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JOINT ANNOUNCEMENT

(1) PLACING OF NEW SHARES UNDER GENERAL MANDATE BY OPG AND

(2) DISCLOSEABLE TRANSACTION IN RELATION TO THE DEEMED DISPOSAL OF SHAREHOLDING INTEREST IN OPG BY CSG

Placing Agent



THE PLACING

The CSG Board and the OPG Board jointly announce that after trading hours on 9 July 2021, OPG, an indirect non-wholly owned subsidiary of CSG held by it as to 32.5% as at the date of this joint announcement, entered into the Placing Agreement with the Placing Agent, pursuant to which OPG agreed to place through the Placing Agent up to 100,000,000 Placing Shares to not less than six Places at the Placing Price of HK\$0.07 per Placing Share on a best effort basis.

Assuming that there will be no change to the total issued share capital of OPG between the date of this joint announcement and the Completion Date and the maximum of 100,000,000 Placing Shares are successfully placed, the maximum number of the Placing Shares of up to 100,000,000 OPG Shares represents (i) 10% of the existing issued share capital of OPG; and (ii) approximately 9.09% of the total issued share capital of OPG as enlarged by the allotment and issue of the Placing Shares.

Completion is conditional upon the fulfilment of the Conditions Precedent. In the event that any of the Conditions Precedent is not fulfilled by the Long Stop Date, the Placing will lapse and all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and determine and neither of the parties thereto shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

An application will be made by OPG to the Stock Exchange for the grant of listing of, and permission to deal in, the Placing Shares.

GENERAL MANDATE

The Placing Shares will be issued under the General Mandate, pursuant to which the OPG Directors are authorised to allot, issue and otherwise deal with up to 200,000,000 OPG Shares, representing 20% of the total number of issued OPG Shares as at the annual general meeting of OPG held on 27 August 2020 approving, among other matters, the granting of the General Mandate. As at the date of this joint announcement, no part of the General Mandate has been utilised by OPG. Accordingly, the Placing is not subject to the approval of the OPG Shareholders.

THE DEEMED DISPOSAL

As at the date of this joint announcement, CSG is a controlling shareholder holding 325,000,000 OPG Shares, representing 32.5% of the total issued share capital of OPG, through Charm Act.

Assuming that there will be no change to the total issued share capital of OPG between the date of this joint announcement and the Completion Date and the maximum of 100,000,000 Placing Shares are successfully placed, and are allotted and issued by OPG, the shareholding interest of CSG in OPG will be diluted from 32.5% to approximately 29.55%, representing a decrease of approximately 2.95%. Accordingly, such dilution of shareholding interest of CSG in OPG immediately after Completion is regarded as a deemed disposal by CSG of its shareholding interest in OPG pursuant to Rule 19.29 of the GEM Listing Rules.

Upon Completion, OPG will cease to be a subsidiary of CSG, and the financial results and financial positions of the OPG Group will no longer be consolidated into, and will be accounted for using the equity method in, the consolidated financial statements of the CSG Group.

As certain applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Deemed Disposal exceed 5% but all of them are less than 25%, the Deemed Disposal constitutes a discloseable transaction for CSG and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” under the section headed “The Placing Agreement” below, the Placing may or may not proceed. OPG Shareholders, CSG Shareholders and potential investors should exercise caution when dealing in the OPG Shares and the CSG Shares (as the case may be).

I. THE PLACING

The CSG Board and the OPG Board hereby jointly announce that after trading hours on 9 July 2021, OPG entered into the Placing Agreement with the Placing Agent, pursuant to which OPG agreed to place through the Placing Agent up to 100,000,000 Placing Shares to not less than six Placees at the Placing Price of HK\$0.07 per Placing Share on a best effort basis.

The Placing Agreement

Principal terms of the Placing Agreement are summarised as follows:

Date: 9 July 2021 (after trading hours)

Parties: (i) OPG; and
(ii) the Placing Agent

As at the date of this joint announcement, to the best of the OPG Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party.

The Placing

Upon the terms and subject to the conditions as set out in the Placing Agreement, the Placing Agent conditionally agreed to procure not less than six Placees on a best effort basis to subscribe for up to 100,000,000 Placing Shares at the Placing Price of HK\$0.07 per Placing Share during the Placing Period.

