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ORIENTAL PAYMENT GROUP HOLDINGS LIMITED

東方支付集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8613)

**INSIDE INFORMATION
MEMORANDUM OF UNDERSTANDING
IN RELATION TO
THE PROPOSED ACQUISITION OF 67% EQUITY INTERESTS IN
ALLDEBIT PTE. LTD.**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

THE MOU

The Board hereby announces that after trading hours on 28 January 2022, the Company entered into the MOU with the Vendors, pursuant to which the Company as purchaser intends to acquire, and the Vendors as seller intend to sell, the Sale Shares subject to, *inter alia*, the entering into of the Formal Agreement and in accordance with its terms and conditions.

GENERAL

The Proposed Acquisition, if materialised, may constitute a notifiable transaction of the Company under the GEM Listing Rules and the Company will comply with the relevant notification and reporting requirements under the GEM Listing Rules, where appropriate. Further announcement(s) will be made by the Company in accordance with the requirements of the GEM Listing Rules in the event that any Formal Agreement has been entered into between the Company and the Vendors.

The Board wishes to emphasise that save for certain provisions in the MOU which are legally binding as mentioned in this announcement, no legally binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. As such, the Proposed Acquisition may or may not proceed. Moreover, Completion will be subject to certain conditions precedent set out in the Formal Agreement which may not be able to be fulfilled. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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THE MOU

Principal terms of the MOU are summarised below:

Date: : 28 January 2022 (after trading hours)

Parties: : (i) Vendor A
(ii) Vendor B
(iii) the Company

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendors is a third party independent of and not connected with the Company and its connected persons.

Assets intended to be acquired

Subject to the results of the Due Diligence Review (as defined below) on the Target Company being satisfactory to the Company, the terms and conditions of the Formal Agreement being agreed and/or executed and the satisfaction (or waiver, as the case may be) of the conditions precedent, it is the intention of the Vendors and the Company that the Company will acquire from the Vendors, and the Vendors will sell to the Company, the Sale Shares.

Due diligence

After signing of the MOU, the Company shall be entitled to carry out a due diligence review and investigation on the Target Company in business, financial and legal aspects, including but not limited to its assets, liabilities, contracts, commitments and accounts (the “**Due Diligence Review**”). In order to facilitate the Due Diligence Review, the Vendors shall provide, and shall use their respective reasonable endeavours to procure the Target Company to provide, upon reasonable notice, to the Company such information, data and documents relating to the Target Company, and within business hours, such access to the premises and all books, title deeds, records, accounts and other documentation of the Target Company as the Company may from time to time reasonably request.

Formal Agreement

The Company and the Vendors agree to proceed to negotiate with a view to finalising detailed terms and conditions of the Formal Agreement based on the provisions of the MOU following the execution of the MOU. The Company and the Vendors acknowledge that it is the intention of the parties thereto to finalise such detailed terms and conditions and to execute the Formal Agreement within six (6) months from the date of the MOU, or such later date as the Company and the Vendors may otherwise agree in writing.

Consideration

The Consideration payable by the Company for the Sale Shares will be subject to further negotiation between the Company and the Vendors and shall be payable by the Company to each of the Vendors by way of allotment and issuance of new Shares as Consideration Shares.

Subject to the negotiation between the Vendors and the Company, to the extent that the whole or any part of the Consideration comprise any new Shares to be issued by the Company, the issue price of each Consideration Share shall be HK\$0.2 per Share, subject to the applicable laws, rules and regulations (including but not limited to the GEM Listing Rules).

The Consideration shall be determined after arm's length negotiation and mutual agreement between the Vendors and the Company and be agreed and detailed in the Formal Agreement. The Company shall make reference to the valuation to be conducted by an independent valuer which is mutually agreed by the Company and the Vendors, particularly on the businesses and assets of the Target Company.

