



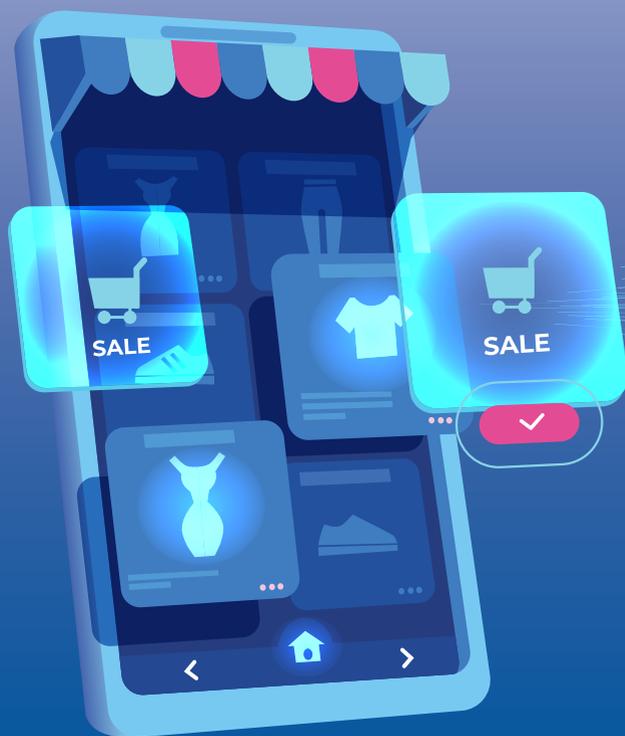
ORIENTAL PAYMENT GROUP

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



2022

FIRST QUARTERLY REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the “**Directors**”) of Oriental Payment Group Holdings Limited (the “**Company**”) 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 (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 report 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 report misleading.*

RESULTS

The board (the “**Board**”) of Directors hereby announces the unaudited condensed consolidated financial statements (the “**First Quarterly Financial Statements**”) of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 30 June 2022 (the “**Reporting Period**”), together with the comparative figures of the corresponding period in 2021 (the “**Corresponding Period**” or “**2021**”), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2022

	Notes	For the three months ended 30 June	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	2	2,463	1,428
Cost of services rendered		(1,774)	(919)
Gross profit		689	509
Other income	3	364	654
General administrative expenses		(7,925)	(4,824)
Selling and distribution costs		(3,347)	(2,316)
Finance costs	4	(1,477)	(1,395)
Share of results of an associate		–	(329)
Loss before tax	4	(11,696)	(7,701)
Income tax expenses	5	–	(73)
Loss for the period		(11,696)	(7,774)
Attributable to:			
Equity holders of the Company		(11,696)	(7,774)
		HK cents	HK cents
Loss per share attributable to equity holders of the Company			
Basic	6	(0.97)	(0.78)
Diluted	6	(0.97)	(0.78)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the three months ended 30 June 2022

	For the three months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Loss for the period	(11,696)	(7,774)
Other comprehensive (loss) income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Share of other comprehensive loss of an associate – exchange difference on translation	–	3
Exchange difference on translation of foreign subsidiaries	(352)	(352)
Other comprehensive loss for the period, net of tax	(352)	(349)
Total comprehensive loss for the period	(12,048)	(8,123)
Total comprehensive loss attributable to:		
Equity holders of the Company	(12,048)	(8,123)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2022

	Attributable to equity holders of the Company							
	Share capital HK\$'000	Share premium HK\$'000 (Note 9(a))	Capital reserve HK\$'000 (Note 9(b))	Convertible bonds reserve HK\$'000 (Note 8)	Exchange reserve HK\$'000 (Note 9(c))	Statutory reserve HK\$'000 (Note 9(d))	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2021 (audited)	10,000	31,510	37,529	876	1,473	1,199	(35,139)	47,448
Loss for the period	-	-	-	-	-	-	(7,774)	(7,774)
Other comprehensive income (loss)								
<i>Items that may be reclassified subsequently to profit or loss</i>								
Share of other comprehensive loss of an associate – exchange difference on translation	-	-	-	-	3	-	-	3
Exchange difference on translation of foreign subsidiaries	-	-	-	-	(352)	-	-	(352)
Total comprehensive loss for the period	-	-	-	-	(349)	-	(7,774)	(8,123)
At 30 June 2021 (unaudited)	10,000	31,510	37,529	876	1,124	1,199	(42,913)	39,325