Placees

Pursuant to the terms of the Placing Agreement, OPG shall appoint the Placing Agent as its exclusive agent to procure Placing for the Placing Shares on a best effort basis to not less than six institutional, corporate or independent individual investors to subscribe for the Placing Shares.

The Placing Agent undertakes to use its best endeavours to procure that the Placing Shares shall only be placed to each of the Placee(s) and/or their respective ultimate beneficial owners who or which is a third party independent of and not connected with, or is not acting in concert with, OPG and CSG as well as their respective connected persons (including but not limited to the directors, chief executive, controlling shareholders and substantial shareholders of OPG, CSG and their subsidiaries and their respective associate(s)), and to ensure that none of the Placees will, immediately after the Placing, become a substantial shareholder of OPG.

Placing Shares

The Placing Agent conditionally agreed to place a maximum of up to 100,000,000 Placing Shares on a best effort basis during the Placing Period.

As at the date of this joint announcement, OPG has 1,000,000,000 OPG Shares in issue. Assuming that there will be no change in the total issued share capital of OPG between the date of this joint announcement and the Completion Date and the maximum of 100,000,000 Placing Shares are successfully placed, the maximum number of Placing Shares of up to 100,000,000 OPG Shares represents (i) 10% of the existing total issued share capital of OPG; and (ii) approximately 9.09% of the total issued share capital of OPG as enlarged by the allotment and issue of the Placing Shares.

The aggregate nominal value of the Placing Shares will be HK\$1,000,000.00.

The Placing Shares, when issued and fully paid up, shall rank *pari passu* in all respects and inter se with all other OPG Shares then in issue.

An application will be made by OPG to the Stock Exchange for the grant of listing of, and permission to deal in, the Placing Shares.

Placing Price

The Placing Price of HK\$0.07 represents:

- (a) a discount of approximately 13.58% to the closing price of HK\$0.081 per OPG Share as quoted on the Stock Exchange on 9 July 2021, being the date of the Placing Agreement; and
- (b) a discount of approximately 13.58% to the average closing price of HK\$0.081 per OPG Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between OPG and the Placing Agent with reference to, among other matters, the prevailing market price, the recent trading volume of the OPG Shares and the prospects of OPG Group.

The estimated expenses for the Placing are approximately HK\$250,000, comprising placing commission and other fees, costs, charges and expenses of the Placing. Assuming that all the Placing Shares could be placed successfully, the net price of each Placing Share is approximately HK\$0.0675 per Placing Share.

Commission

Subject to Completion, the Placing Agent will be entitled to a placing commission, in Hong Kong dollars, of 1.4% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent, upon receipt of subscription moneys for the Placing Shares. The Placing Agent is authorised to deduct such commission, all reasonable fees and expenses incurred by the Placing Agent in connection with the Placing as well as the Stock Exchange trading fee, SFC transaction levy, investor compensation levy and CCASS stock settlement fee (if any) from the payment to be made by the Placing Agent to OPG at Completion pursuant to the Placing Agreement. Assuming all the Placing Shares have been placed, the maximum commission payable by OPG to the Placing Agent shall be approximately HK\$98,000.

The placing commission under the Placing Agreement was determined after arm's length negotiations between OPG and the Placing Agent with reference to the prevailing market condition.

Conditions Precedent

Completion is conditional upon satisfaction in full of the following conditions:

- (i) the GEM Listing Committee shall have granted or agreed to grant the listing of, and permission to deal in, the Placing Shares;
- (ii) CSG shall have complied with all the relevant requirements stipulated under the GEM Listing Rules and/or by the Stock Exchange in relation to the dilution, and hence the deemed disposal, of its interests in OPG as a result of or arising from the entering into of the Placing Agreement and the transactions contemplated thereunder (including allotment and issue of the Placing Shares) by OPG;
- (iii) the OPG Board shall have approved the terms of the Placing Agreement and the transactions contemplated thereunder; and
- (iv) the CSG Board shall have approved the Deemed Disposal and the transactions contemplated thereunder.

Both OPG and the Placing Agent shall use their reasonable endeavours to procure the fulfillment of the Conditions Precedent. In the event that any of the Conditions Precedent is not fulfilled by the Long Stop Date, the Placing will lapse and all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and determine and neither of the parties thereto shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

Completion

Completion shall take place within five Business Days following the day on which all the Conditions Precedent are satisfied (or such later date as may be agreed between OPG and the Placing Agent in writing).