Conditions precedent

Completion is subject to and conditional upon the fulfilment (or waiver, as the case may be) of the conditions precedent as detailed in the Formal Agreement, which will include, *inter alia*, the following:

- (a) the result of the Due Diligence Review being satisfactory to the Company;
- (b) the monetary authority of Singapore having granted the payment service provider license (in principal) to the Target Company and such license remaining valid and not being revoked as at Completion;
- (c) all applicable laws, rules and regulations (including but not limiting to the GEM Listing Rules) and/or the request by any relevant regulatory and government bodies (including but not limited to the Stock Exchange) for the Proposed Acquisition and the transactions contemplated thereunder having been compliance with (which may include the approval for the Proposed Acquisition and the transactions contemplated thereunder having been sought from the Shareholders at a general meeting of the Company, if applicable);

- (d) the GEM Listing Committee having granted (either unconditionally or subject only to conditions to which neither the Vendors nor the Company may reasonably object) the approval for listing of, and permission to deal in, the Consideration Shares;
- (e) all necessary consents, approvals and/or waivers from and/or filing with the relevant third parties (including, without limitation, the government authorities or regulatory bodies) in relation to, among others, the Proposed Acquisition and the transactions contemplated thereunder; and
- (f) the Company not being aware of any material adverse change of the Target Company having occurred prior to the Completion or being likely to occur whether on or before the Completion.

Save for the aforesaid conditions precedent (b), (c) and (d) which cannot be waived, the Company shall be entitled to waive all or any of the other conditions precedent, in whole or in part, in writing.

Binding effect

The MOU only sets out the intention of the Vendors and the Company for the Proposed Acquisition. Save for certain provisions in relation to, among others, issue price of each Consideration Share to be issued by the Company, costs and expenses, notices, governing law and binding effect, counterparts and termination which shall be binding, the MOU is not legally binding.

Termination

The MOU shall be effective upon the date of execution and shall terminate and be of no force and effect on the earlier of (i) the date on which the Formal Agreement is to be executed or (ii) Long Stop Date, save for certain clauses as specified in the MOU which shall survive and remain to be valid and binding upon the parties thereto after such termination.

Detailed terms and conditions of the Proposed Acquisition and the transactions contemplated thereunder will be subject to further negotiations between the Company and the Vendors and the entering into of the Formal Agreement.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is principally engaged in investment holding, while the Group is principally engaged in merchant acquiring business (the “**Merchant Acquiring Business**”) in Thailand.

INFORMATION ON THE TARGET COMPANY AND THE VENDORS

The Target Company is principally engaged in the business of development of e-commerce applications, specifically for online alternative payment and settlement and development of software and programmes, specifically software solution and internet content development.

As at the date of this announcement, the Target Company is owned as to 33.5% by Vendor A, as to 33.5% by Vendor B and as to 33% by the Company.

Vendor A is a resident of the PRC and is a merchant, who is currently a director of the Target Company.

Vendor B is a resident of Singapore and is a merchant, who is currently a director and the chief executive officer of the Target Company.

REASONS FOR THE PROPOSED ACQUISITION

The Group is principally engaged in the Merchant Acquiring Business. Through the acquisition of 33% equity interests in the Target Company in February 2020, the Group has also engaged in payment processing services to merchants in Singapore through the Target Company as an associate.

As disclosed in the section headed “Management Discussion and Analysis” in the interim report (the “**2021 Interim Report**”) of the Company for the six months ended 30 September 2021, the 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, which continuously affected Chinese tourists’ spending in Thailand. In particular, the outbreak of the COVID-19 pandemic, which led to the continuous suspension of a majority of the international flights to Thailand, resulted in a material adverse effect to the income of the Group.

In order to reduce the business risks in reliance upon tourism, the Group is exploring investment opportunities in online and offline payment related business in Asia Pacific and other investment opportunities in new economies such as the fintech industry and IT industry in the PRC, and in particular, in the Guangdong – Hong Kong – Macau Greater Bay Area.