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the three months ended 30 June 2022

	Attributable to equity holders of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000 (Note 9(a))	Capital reserve HK\$'000 (Note 9(b))	Convertible bonds reserve HK\$'000 (Note 8)	Exchange reserve HK\$'000 (Note 9(c))	Statutory reserve HK\$'000 (Note 9(d))	Accumulated losses HK\$'000	
At 1 April 2022 (audited)	12,000	44,963	37,529	876	622	1,199	(73,645)	23,544
Loss for the period	-	-	-	-	-	-	(11,696)	(11,696)
Other comprehensive loss <i>Item that may be reclassified subsequently to profit or loss</i>								
Exchange difference on translation of foreign subsidiaries	-	-	-	-	(352)	-	-	(352)
Total comprehensive loss for the period	-	-	-	-	(352)	-	(11,696)	(12,048)
At 30 June 2022 (unaudited)	12,000	44,963	37,529	876	270	1,199	(85,341)	11,496

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2022

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Oriental Payment Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 19 January 2018 as an exempted company with limited liability. The Company’s shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 October 2018. The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. The Company’s principal place of business is situated at Unit 2606, 26/F, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in merchant acquiring business in Thailand. The Group has also engaged in payment processing services to merchants in Singapore through an associate.

The unaudited condensed consolidated financial statements (the “**First Quarterly Financial Statements**”) have been prepared in accordance with the applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of the GEM Listing Rules.

The preparation of the First Quarterly Financial Statements requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses on a year to date basis. Actual results may differ from these estimates.

The First Quarterly Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial performance of the Group since 31 March 2022, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the HKFRSs which collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA. They shall be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 March 2022 (the “**2022 Audited Consolidated Financial Statements**”).

The accounting policies and methods of computation applied in the preparation of the First Quarterly Financial Statements are consistent with those applied in the preparation of the 2022 Audited Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the three months ended 30 June 2022

1. GENERAL INFORMATION AND BASIS OF PREPARATION *(Continued)*

The First Quarterly Financial Statements have been prepared on the historical costs basis and presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for both periods.

At the date of authorisation of the First Quarterly Financial Statements, the Group has not early adopted the new/revised HKFRSs that have been issued but are not yet effective.

2. REVENUE

	For the three months ended 30 June	
	2022 HK\$’000 (unaudited)	2021 HK\$’000 (unaudited)
Revenue from contracts with customers within HKFRS 15		
Merchant discount rate income (“ MDR income ”)	1,740	1,171
Marketing and distribution service income	10	8
Environmental, Social and Governance (“ ESG ”) consultancy services income	150	–
ESG reporting services income	118	–
	2,018	1,179
Revenue from other sources		
Foreign exchange rate discount income	445	249
	2,463	1,428

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the three months ended 30 June 2022

3. OTHER INCOME

	For the three months ended	
	30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank interest income	6	10
HKSAR Government subsidies	136	–
Other interest income	187	644
Sundry income	35	–
	<hr/>	<hr/>
	364	654

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the three months ended 30 June 2022

4. LOSS BEFORE TAX

This is stated after charging:

	For the three months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Finance costs		
Effective interest expenses on convertible bonds	752	635
Finance charges on lease liabilities	9	5
Interest expenses for financial liabilities at amortised cost	342	755
Interest expenses on bond payable	374	–
	1,477	1,395
Staff costs, including key management's remuneration		
Salaries, allowances and other short-term employee benefits	3,790	3,635
Contributions to defined contribution plans	63	66
	3,853	3,701
Other items		
Amortisation of intangible assets (included in "Selling and distribution costs")	401	455
Depreciation of property, plant and equipment	776	1,179
Depreciation of right-of-use assets	374	265

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the three months ended 30 June 2022

5. INCOME TAX EXPENSES

	For the three months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Deferred tax		
Reversal of over provision of deferred tax assets in prior year	–	73
Income tax expenses for the period	–	73

(a) Hong Kong Profits Tax

Hong Kong Profits Tax at the rate of 16.5% (2021: 16.5%) has not been provided as the Group incurred a loss for taxation purpose for the periods.