On the Completion Date, the Placing Agent shall make or procure the making of payment in Hong Kong dollars in immediately available funds to OPG of the aggregate Placing Price of the Placing Shares (after deduction of the placing commission, all reasonable fees and expenses incurred by the Placing Agent in connection with the Placing as well as the Stock Exchange trading fee, SFC transaction levy, investor compensation levy and CCASS stock settlement fee (if any) to such bank account as OPG may nominate in writing.

Termination

Pursuant to the terms of the Placing Agreement, the Placing Agent shall be entitled by giving written notice to OPG prior to 10:30 a.m. on the Completion Date to terminate the Placing Agreement if the following event or circumstance occurs:

- (i) any Specified Event comes to the notice of the Placing Agent at any time prior to 10:00 a.m. on the Completion Date; or
- (ii) there develops, occurs or comes into force at any time prior to 10:00 a.m. on the Completion Date:
 - (a) any new law, rule or regulation or any change in existing laws, rules or regulations or the interpretation thereof, which will in the reasonable opinion of the Placing Agent materially and adversely affect the business or financial condition or prospects of OPG as a whole; or
 - (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date of the Placing Agreement) of a political, military, economic or other nature, which will in the reasonable opinion of the Placing Agent have a material adverse effect on the Placing; or
 - (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market), which in the reasonable opinion of the Placing Agent has a material adverse effect on the Placing; or
- (iii) there is any adverse change in the business or in the financial or trading position of OPG taken as a whole, which being unaware of by the Placing Agent and is in the reasonable opinion of the Placing Agent material in the context of the Placing.

If a written notice is given by the Placing Agent to OPG in accordance with the aforesaid manner, the Placing Agreement shall terminate and be of no further effect and neither party to the Placing Agreement shall be under any liability to the other party in respect of the Placing Agreement, save for any antecedent breach or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

General Mandate

The Placing Shares will be issued under the General Mandate, pursuant to which the OPG Directors are authorised to allot, issue and otherwise deal with up to 200,000,000 OPG Shares, representing 20% of the total number of issued OPG Shares as at the annual general meeting of OPG held on 27 August 2020 approving, among other matters, the granting of the General Mandate. As at the date of this joint announcement, no part of the General Mandate has been utilised by OPG. Accordingly, the Placing is not subject to the approval of the OPG Shareholders.

Reasons for and benefits of the Placing for, and Intended Use of Proceeds by, OPG

As disclosed in the announcements jointly issued by OPG and CSG respectively dated 10 June 2020 and 26 June 2020 in relation to, among others, the CB Placing (the “**CB Announcement(s)**”) and the annual report of OPG for the financial year ended 31 March 2021 (the “**OPG 2021 Annual Report**”), OPG has raised net proceeds of approximately HK\$11,543,000 from the CB Placing, approximately HK\$6,000,000 of which remain unutilised as at the date of this joint announcement and are intended to be utilised for exploring investment opportunities in online and offline payment related business in Asia Pacific as previously disclosed. As at the date of this joint announcement, the OPG Group has not identified any suitable investment opportunities in online and offline payment related business.

As disclosed in the OPG 2021 Annual Report, the OPG Group continuously faced the risks of the uncertainties in the impact of Sino-US trade war and the outbreak of the coronavirus disease 2019 (“**COVID-19**”) pandemic during the financial year ended 31 March 2021, which affected Chinese tourists’ spending in Thailand, thereby resulting in a material adverse effect to the income of the OPG Group during the relevant period. It is uncertain as to when the international flights to Thailand would be completely resumed.

As further disclosed in the OPG 2021 Annual Report, the OPG Group recorded a net loss attributable to its owners of approximately HK\$30.7 million for the financial year ended 31 March 2021 as compared to that of approximately HK\$5.6 million for the financial year ended 31 March 2020. Meanwhile, the OPG Group recorded a decrease of approximately 20.8% of its bank balances and cash from approximately HK\$36,915,000 as at 31 March 2020 to approximately HK\$29,237,000 as at 31 March 2021.