As disclosed in the 2021 Interim Report, on one hand, the Group will stay alert to the development and situation of the COVID-19 pandemic, continue to assess its impacts on the financial position and operating results of the Group and take necessary actions to maintain the stability and sustainability of the businesses; and on the other hand, the Group will also continue to closely monitor the market conditions and adjust the Group’s business strategies to cope with the fluctuations in the transaction value derived from its merchant network.

By acquiring all the remaining equity interests in the Target Company from the Vendors, the Group is able to exercise control over all the businesses and resources (including but not limited to the payment service provider license to be obtained by the Target Company on or before Completion) of the Target Company with full and complete access to the know-how, experience, network and technologies of the Target Company, which may be further utilised, exploited and/or shared with its other payment-related businesses in other regions in Asia Pacific, which may bring synergy effect to the overall payment-related businesses of the Group. Meanwhile, the Proposed Acquisition will also enable the Group to expand its market shares in the payment related market in Singapore and is expected to diversify risks associated with the geographical location at which the Merchant Acquiring Business primarily operates and to generate a new stream of income under its broadened business portfolio, which may bring better returns to the Shareholders in the long term.

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The Board wishes to emphasise that save for certain provisions in the MOU which are legally binding as mentioned in this announcement, no legally binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement. As such, the Proposed Acquisition may or may not proceed. Moreover, Completion will be subject to certain conditions precedent set out in the Formal Agreement which may not be able to be fulfilled. Shareholders and potential investors of the Company are advised 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:

“Board”	board of Director(s)
“Company”	Oriental Payment Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM with stock code: 8613
“Completion”	completion of the Proposed Acquisition and the transactions contemplated thereunder in accordance with the Formal Agreement
“Consideration”	consideration payable by the Company for the sale and purchase of the Sale Shares to be determined in the Formal Agreement
“Consideration Share(s)”	such number of new Share(s) to be allotted and issued by the Company in settlement of the Consideration
“connected person(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company

“Formal Agreement(s)”	legally binding agreement(s) to be entered into between each of the Vendors and the Company in relation to, <i>inter alia</i> , the Proposed Acquisition and the transactions contemplated thereunder as well as incorporating the terms and conditions set out in the MOU
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	GEM Listing Committee 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
“Long Stop Date”	six months from the date of the MOU (or such later date as the Vendors and the Company may otherwise agree in writing)
“MOU”	memorandum of understanding dated 28 January 2022 entered into between the Company and the Vendors setting out their preliminary understanding and intention in relation to the Proposed Acquisition
“Proposed Acquisition”	proposed acquisition of the Sale Shares by the Company from the Vendors
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, exclude, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale Shares A”	239,525 ordinary shares of the Target Company held by Vendor A, representing 33.5% of the total issued share capital of the Target Company as at the date of this announcement
“Sale Shares B”	239,525 ordinary shares of the Target Company held by Vendor B, representing 33.5% of the total issued share capital of the Target Company as at the date of this announcement
“Sale Share(s)”	collectively, Sale Shares A and Sale Shares B

“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value 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”	Alldebit Pte. Ltd., a company incorporated in Singapore with limited liability, comprising 715,000 issued shares, 235,950 shares of which are owned by the Company, representing 33% of the total issued share capital of the Target Company as at the date of this announcement
“Vendor(s)”	collectively, Vendor A and Vendor B
“Vendor A”	Ms. Jiang Zhengyan
“Vendor B”	Mr. Tham Kar Wai Derrick (Tan Jiawei Derrick)
“%”	per cent.

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

Hong Kong, 28 January 2022

As at the date of this announcement, the Board comprises Dr. Ng Kit Chong and Mr. Lin Xiaofeng as executive Directors, Mr. Xiong Wensen and Mr. Shiu Shu Ming as non-executive Directors and Mr. Chung, Wai Chuen Alfred, Ms. Huang Ping and Mr. Ng Ka Po as independent non-executive Directors.

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 “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 website of the Company at www.ocg.com.hk.