(b) Income taxes outside Hong Kong

The group entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax of the respective jurisdiction.

Thailand Enterprise Income Tax at the rate of 20% (2021: 20%) has not been provided as the Group's operation in Thailand incurred a loss for taxation purposes for the periods.

Cambodia Corporate Income Tax at the rate of 20% (2021: 20%) has not been provided as the Group's operation in Cambodia has not yet commenced its business for the periods.

Dividends payable by a foreign invested enterprise in Thailand to its foreign investors are subject to a 10% (2021: 10%) withholding tax, unless any foreign investor's jurisdiction of incorporation has a tax treaty with Thailand that provides for a different withholding arrangement.

Dividends payable by an enterprise in Cambodia to its foreign investors are subject to a 14% (2021: 14%) withholding tax.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the three months ended 30 June 2022

6. LOSS PER SHARE

Basic loss per share is calculated on the loss for the period ended 30 June 2022 attributable to the equity holders of the Company of approximately HK\$11,696,000 (2021: approximately HK\$7,774,000) and on the weighted average number of 1,200,000,000 ordinary shares (2021: 1,000,000,000 ordinary shares) in issue during the period ended 30 June 2022.

Diluted loss per share is the same as basic loss per share as the effect of potential ordinary shares has anti-dilutive effects during the periods.

7. DIVIDENDS

The Directors did not recommend a payment of a dividend for the three months ended 30 June 2022 (2021: Nil).

8. CONVERTIBLE BONDS

On 26 June 2020 (the “**Bond Issue Date**”), the Company issued convertible bonds (the “**Convertible Bonds**”), with a coupon interest rate of 7% per annum, in an aggregate principal amount of HK\$11,850,000 to not less than six independent placees who, and where applicable, whose ultimate beneficial owners were independent third parties. The Convertible Bonds shall be initially mature on the date (the “**Maturity Date**”) falling upon the expiry of two years from the Bond Issue Date or if such date is not a business day, the immediate preceding business day (which is 24 June 2022). Details of the placing of the Convertible Bonds are set out in the joint announcements of the Company and China Smartpay Group Holdings Limited (“**China Smartpay**”), the former ultimate holding company, dated 10 June 2020 and 26 June 2020 respectively.

On 24 June 2022, the Company executed the addendum (the “**Addendum**”) to amend and/or alter the terms and conditions of the Convertible Bonds with a view to giving effect to the extension of the maturity date of the Convertible Bonds for a period of six months to 23 December 2022 (the “**Extended Maturity Date**”) and all other terms and conditions of the Convertible Bonds remain unchanged.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the three months ended 30 June 2022

8. CONVERTIBLE BONDS *(Continued)*

The Addendum and the terms and conditions of the Convertible Bonds (as amended by the Addendum) shall take effect subject to the fulfilment of all the conditions precedent as set out in the Addendum. If any of the conditions precedent is not fulfilled on or before 30 September 2022 (or such later date as may be mutually agreed by the Company and the bondholders), the Addendum shall lapse and terminate. None of the conditions precedent is waivable by the Company and bondholders. Details of the Addendum are set out in the announcement of the Company dated 24 June 2022.

The coupon interest is accrued on a day-to-day basis on the principal amount of the Convertible Bonds outstanding and shall only be payable by the Company semi-annually in arrears on the dates falling six months and one year after the Bond Issue Date and on the anniversary(ies) of such dates for each year thereafter up to and including the Maturity Date (or the Extended Maturity Date if the Addendum takes effect, as the case may be). Bondholders will be entitled to receive an additional interest at the rate of 10% per annum from the Bond Issue Date up to and including the Maturity Date (or the Extended Maturity Date if the Addendum takes effect, as the case may be) chargeable on the principal amount of the Convertible Bonds, which will be payable by the Company on the Maturity Date (or the Extended Maturity Date if the Addendum takes effect, as the case may be), if they have not converted any of their Convertible Bonds into new shares of the Company.