In view of the foregoing reasons and taking into account the financial position of the OPG Group as well as the unutilised General Mandate granted to the OPG Directors to allot, issue and otherwise deal with up to 200,000,000 OPG Shares which would provide OPG with flexibility and ability to capture appropriate capital raising in a timely manner, OPG intends to utilise the General Mandate to conduct a fund raising exercise by way of Placing.

The OPG Directors consider that the Placing offers a good and flexible opportunity to raise further capital in a relatively cost-effective and time efficient manner in support of its need in business operation. The OPG Directors also consider that the terms of Placing Agreement (including but not limited to the Placing Price and the placing commission) are fair and reasonable and the Placing is in the interests of OPG and the OPG Shareholders as a whole.

Assuming all the Placing Shares have been placed, the gross proceeds of the Placing will be approximately HK\$7,000,000 and the net proceeds (after deduction of placing commission and other fees, costs, charges and expenses of the Placing) will be approximately HK\$6,750,000. OPG intends to apply all of the nets proceeds from the Placing for general working capital.

Fund Raising Activities of OPG in the past 12 months

OPG has not conducted any fund raising activities in the past twelve months immediately prior to the date of this joint announcement.

Effect on the shareholding structure of OPG

As at the date of this joint announcement, none of holders of the Convertible Bonds have exercised the conversion rights attaching to the Convertible Bonds and therefore none of the Convertible Bonds have been converted into OPG Shares.

The following table illustrates the shareholding structure of OPG (i) as at the date of this joint announcement; (ii) upon conversion in full of the Convertible Bonds (assuming that there will be no other change to the total issued share capital of OPG between the date of this joint announcement and the full conversion of the Convertible Bonds); (iii) immediately after Completion (assuming that there will be no other change to the total issued share capital of OPG between the date of this joint announcement and the Completion Date and none of the Convertible Bonds have been converted into OPG Shares in accordance with its terms thereof); and (iv) immediately after Completion and upon conversion of all the Convertible Bonds in full (assuming that there will be no other change to the total issued share capital of OPG between the Completion Date and the full conversion of the Convertible Bonds):

	(i) As at the date of this joint announcement		(ii) Upon full conversion of Convertible Bonds		(iii) Immediately after Completion without any conversion of Convertible Bonds		(iv) Immediately after Completion and upon full conversion of Convertible Bonds	
	Shareholding		Approximate shareholding		Approximate shareholding		Approximate shareholding	
	Number of OPG Shares	percentage (Note 6)	Number of OPG Shares	percentage (Note 6)	Number of OPG Shares	percentage (Note 6)	Number of OPG Shares	percentage (Note 6)
Shareholders								
Charm Act Group Limited (“Charm Act”) (Note 1)	325,000,000	32.50%	325,000,000	30.12%	325,000,000	29.55%	325,000,000	27.57%
Straum Investments Limited (“Straum Investments”) (Note 2)	138,000,000	13.80%	138,000,000	12.79%	138,000,000	12.55%	138,000,000	11.70%
Sui Xiaochun (“Ms. Sui”) (Note 3)	72,230,000	7.22%	72,230,000	6.69%	72,230,000	6.57%	72,230,000	6.13%
Original Fortune Group Limited (“Original Fortune”) (Note 4)	67,500,000	6.75%	67,500,000	6.26%	67,500,000	6.14%	67,500,000	5.73%
Holders of Convertible Bonds (Note 5)	-	-	79,000,000	7.32%	-	-	79,000,000	6.70%
The Placees	-	-	-	-	100,000,000	9.09%	100,000,000	8.48%
Other public OPG Shareholders	397,270,000	39.73%	397,270,000	36.82%	397,270,000	36.12%	397,270,000	33.70%
Total	1,000,000,000	100%	1,079,000,000	100%	1,100,000,000	100%	1,179,000,000	100%

Notes:

- As at the date of this joint announcement, these 325,000,000 OPG Shares are held by Charm Act which is in turn wholly-owned by CSG. Accordingly, CSG is deemed to be interested in such 325,000,000 OPG Shares held by Charm Act pursuant to part XV of the SFO.
- As at the date of this joint announcement, these 138,000,000 OPG Shares are held by Straum Investments which is in turn wholly-owned by Mr. Yu Chun Fai (“**Mr. Yu**”). Accordingly, Mr. Yu is deemed to be interested in such 138,000,000 OPG Shares held by Straum Investments pursuant to Part XV of the SFO. On the other hand, Ms. Choi Hiu Wa is the wife of Mr. Yu and hence Ms. Choi Hiu Wa is deemed to be interested in such 138,000,000 OPG Shares due to the interest of her spouse (i.e. Mr. Yu) pursuant to Part XV of the SFO.
- Pursuant to the disclosure of interest notice filed by Ms. Sui on 31 March 2021, these 72,230,000 OPG Shares are held by her.

