and Purchase Agreement

The principal terms of the Sale and Purchase Agreement are summarised as follows:

Date

29 January 2021

Parties

- (i) The Purchaser; and
- (ii) The Vendor, a wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief and after making all reasonable enquiries, the Purchaser and its ultimate beneficial owner are independent third parties.

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement, the Vendor agreed to sell and the Purchaser agreed to acquire 360,955 shares, being 18.3% equity interest of the Disposal Company.

Consideration

The Consideration is AUD2,707,162.50 (equivalent to approximately HK\$16,242,975) and shall be paid by the Purchaser in cash to the Vendor before Completion.

The Consideration has been determined after arm's length negotiations between the Vendor and the Purchaser after taking into account for the equity value of the Sale Shares of approximately AUD2,661,369 (equivalent to approximately HK\$15,968,214), with reference to the valuation report of the Disposal Company as at 31 December 2020 compiled by an independent valuer under the cost approach methodology.

Conditions precedent

Completion is conditional upon fulfilment of the following conditions:

1. the Vendor having delivered to the Purchaser a duly executed and completed share transfer in favour of the Purchaser for the Sale Shares in registrable form;
2. the Vendor having delivered to the Purchaser the original share certificate(s) for the Sale Shares and all other things necessary or desirable to: (i) transfer the Sale Shares; and (ii) assist with the registration of the Sale Shares to the Purchaser;

3. the Purchaser having fully settled the Consideration; and
4. the warranties and representations as referred to in the Sale and Purchase Agreement 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.

Completion

Completion shall take place on the date on which the conditions precedent to the Sale and Purchase Agreement having been completely fulfilled or such other date as the Vendor and Purchaser may agree in writing.

INFORMATION OF THE DISPOSAL COMPANY

Open Sparkz Pty Ltd is incorporated in Australia with limited liability and is owned as to 18.3% by the Vendor and 20.6% by the Purchaser and 61.1% by independent third parties as at the date of this announcement. It is principally specialising in highly automated offers and rewards solutions using front of wallet credit, debit and prepaid cards.

The following is a summary of the unaudited financial information of the Disposal Company:

	Year ended 30 June	
	2019	2020
	(unaudited)	(unaudited)
	<i>AUD</i>	<i>AUD</i>
Loss before taxation and extraordinary items	1,222,170	1,732,604
	(equivalent to approximately HK\$7,333,020)	(equivalent to approximately HK\$10,395,624)
Loss after taxation and extraordinary items	1,222,170	1,732,604
	(equivalent to approximately HK\$7,333,020)	(equivalent to approximately HK\$10,395,624)

As of 31 December 2020, the unaudited net asset value of Disposal Company is AUD437,322 (equivalent to approximately HK\$2,623,932).

INFORMATION ON THE GROUP AND THE VENDOR

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

INFORMATION ON THE PURCHASER

Based on the information provided by the Purchaser, the Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Purchaser currently holds 20.6% equity interest of the Disposal Company and is a substantial shareholder of the Disposal Company.

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

Upon the Completion, the Company will cease to hold any equity interest in the Disposal Company, which will cease to be an associate of the Company.

The Group expects that the Disposal will result in a gain of approximately HK\$13,768,792, namely the difference between the consideration for the Sale Shares among the Disposal of HK\$16,242,975; and the unaudited carrying amount of the investment in the Disposal Company of approximately HK\$2,474,183 as at 31 December 2020. The above-mentioned estimation is subject to audit and may be different from the actual financial effect of the Disposal.

After deducting related costs and expenses, the estimated net proceeds from the Disposal are approximately HK\$16,087,155, which will be used as general working capital of the Group.

REASONS FOR THE DISPOSAL

The Directors are of the view that the synergy effects between the Group and the Disposal Company as originally envisaged at the time of the acquisition have not materialised. In particular, the Group had encountered difficulties to make use of the technology of the Disposal Company as anticipated since the Company has only a minority stake in Disposal Company and was not able to convince the majority shareholders of Disposal Company to agree to invest in, expand and penetrate to the Hong Kong market in the foreseeable future.

Therefore, the Disposal offers an opportunity for the Group to realise its investments in the Sale Shares at a profit and can improve the liquidity of the Group to cater for other new suitable investment opportunities with more growth potential.

In view of the above, the Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“AUD”	Australian dollars, the lawful currency of Australia
“Board”	the board of Directors
“Company”	EFT Solutions Holdings Limited 俊盟國際控股有限公司, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM
“Completion”	the completion of the Disposal
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration of the Disposal amounted to AUD2,707,162.50 (equivalent to approximately HK\$16,242,975)
“Director(s)”	means the directors of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Disposal Company”	Open Sparkz Pty Ltd, a company incorporated in the Australia with limited liability and an associate of the Company and owned as to 18.3% by the Company as of the date of this announcement
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“Purchaser”	Goinvest Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale and Purchase Agreement”	sale and purchase agreement dated 29 January 2021 entered into between the Vendor and Purchaser in relation to the Disposal

“Sale Shares”	360,955 shares in the Disposal Company, representing 18.3% equity interest of the Disposal Company as at the date of the Sale and Purchase Agreement
“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Direct Assistance Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 29 January 2021

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

For the purpose of this announcement only, the conversion of Australian dollars to Hong Kong dollars is based on the exchange rate of AUD1.00 to HK6.00.

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

This announcement will remain on the Stock Exchange’s website at www.hkexnews.hk and the GEM website at 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.