The Convertible Bonds can be converted into a maximum number of 79,000,000 ordinary shares of the Company at the initial conversion price of HK\$0.15 per share of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the three months ended 30 June 2022

8. CONVERTIBLE BONDS *(Continued)*

The Convertible Bonds recognised at the end of the following respective reporting periods are calculated as follow:

	HK\$'000
Liability component	
At 31 March 2021 (audited)	11,859
Effective interest expenses	2,637
Interest accrued	(827)
<hr/>	
At 31 March 2022 (audited)	13,669
<hr/>	
Effective interest expenses (Note 4)	752
Interest accrued	(2,571)
<hr/>	
At 30 June 2022 (unaudited)	11,850
<hr/>	
Equity component	
Nominal value of the Convertible Bonds	11,850
Fair value of liability component at the Bond Issue Date	(10,951)
Issue costs	(23)
<hr/>	
At 31 March 2021 (audited), at 31 March 2022 (audited) and at 30 June 2022 (unaudited)	 876
<hr/>	

9. RESERVES

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the law of the Cayman Islands and the Company's articles of association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the three months ended 30 June 2022

9. RESERVES *(Continued)*

(b) Capital reserve

The capital reserve represents:

- (i) the aggregate amount of the nominal value of the registered capital of the companies comprising the Group less consideration paid to acquire the relevant interests, after adjusting the registered capital held by those attributable to the non-controlling interests (if any); and
- (ii) listing expenses and other listing expenses borne by China Smartpay as a capital contribution from China Smartpay, which was recorded in the Group's equity.

(c) Exchange reserve

Exchange reserve of the Group comprises all foreign exchange differences arising from translation of the financial statements of the Group's subsidiaries and an associate.

(d) Statutory reserve

In accordance with the relevant laws and regulations in Thailand, Oriental City Group (Thailand) Co., Ltd. is required to appropriate not less than 5% of its net profit to the statutory reserve upon each dividend distribution, until the statutory reserve reaches 10% of its registered authorised capital. The statutory reserve is not available for dividend distribution.

10. OTHER EVENTS

On 17 May 2022, the Company entered into a placing agreement (the "**Placing Agreement**") with three placing agents (the "**Placing Agents**"), pursuant to which the Company agreed to place through the Placing Agents up to a maximum of 150,000,000 placing shares (the "**Placing Share(s)**") to not less than six placees (the "**Placees**") at a placing price of HK\$0.2 per Placing Share on a best effort basis. As certain conditions precedent set out in the Placing Agreement were not fulfilled on or prior to the long stop date (i.e. 31 July 2022), the Placing Agreement has terminated and the placing thereunder has therefore lapsed. For details, please refer to the Company's announcements dated 17 May 2022 and 31 July 2022 respectively.

11. APPROVAL OF THE FIRST QUARTERLY FINANCIAL STATEMENTS

The First Quarterly Financial Statements were approved by the Board on 9 August 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND OUTLOOK

The Group is an established merchant acquirer in providing a suite of comprehensive payment processing services to merchants of all sizes frequently visited by Chinese tourists in Thailand. The Group has also engaged in payment processing services to merchants in Singapore through an associate.

The Group has three main income streams derived from the merchant acquiring business, including (i) the MDR income; (ii) the foreign exchange rate discount income; and (iii) the marketing and distribution service income. For each successful transaction processed by the Group via its point-of-sale terminals, the MDR income is generated from its merchants based on certain percentage of the transaction value. The Group's foreign exchange rate discount income is derived from its daily settlement with UnionPay International (“UPI”) whereby a favourable spot exchange rate of Baht to United States dollars (“US\$”) is offered by UPI for translating the nominated transaction value in Baht. The marketing and distribution service income represents the income derived from developing marketing channels for expanding the use of payment service system through its merchant network.

During the Reporting Period, the Group continuously faced the impact of the coronavirus disease 2019 (and other related or mutated form) (the “COVID-19”) pandemic, which significantly affected Chinese tourists' spending in Thailand and thus resulted in a material adverse effect to the income of the Group. However, the Group believed that the Chinese tourists' spending in Thailand is steadily recovering. In order to reduce the business risks in reliance upon tourism, the Group has engaged information technology companies to provide research and design services on other payment related software development, so that it can explore the expansion of businesses relating to payment, marketing and value-added which focus on local consumption in Asia Pacific (including Hong Kong), and businesses relating to cross-border e-commerce collection and payment.