4. As at the date of this joint announcement, these 67,500,000 OPG Shares are held by Original Fortune which is in turn wholly-owned by Mr. Sung Hak Keung, Andy (“**Mr. Sung**”). Accordingly, Mr. Sung is deemed to be interested in such 67,500,000 OPG Shares held by Original Fortune pursuant to Part XV of the SFO.
5. These 79,000,000 OPG Shares are inserted herein for illustration purpose only and are based on the assumption that all holders of the Convertible Bonds have exercised their conversion rights attaching to the Convertible Bonds and all the Convertible Bonds have been converted into OPG Shares in full.
6. Percentages may not add up to 100% due to rounding.

Information on the OPG Group

OPG is an investment holding company which, together with its subsidiaries, is principally engaged in merchant acquiring business in Thailand.

Information on the Placing Agent

The Placing Agent is a licensed corporation to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

II. THE DEEMED DISPOSAL

As at the date of this joint announcement, CSG is a controlling shareholder holding 325,000,000 OPG Shares, representing 32.5% of the total issued share capital of OPG, through Charm Act.

As disclosed in the CB Announcements, assuming that the Convertible Bonds are converted in full and all 79,000,000 OPG Shares are allotted and issued by OPG, the shareholding interest of CSG in OPG will be diluted from 32.5% to approximately 30.12% (assuming that there will be no other change to the total issued share capital of OPG between the date of the CB Announcement dated 26 June 2020 and the full conversion of the Conversion Bonds), representing a decrease of approximately 2.38% of the total issued share capital of OPG. Accordingly, such dilution of shareholding interest in OPG of CSG is regarded as a deemed disposal by CSG of its shareholding interest in OPG pursuant to Rule 19.29 of the GEM Listing Rules. As at the date of this joint announcement, none of the holders of the Convertible Bonds have exercised the conversion rights attaching to the Convertible Bonds and therefore none of the Convertible Bonds have been converted into OPG Shares.

Assuming that there will be no change to the total issued share capital of OPG between the date of this joint announcement and the Completion Date and the maximum of 100,000,000 Placing Shares are successfully placed, and are allotted and issued by OPG, the shareholding interest of CSG in OPG will be diluted from 32.5% to approximately 29.55%, representing a decrease of approximately 2.95% of the total issued share capital of OPG. Accordingly, such dilution of shareholding interest of CSG in OPG immediately after Completion is regarded as a deemed disposal by CSG of its shareholding interest in OPG pursuant to Rule 19.29 of the GEM Listing Rules.

GEM Listing Rules Implications

As certain applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Deemed Disposal exceed 5% but all of them are less than 25%, the Deemed Disposal constitutes a discloseable transaction for CSG and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

Information on the CSG Group

The CSG Group is principally engaged in operating prepaid cards and internet payment business and prestige benefits business in the PRC and merchant acquiring business in Thailand. Charm Act, being the wholly-owned subsidiary of CSG, is principally engaged in investment holding.

Financial Information of the OPG Group

Set out below is the audited financial information of the OPG Group extracted from its audited consolidated financial statements for the two financial years ended 31 March 2021 prepared in accordance with the applicable accounting standards:

	For the year ended 31 March 2021 HK\$'000	For the year ended 31 March 2020 HK\$'000
(Loss) before taxation	(31,117)	(4,418)
(Loss) after taxation	(30,655)	(5,575)

Financial effects of the Deemed Disposal

The audited aggregate net asset value of the OPG Group as at 31 March 2021 amounted to approximately HK\$47.4 million.