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. 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.

FINANCIAL REVIEW

Revenue

For the Reporting Period, the Group recorded a total revenue of approximately HK\$2,463,000 (2021: approximately HK\$1,428,000) derived from the merchant acquiring business and the ESG consultancy and reporting business, which included (i) the MDR income of approximately HK\$1,740,000 (2021: approximately HK\$1,171,000); (ii) the foreign exchange rate discount income of approximately HK\$445,000 (2021: approximately HK\$249,000); (iii) the ESG consultancy services income of approximately HK\$150,000 (2021: Nil); (iv) the ESG reporting services income of approximately HK\$118,000 (2021: Nil); and (v) the marketing and distribution service income of approximately HK\$10,000 (2021: approximately HK\$8,000). There were increases in the MDR income and foreign exchange rate discount income by approximately HK\$569,000 and HK\$196,000 respectively when comparing with those in the Corresponding Period. The increases in these two income streams were primarily due to the facts that the Chinese tourists' spending in Thailand is steadily recovering, and hence an increase in the transaction volume via UnionPay processed by the Group for the Reporting Period was recorded as compared with that of the Corresponding Period. The ESG consultancy and reporting services income and marketing and distribution service income are considered as not significant to the Group's revenue for the Reporting Period.

Cost of services rendered

Cost of services rendered of the Group includes the IT network service fee and franchise license fee for the merchant acquiring business and staff costs for the ESG consultancy and reporting business. The total cost of services rendered for the Reporting Period amounted to approximately HK\$1,774,000 (2021: approximately HK\$919,000). The increase in cost of services rendered of approximately 93.0% was mainly resulted from the increase in the transaction volume via UnionPay processed by the Group for the Reporting Period as compared with that of the Corresponding Period and there were no staff costs incurred for the ESG consultancy and reporting business for the Corresponding Period.

Gross profit and gross profit margin

The gross profit for the Reporting Period amounted to approximately HK\$689,000, representing an increase of approximately HK\$180,000 or approximately 35.4% as compared with that of approximately HK\$509,000 for the Corresponding Period. The gross profit margin decreased from 35.6% for the Corresponding Period to 28.0% for the Reporting Period which was mainly due to gross loss on the ESG consultancy and reporting business.

General administrative expenses

The general administrative expenses of the Group for the Reporting Period amounted to approximately HK\$7,925,000 (2021: approximately HK\$4,824,000). The increase in general administrative expenses by approximately 64.3% was mainly due to the increment in the research and development expenses.

Selling and distribution costs

The Group recorded selling and distribution costs of approximately HK\$3,347,000 for the Reporting Period (2021: approximately HK\$2,316,000). The increase in selling and distribution costs was mainly due to the increment in the business development expenses.

Finance costs

The finance costs amounted to approximately HK\$1,477,000 for the Reporting Period (2021: approximately HK\$1,395,000). The amount represented (i) the effective interest expenses on the convertible bonds, (ii) the finance costs on lease liabilities, (iii) the finance costs on financial liabilities at amortised cost, and (iv) the finance costs of bond issued. Details of the finance costs are set out in Note 4 to the condensed consolidated financial statements.

Loss for the period

The Group recorded a net loss attributable to owners of the Company of approximately HK\$11,696,000 for the Reporting Period (2021: approximately HK\$7,774,000). The increase in net loss was mainly attributable to the increment in the research and development expenses and business development expenses for the Reporting Period.

Dividend policy

The Group currently does not have a pre-determined dividend payout ratio. Dividends may be paid out by cash or other means that the Group considers appropriate. The declaration and payment of any interim dividends would require the recommendation of the Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to the shareholders' approval. A decision to declare or to pay any dividend in the future, and the amount of any dividends, depends on a number of factors, including the operation performance, financial condition, the payment by the subsidiaries of cash dividends to the Group, and other factors the Board may deem relevant. There is no assurance that the Group will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all.

The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Board in the future.

The Board did not recommend a payment of dividend for the Reporting Period (2021: Nil).

Treasury policy

The Group has adopted a prudent financial management approach towards its treasury policies and had maintained a healthy liquidity position throughout the Reporting Period. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

Foreign exchange exposure

The Group mainly operates in Thailand with transactions denominated in Baht. The Group exposes to foreign exchange risks as the Group's trade receivables are denominated in US\$. The Directors and senior management have monitored the related foreign exchange risk exposure closely. Pursuant to a written foreign currency hedging policy approved by the Board, the Group will enter into foreign currency forward contracts should the needs arise. As at 30 June 2022, the Group had no outstanding foreign currency forward contracts for the exchange of US\$ with Baht (31 March 2022: the Group had no outstanding foreign currency forward contracts). The Directors and senior management will continue to monitor the foreign exchange exposure and will consider other applicable derivatives when necessary. The Group did not have other derivatives for hedging against the foreign exchange rate risk as at 30 June 2022.

Contingent liabilities

As at 30 June 2022, the Group did not have any material contingent liabilities (2021: Nil).

Significant investment, material acquisitions and disposals

During the Reporting Period, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries and affiliated companies (2021: Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, the interests and/or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and/or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name	Capacity/ Nature of interest	Number of shares (Note 1)	Appropriate percentage of interest in the Company (Note 2)
Mr. Tsang Chi Kit ("Mr. Tsang")	Interest in a controlled corporation (Note 3)	200,000,000(L)	16.67%
Mr. Shiu Shu Ming ("Mr. Shiu")	Interest in a controlled corporation (Note 4)	41,000,000(L)	3.42%

Notes:

- (1) "L" denotes long position and "S" denotes short position.
- (2) The calculation is based on the total number of 1,200,000,000 shares of the Company in issue as at 30 June 2022.
- (3) Mr. Tsang holds the entire issued share capital of Gold Track Ventures Limited ("**Gold Track**"). Gold Track, in turn, directly holds 200,000,000 shares of the Company. Accordingly, Mr. Tsang is deemed to be interested in such number of shares of the Company in which Gold Track is interested for the purpose of the SFO.
- (4) Mr. Shiu holds the entire issued share capital in Best Practice Limited ("**Best Practice**"). Pursuant to the disclosure of interest notice filed by Best Practice on 16 March 2022, 41,000,000 shares of the Company have been pledged to Best Practice pursuant to a loan agreement dated 14 March 2022 entered into between an independent third party as chargor and Best Practice as lender. Accordingly, Mr. Shiu is deemed to be interested in such number of shares of the Company in which Best Practice is interested for the purpose of the SFO.

Save as disclosed above, as at 30 June 2022, none of the Directors or chief executive of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company and/or any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the Reporting Period, the Directors and the chief executive of the Company (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and/or its associated corporations (within the meaning of the SFO).

At no time during the Reporting Period was the Company, any of its subsidiaries, its associated companies, its fellow subsidiaries or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the shares, underlying shares, or debentures of the Company and/or its associated corporations (within the meaning of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2022, so far as known to the Directors, the following persons/entities (other than a Director or chief executive of the Company) had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

Name	Capacity/Nature of interest	Number of shares (Note 1)	Approximate percentage of interest in the Company (Note 2)
Rainbow Capital Limited ("Rainbow Capital") (Note 3)	Interest in a controlled corporation	156,260,000 (L)	13.02%
Metagate Investment SPC ("Metagate Investment") (Note 3)	Beneficial owner	156,260,000 (L)	13.02%
Straum Investments Limited ("Straum Investments") (Note 4)	Beneficial owner	138,000,000 (L)	11.50%
Mr. Yu Chun Fai ("Mr. Yu") (Note 4)	Interest in a controlled corporation	138,000,000 (L)	11.50%
Ms. Choi Hiu Wa ("Ms. Choi") (Note 5)	Interests of spouse	138,000,000 (L)	11.50%
Ms. Sui Xiaochun ("Ms. Sui") (Note 6)	Beneficial owner	72,170,000 (L)	6.01%
Original Fortune Group Limited ("Original Fortune") (Note 7)	Beneficial owner	67,500,000 (L)	5.63%
Mr. Sung Hak Keung, Andy ("Mr. Sung") (Note 7)	Interest in a controlled corporation	67,500,000 (L)	5.63%