Based on the audited consolidated financial statements of the OPG Group as at 31 March 2021, the CSG Group expects to record an unaudited loss of approximately HK\$23 million from the Deemed Disposal, being the difference between the net asset value of 32.5% equity interest of the OPG Group as at 31 March 2021 and the net asset value of 29.55% equity interest of the OPG Group as at 31 March 2021 subject to the Deemed Disposal, of which the assets and liabilities are retained at fair value. Such unaudited loss is mainly resulted from the realisation of expenses for the listing of OPG shares on GEM in 2018. Other than that, no significant gain or loss is expected to be resulted from the Deemed Disposal. In any event, the actual gain or loss as a result of the Deemed Disposal to be recorded by CSG is subject to audit and is to be determined as at Completion.

Upon Completion, OPG will cease to be a subsidiary of CSG, and the financial results and financial positions of the OPG Group will no longer be consolidated into, and will be accounted for using the equity method in, the consolidated financial statements of the CSG Group.

Reasons for and Benefits of the Deemed Disposal

As disclosed in the OPG 2021 Annual Report, the OPG Group recorded a decrease in revenue of approximately 84.6% from approximately HK\$80.5 million for the financial year ended 31 March 2020 to approximately HK\$12.4 million for the financial year ended 31 March 2021; and a loss attributable to its owners of approximately HK\$30.7 million for the financial year ended 31 March 2021 as compared to that of approximately HK\$5.6 million for the financial year ended 31 March 2020. Meanwhile, as at 31 March 2021, the OPG Group recorded a decrease in net assets from approximately HK\$75.8 million to HK\$47.4 million.

The foregoing decrease in the revenue and increase in the loss attributable to equity holders of OPG were primarily due to the suspension of a majority of the international flights to Thailand resulting in a substantial drop of the Chinese tourists' spending in Thailand amid the outbreak of the COVID-19 pandemic, and hence a significant decrease in the transaction volume via UnionPay processed by the OPG Group for the year ended 31 March 2021 as compared with that of the preceding financial year as disclosed in the OPG 2021 Annual Report. It is uncertain as to when the international flights to Thailand would be completely resumed and when would the merchant acquiring market in Thailand would be completely recovered.

Taking into account the financial position of the OPG Group as well as the business environment in which the OPG Group is engaged associated with the continuing uncertainties in the merchant acquiring market in Thailand, the CSG Group is skeptical of the future prospect and growth of the merchant acquiring market in Thailand and intends to make a gradual shift of its business and operational focus, and hence re-allocate its investment and resources, to its other two existing business segments (i.e. the prepaid card and internet payment business as well as the prestige benefits business in the PRC) in the long run.

As disclosed in the section headed "Financial effects of the Deemed Disposal" above, an unaudited loss of approximately HK\$23 million is expected to be recorded by the CSG Group from the Deemed Disposal, which is largely attributable to the realisation of expenses for the listing of OPG Shares on GEM in 2018. The CSG Board considers that such loss would be in any event inevitable if the CSG Group endeavours to mitigate the loss arising from its investment in the merchant acquiring business in line with its strategy. As such, the CSG Directors consider that the effect of the deconsolidation of the OPG Group's accounts from the CSG Group is justified and the hence Deemed Disposal is fair and reasonable and in the interest of CSG and the CSG Shareholders as a whole.

III. GENERAL

Save for Mr. Lin Xiaofeng, both an executive director of CSG and an executive director of OPG, having voluntarily abstained from voting on the resolution(s) of each of the OPG Board and the CSG Board approving the Placing Agreement and the Deemed Disposal as well as the transactions contemplated thereunder, respectively (as the case may be), no director of CSG (or director of OPG, as the case may be) has a material interest or is required to abstain from voting on the said resolution(s).

As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” under the section headed “The Placing Agreement” in this joint announcement, the Placing may or may not proceed. OPG Shareholders, CSG Shareholders and potential investors should exercise caution when dealing in the OPG Shares and the CSG Shares (as the case may be).