Notes:

- (1) "L" denotes long position and "S" denotes short position.
- (2) The calculation is based on the total number of 1,200,000,000 shares of the Company in issue as at 30 June 2022.
- (3) Pursuant to the disclosure of interest notices filed by Metagate Investment and Rainbow Capital on 17 May 2022, these 156,260,000 shares of the Company are directly held by Metagate Investment, which is in turn wholly-owned by Rainbow Capital. Accordingly, Rainbow Capital is deemed to be interested in such number of shares of the Company in which Metagate Investment is interested for the purpose of the SFO.
- (4) Mr. Yu holds the entire issued share capital of Straum Investments. Straum Investments, in turn, directly holds 138,000,000 shares of the Company. Accordingly, Mr. Yu is deemed to be interested in such number of shares of the Company in which Straum Investments is interested for the purpose of the SFO.
- (5) Ms. Choi is the wife of Mr. Yu and Mr. Yu is deemed to be interested in the 138,000,000 shares of the Company as stated in Note (4) above. Accordingly, Ms. Choi is deemed to be interested in such number of shares of the Company in which Mr. Yu is deemed to be interested for the purpose of the SFO.
- (6) Pursuant to the disclosure of interest notice filed by Ms. Sui on 2 June 2022, these 72,170,000 shares of the Company are held by her.
- (7) Mr. Sung holds the entire issued share capital of Original Fortune. Original Fortune, in turn, directly holds 67,500,000 shares of the Company. Accordingly, Mr. Sung is deemed to be interested in such number of shares of the Company in which Original Fortune is interested for the purpose of the SFO.

Save as disclosed above, as at 30 June 2022, the Directors were not aware of any other persons (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

None of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

CORPORATE GOVERNANCE

The Company is committed to achieving high standard of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential in providing a framework for the Company to safeguard the interests of its shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and the code provisions in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules as the basis of the Company's corporate governance practices since its listing on GEM of the Stock Exchange on 16 October 2018.

The Board is of the view that during the Reporting Period and up to the date of this report, the Company has complied with all applicable code provisions as set out in the CG Code.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors and controlling shareholders of the Company nor their respective associates (as defined under the GEM Listing Rules) had any interest in any other companies as at 30 June 2022 which may, directly or indirectly compete with the Group's business.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the "**Standard of Dealings**"), as the code of conduct regarding Directors' securities transactions in the securities of the Company. Having made specific enquiries with all Directors, each of the Directors has confirmed that he/she has complied with the Standard of Dealings during the Reporting Period.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 18 September 2018. The purpose of the Share Option Scheme is to grant options (the “**Option(s)**”) to subscribe for the shares of the Company to eligible persons as defined in the Share Option Scheme as incentives or rewards for the service rendered to the Group and any entity in which any member of the Group holds any equity interest.

Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption on 18 September 2018. Since the date of adoption of the Share Option Scheme and up to 30 June 2022, no Option has been granted by the Company. As at the date of this report, the Company has 100,000,000 shares available for issue under the Share Option Scheme (representing approximately 8.33% of the total number of the existing issued shares of the Company as at the date of this report). Details of the Share Option Scheme are set out in the prospectus of the Company dated 27 September 2018.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with specific terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code for the purpose of reviewing and supervising the Company’s financial reporting and internal control procedures. As at 30 June 2022, the Audit Committee comprised three independent non-executive Directors, namely Mr. Chung, Wai Chuen Alfred, Ms. Huang Ping and Mr. Ng Ka Po. Mr. Chung, Wai Chuen Alfred is the chairman of the Audit Committee.

The Group’s First Quarterly Financial Statements have been reviewed by the Audit Committee, which was of the opinion that such statements have complied with the applicable accounting standards and that adequate disclosures have been made.

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

Hong Kong, 9 August 2022

As at the date of this report, the executive Directors are Dr. Ng Kit Chong, Mr. Lin Xiaofeng and Mr. Tsang Chi Kit; the non-executive Directors are Mr. Xiong Wensen and Mr. Shiu Shu Ming; and the independent non-executive Directors are Mr. Chung, Wai Chuen Alfred, Ms. Huang Ping and Mr. Ng Ka Po.