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Codes
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Business Day(s)”	a day (excluding a Saturday, Sunday or public or statutory holiday in Hong Kong and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours
“BVI”	British Virgin Islands
“CB Placing”	the placing of Convertible Bonds pursuant to the placing agreement dated 10 June 2020 entered into between OPG and the Placing Agent as the placing agent, completion of which took place on 26 June 2020

“Charm Act”	Charm Act Group Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of CSG and a controlling shareholder of OPG
“chief executive”	has the meaning ascribed to it under the GEM Listing Rules
“Completion”	actual completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	the date on which Completion takes place
“Conditions Precedent”	conditions precedent to Completion as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Convertible Bonds”	the convertible bonds in the aggregate principal amount of HK\$11,850,000 issued by OPG on 26 June 2020
“CSG”	China Smartpay Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM (Stock Code: 8325)
“CSG Board”	board of CSG Director(s)
“CSG Director(s)”	director(s) of CSG
“CSG Group”	CSG and its subsidiaries
“CSG Share(s)”	ordinary share(s) of a nominal or par value of HK\$0.01 each in the share capital of CSG
“CSG Shareholder(s)”	holder(s) of the CSG Share(s)
“Deemed Disposal”	deemed disposal of the shareholding interest of CSG in OPG as a result of the dilution of shareholding interest of CSG in OPG upon the allotment and issue of the Placing Shares by OPG, which constitutes a discloseable transaction for CSG under the GEM Listing Rules
“GEM”	GEM of the Stock Exchange

“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the OPG Directors to allot, issue and otherwise deal with up to 200,000,000 OPG Shares, representing 20% of the total number of the issued OPG Shares as at the annual general meeting of OPG held on 27 August 2020
“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)”	person(s) or entity(ies) who is (are) third party(ies) independent of, and not connected with, OPG, CSG and any of their respective connected persons
“Long Stop Date”	23 July 2021 (or such later date as may be agreed by the parties to the Placing Agreement in writing)
“OPG”	Oriental Payment Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM (Stock Code: 8613)
“OPG Board”	board of OPG Director(s)
“OPG Director(s)”	director(s) of OPG
“OPG Share(s)”	ordinary share(s) of a nominal or par value of HK\$0.01 each in the share capital of OPG
“OPG Shareholder(s)”	holder(s) of the OPG Share(s)
“Placee(s)”	any institutional, corporate or independent individual investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement

“Placing Agent”	SBI China Capital Financial Services Limited (軟庫中華金融服務有限公司), a corporation licensed to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 9 July 2021 entered into between OPG and the Placing Agent in respect of the Placing
“Placing Period”	the period commencing from the date of the Placing Agreement and ending on the date falling on the tenth Business Day thereafter (i.e. 23 July 2021) (both dates inclusive)
“Placing Price”	HK\$0.07 per Placing Share (exclusive of the Stock Exchange trading fee, SFC transaction levy, investor compensation levy, CCASS stock settlement fee and brokerage as may be payable by the Placees in respect of the Placing Shares)
“Placing Share(s)”	a total of up to a maximum of 100,000,000 OPG Shares to be placed by the Placing Agent pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which shall, for the purpose of this joint announcement, exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as may be amended from time to time
“Specified Event”	an event occurring or matter arising on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the undertakings, warranties and representations contained in the Placing Agreement untrue or incorrect in any material respect and such would have a material adverse impact or effect on the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC (as may be amended from time to time)
“%”	per cent.

By Order of the OPG Board
Oriental Payment Group Holdings Limited
Dr. Ng Kit Chong
Chairman

By Order of the CSG Board
China Smartpay Group Holdings Limited
Mr. Zhang Xi
Chairman

Hong Kong, 9 July 2021

As at the date of this joint announcement, the OPG Board comprises (i) Dr. Ng Kit Chong and Mr. Lin Xiaofeng as executive directors; (ii) Mr. Xiong Wensen as non-executive director; and (iii) Mr. Chung, Wai Chuen Alfred, Ms. Huang Ping and Mr. Ng Ka Po as independent non-executive directors.

As at the date of this joint announcement, the CSG Board comprises (i) Mr. Zhang Xi, Mr. Wu Hao, Mr. Lin Xiaofeng and Mr. Song Xiangping as executive directors; and (ii) Mr. Wang Yiming, Mr. Lu Dongcheng and Dr. Yuan Shumin as independent non-executive directors.

This joint announcement, for which the OPG Directors or the CSG Directors (as the case may be) 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 OPG or CSG (as the case may be). The OPG Directors and the CSG Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint 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 joint announcement misleading.

This joint announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the websites of each of OPG at www.ocg.com.hk and CSG at <http://www.chinasmartpay.com>, respectively.